

LETTER FROM THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,

The year 2000 was a year of integration and consolidation for IBA, a year in which solid foundations were laid in order to ensure strong growth in the future.

Indeed, the year 2000 was characterized by 3 major elements:

- the construction of an integrated Group worldwide,
- sustained growth compared with 1999, and
- continued investments to secure even more profitable growth in the future.

Successful integration

In the last few years, IBA has experienced tremendous growth due to the acquisition of seven different companies, all offering technologies and services reinforcing or complementary to its core business. But all these different companies and businesses needed to be integrated. For that very reason, a new management and management structure have been put into place in 2000 in many parts of the organization, and rationalization and optimization efforts have been carried out to maximize IBA's competitive advantage. The IBA mission and values have been shared among all Group members. Today, we are fully equipped to move forward together in the same direction, aiming for ambitious, selective and profitable growth.

Solid growth

The 2000 financial results show for the first time in a full year the integration of the companies acquired by IBA in 1999.

The Group's consolidated sales figure shows growth of 67% increasing to 236 million EUR. The operating result (EBITA) before amortization of goodwill stands at EUR 36.6 million, showing an increase of 27% compared with 28.7 million EUR in 1999. As for the net result Group share, this has increased by 106% and the net current result per share has risen by 13% to 0.95 EUR.

Also, and most importantly, the Group's financial structure has been considerably reinforced by the capital increase in January 2000, which successfully raised 170 million EUR and undeniably contributed to growth in 2000. With a gearing ratio of 35% at December 31, 2000, IBA is in an excellent position to face the future and achieve its ambition of continuous growth.

We would like to take this opportunity to thank in particular all our shareholders for their support, without which this growth would not have been possible. Our thanks also go to all IBA employees everywhere who are committed to IBA's mission and values and have contributed to achieving this growth in 2000.

When seen in the light of the difficulties experienced by the financial markets in 2000, these results inevitably inspire confidence in IBA's firm foundations and future consolidation.

Investments for the future

In 2000, investments totaled 66 million EUR. Of these, 16% were used to extend the medical sterilization business in Europe and Thailand, 19% were allotted to developments in food, to establishing new premises for Analytical Labs in the USA and to starting a new processing facility for Advanced Materials, 20% were used to develop radioisotope production centers in Europe, 22% for R&D in the area of Proton Therapy and 23 % were used for maintenance and renewal of existing facilities and equipment, to a large extent for ensuring cobalt supplies.

Overall perspectives 2001

The objective of IBA in the year 2001 is to improve its profitability while continuing to pursue the optimization measures determined and undertaken during 2000.

The year 2001 will also be a decisive year in the field of proton therapy. We expect to see IBA's efforts in this area come to fruition by obtaining FDA approval in the USA for its cancer radiation therapy system at the Massachusetts General Hospital, Boston. In addition to this, IBA intends to sell a Proton Therapy system before the end of the year.



PHILIPPE DE WOOT
Chairman of the Board of Directors (right)

JEAN-CLAUDE DELOBEL
Chief Executive Officer (left)

Other focal points for IBA in 2001: integration of the acquisition of Eastern Isotopes Inc. and development of the production and distribution of radioisotopes aiming for strong growth in the USA PET markets over the next few years. Such activities together with continued efforts to establish IBA's leadership position in markets offering long-term growth opportunities will require continuous investments and thus mobilization of the Group's financial resources before they can contribute significantly to the growth in profits.

With more than 1300 employees at 49 different sites in 12 countries on 3 continents, IBA is today an established world leader in both its industrial markets (sterilization & ionization) and medical markets (advanced radiotherapy and radioisotopes).

By leveraging its unique expertise in particle accelerator technology, advanced physics and chemistry, IBA continues to fulfil its worldwide mission, that of providing high-value innovative solutions in the areas of health and well-being.

Philippe de Woot

Jean-Claude Delobel