

## Press release

### IBA REPORTS FULL YEAR 2002 RESULTS

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**LOUVAIN-LA-NEUVE, BELGIUM, MARCH 14, 2003** – IBA (Ion Beam Applications, S.A.:IOBA.t.BR) announced today the company's financial results for the full year ended December 31, 2002, meeting its expectations of five to ten percent revenue growth and a moderate increase in EBITDA compared with fiscal 2001.

Revenue for the full year ended December 31, 2002 increased six percent to €272,949,000 compared with €257,627,000 for the previous year, and EBITDA increased two percent to €61,364,000 compared with €60,342,000 for fiscal 2001. The net result after tax and minority interest for 2002 improved from the previous year, with a reported loss of €21,362,000 or € -0.87 per share for the full year ended December 31, 2002 compared with a loss of €24,039,000 or € -0.98 per share for the corresponding period of 2001.

The increase in revenue for the full year 2002 is principally due to a 62 percent increase in sales within the company's Radioisotope Production & Distribution segment (€34 million in 2002 versus €21 million in 2001), with the company's largest business segment, Sterilization & Ionization, reporting a moderate one percent increase in sales year-over-year (€170 million in 2002 versus €168 million in 2001). Sales for the Technology Services & Equipment business segment increased less than one percent (€69 million in 2002 versus €68 million in 2001).

"In a year of economic uncertainty and prolonged volatility in global markets, which affected many of the world's leading companies, IBA continued to implement strategies aimed at improved performance and profitability," said Pierre Mottet, IBA Chief Executive Officer. "We are encouraged by the increases in revenue and EBITDA, and the moderate improvement in IBA's net loss. We are also pleased by the €48.5 million improvement in the company's net debt position during the course of 2002. At the same time, we acknowledge the economic pressures that have impacted our reported gross profit. This will be an area of our business on which we will continue to concentrate," concluded Mottet.

IBA's net debt reduction of approximately 25 percent is attributed primarily to the combined effect of the company's good cash flow – evidenced by IBA's improved year-end cash and investments position (€16 million upturn in 2002 versus 2001) – and the Euro and U.S. dollar exchange rate. Management further noted that the weakened U.S. dollar also contributed to the company's lower than anticipated revenue results for the approximate 70 percent of its business that is U.S. dollar based.

In addition, IBA reported operating expenses of €84,724,000 for the full year ended December 31, 2002 compared with €83,691,000 for the same period 2001. The increase of slightly more than one percent is due primarily to an increase in net research and development (R&D) expenses. Current period R&D spending remained the same as 2001 (€12.1 million in both 2002 and 2001), while increased amortization of previously capitalized costs (€9 million in 2002 versus €7.3 million in 2001) and a lower rate of capitalization of current period costs (€8.5 million in 2002 versus €11 million in 2001) resulted in a net increase of €4.1 million. This increase was partially offset by a €2.2 million reduction in general and administrative expenses, as well as a €1.2 million decrease in the amortization of goodwill.

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Net interest costs for the full year ended December 31, 2002 were €7.6 million greater than fiscal 2001, primarily due to the one-time gain of €5.3 million on treasury stock recognized by IBA in 2001, while extraordinary charges for 2002 were €13,766,000 compared with €26,738,000 reported for fiscal 2001. As a result, IBA reported a reduction of €2.7 million in the company's net loss for 2002 versus 2001.

"IBA has successfully built global leadership positions in many attractive, growing markets," said James F. Clouser, IBA President and Chief Operating Officer. "Furthermore, the company believes that the value of these positions is not reflected in the current trading price of its shares. IBA's board of directors and management team are committed to pursuing programs that will unlock the underlying value of the company's businesses for the benefit of its shareholders."

"Looking ahead," continued Clouser, "we expect continued year-over-year revenue growth in excess of five percent for 2003 and a reduction in the company's net after tax loss to a target of roughly €10,000,000 for the year. We will continue to investigate new opportunities for our service and distribution businesses, while exploring additional applications for our core technologies. Notwithstanding, our expectations could be affected by fluctuations in exchange rates," cautioned Clouser. "In particular, the impact of the Euro versus U.S. dollar exchange rate to IBA's top line revenue growth in 2002 amounted to a loss in recorded sales of more than €9.7 million across the company's three business segments."

No material impact to the company's 2002 financial results were reported by IBA as a direct consequence of the patent infringement and unfair competition claim, specific to IBA's proton therapy business, filed against the company by Optivus Technology Inc. in August 2002 and seeking damages in excess of \$375 million. IBA filed an official response and counter claim to the complaint with the United States District Court in California in January 2003.

### **Sterilization and Ionization Services**

Representing the company's largest business segment at more than 60 percent of total revenue, IBA sterilization and ionization services reported EBITDA of €50.6 million for 2002 versus €50.0 million for 2001. This segment has applications in medical product sterilization, food pasteurization, materials improvement and mail sanitization. In 2002, IBA began expansion plans for its medical device sterilization business, renewed its contract with the United States Postal service for the processing of select mail, and continued its effort in regard to U.S. Food and Drug Administration approval for the processing of ready-to-eat foods. IBA offers four key sterilization technologies—ethylene oxide (EtO), gamma radiation, and electron beam (e-beam) and X-ray radiation, both generated by the company's particle accelerators. IBA is a world leader, operating 39 sterilization and ionization service centers worldwide, with two new facilities planned for 2003.

### **Radioisotope Production and Distribution**

While accounting for only 13 percent of the company's revenue, IBA's radioisotope businesses collectively reported EBITDA of €282 thousand for 2002 versus €2.0 million in 2001 and continue to provide opportunities for future growth. During the year, IBA expanded its capabilities for the production and distribution of the radiopharmaceutical FDG (F-18 fluorodeoxyglucose) in the United States and Europe. FDG is an advanced imaging agent used in nuclear medicine to aid in the diagnosis and monitoring of certain cancers, cardiovascular disease and neurological disorders. IBA also continued to make progress toward the launch of its new generation brachytherapy product for the treatment of select cancers, such as prostate and breast. While initially targeted for completion in 2002, certain developmental challenges have resulted in a planned launch of the company's wire-coil-based technology for 2003.

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### **Technology Services and Equipment**

Representing the company's second largest business segment, at more than 25 percent of total revenue, IBA's technology services and equipment segment reported EBITDA of €10.5 million for 2002 versus €8.3 million for 2001. IBA is one of the world's largest producers of cyclotrons and electron beam accelerators and is among the top suppliers of therapeutic and diagnostic dosimetry solutions in radiation therapy. IBA accelerators, considered the company's technology foundation, are used in a wide range of medical and industrial applications such as cancer treatment (proton therapy and brachytherapy), radioisotope production, medical device sterilization, food pasteurization, mail sanitization, and improvement of materials. During the year, IBA sold a number of particle accelerators and began development for a new service and equipment platform within its dosimetry business.

### **About IBA**

Founded in 1986, IBA is a global innovator in the design and development of particle accelerators, therapeutic and diagnostic dosimetry equipment, sterilization and ionization services, and the production and distribution of radioisotopes. With operations at more than 50 sites, spanning 12 countries and three continents, IBA provides extensive expertise and state-of-the-art services and equipment to numerous world markets in healthcare and industry. A selection of IBA clients include top-ranking medical device manufacturers, specialized centers for the diagnosis and treatment of cancer, and the United States Postal Service. IBA stock is listed on the pan-European stock exchange, EURONEXT, and is part of the NEXT 150 index and market segment NextEconomy. For further information, visit [www.iba-worldwide.com](http://www.iba-worldwide.com).

The auditor of the consolidated financial statements has confirmed that, based on his audit work, which has been substantially completed, he is not aware of material modifications that should be brought to the accounting information included in this press release. Without altering the above statement, the auditor however draws attention to the mention of the claim filed against the company by Optivus Technology, Inc. The outcome of this claim cannot be predicted and the accounting information included in this press release has not been affected by any provision for risks and charges in relation to this matter.

#### Corporate Contacts:

##### **Pleasanton, California USA**

Pamela P. Wilkerson, Vice President,  
Communications & Investor Relations  
Telephone: +1 925.738.2100  
E-Mail: [pwilkerson@iba-group.com](mailto:pwilkerson@iba-group.com)

##### **Louvain -la-Neuve, Belgium**

Paul-Emmanuel Goethals  
Business Development & Investor Relations Manager  
Telephone: +32 10 47 58 16  
E-Mail: [goethals@iba.be](mailto:goethals@iba.be)