

Newsletter March 1999

Press Release

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Capital increase on the basis of a public offering by way of subscription for 676,382 shares for the purpose of accelerating and diversifying growth.

The prospectuses and application forms will be available as from 5 March at the counters of the Banque Bruxelles Lambert, Générale de Banque, Petercam and Vermeulen Raemdonck. As from 4 March these will be available on request by telephone at the numbers 02-547 74 91 (BBL), 0800-90301 (Générale de Banque) and 02-229 63 95 (Petercam).

The text of the prospectus will also be available, by way of information only, at the Internet sites <http://www.bbl.be>.

Ion Beam Applications s.a. (IBA), a world leader in particle accelerators in the medical and industrial fields, is launching on March 3, 1999 its capital increase on the basis of a public offering of 676,382 shares with VVPR strips and a priority subscription right for existing shareholders. This capital increase of more than EUR 150 million or approximately BEF 6 million (excluding 10% additional shares) is designed to finance the acceleration and diversification of corporate growth, for which an ambitious development strategy has been established.

The price per share will be calculated on the basis of an average of the last twenty closing prices with a discount of 5% to 15%. The price will therefore be established within a range of EUR 217 to EUR 242. The final price will be notified in the press on March 9, 1999.

IBA has been growing fast for several years. In relying on the innovation and excellence of its staff of 220, the company has developed an international leadership in the field of particle accelerators, positioning itself as a world benchmark in its markets.

Today, IBA is preparing to further accelerate this growth with a view to maximizing corporate value for its shareholders.

IBA is currently active in the production of capital equipment in three markets: medical imaging, cancer therapy and industrial ionization. In these target markets, there are suppliers of capital equipment, processing industries and distribution firms before the final consumer is reached.

In each of these markets, IBA has identified opportunities for:

- increasing its product lines and therefore market share;
- promoting technology and therefore market size;
- participating to a greater extent in the value chain of its downstream activities on the basis of its competitive advantages by meeting unsatisfied market needs.

Yves Jongen, IBA President says: *"Our aim is to transform IBA from a leader company in the field of capital equipment into an integrated supplier of global solutions in the field of high-technology".*

In order to achieve this aim, IBA intends to develop internal and external growth through acquisitions.

A first strategic step in this direction has already been taken with the acquisition, last December, of the Swedish company Scanditronix. This acquisition is strengthening the IBA presence in its respective markets and is enabling it to extend its field of activities to new areas.

A second step was taken at the beginning of March 1999 with the signing of a Letter of Intent with the RDI company (USA), a world leader in high-power low-energy accelerators used in the plastics industry and tyre manufacturing.

Pierre Mottet, IBA Chief Executive Officer says: *"We are currently working on several projects which are well advanced. With these various acquisitions it will be possible to accelerate our growth still further."*

Outlook for 1999

During the last three years, IBA had an annual growth rate of more than 50%, with turnover increasing from EUR 14 million in 1996 to EUR 47 million in 1998 (including all Scanditronix earnings during the 1998 financial year).

This growth is continuing and will increase in 1999, as the company anticipates a turnover of EUR 74 million viz. an increase of 60% over 1998.

These forecasts do not take into account potential acquisitions which could boost earnings.

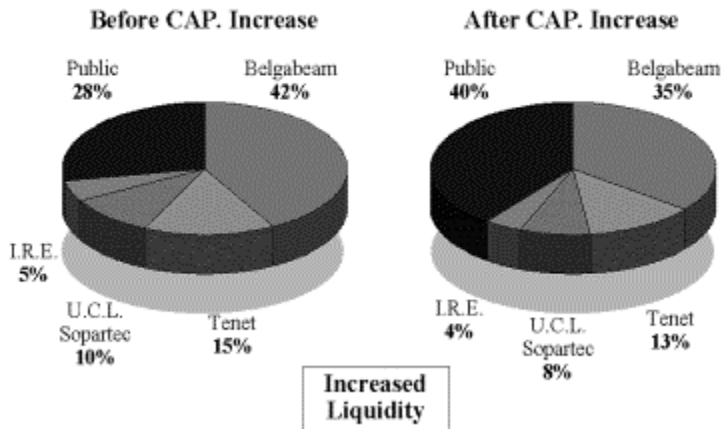
The growth recorded in terms of turnover was even greater in terms of profit. During the same three-year period, EPS increased almost tenfold, achieving an annual average growth rate of more than 110% (re-calculated by including all the Scanditronix earnings for the 1998 financial year). The outlook for this year is just as promising as it points to EPS growth of the order of 70% as compared with 1998.

Net income followed a similar curve, climbing from less than half a million euros in 1995 to more than EUR 7 million in 1998, including EUR 1 million by way of exceptional expenditure recorded at the time of flotation viz. a 16-fold increase over three years.

Shareholding before and after increase (excluding additional shares)



Shareholders Structure



The two reference shareholders, Belgabeam and Tenet, are subscribing around EUR 2 million and EUR 1 million respectively to this capital increase.

Belgabeam, the main IBA shareholder, is held by the company management and staff, and this ensures stability. After the transaction, Belgabeam will still hold 35.49% of the share capital of the company.

The increase in the public share (from 28% to 40%) following the transaction will increase the liquidity of the stock.

Terms and conditions of the offering

- **Size of the transaction:** around EUR 150 million (BEF 6 billion).
- **Additional shares:** 10% of the amount of the transaction viz. 68,009 new shares.
- **Structure of the transaction:** public offering by way of a subscription for 676,382 shares with VVPR strips and priority subscription right for existing shareholders. 12,500 shares are reserved for the staff.
Five existing shares give right to subscribe to one new share.
- **Price per share:** price calculated on the basis of an average of the last 20 closing prices with a discount of 5% to 15%. The price will be notified in the press on March 9, 1999.
- **Quotation of the new shares** issued and of the VVPR strips in the primary market of the Brussels Stock Exchange.
- **Due date for dividends on the new shares:** January 1, 1998.
- **Syndicate**
 - Belgian tranche (retail and institutional):
BBL (Lead manager of the transaction)
Générale de Banque, Petercam (Co-lead managers)
Vermeulen – Raemdonck (Selling agent)
 - International tranche (institutional only) :
BBL/ING Barings (Lead manager)
Petercam (Co-lead managers)
Vermeulen – Raemdonck (Selling agent)

Timetable

- March 3-8: Bookbuilding
- March 8: Setting of price
- March 9:
 - Publication of price in press
 - Offering begins
- as from March 10: Possible closing of offering, excluding priority subscription rights.
- March 18: Closing of offering. including priority subscription rights.
- March 20: Notification of results
- March 23:
 - Payment
 - Quotation

[For further informations, please contact us.](#)