

## Newsletter May 1999

### Press Release

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### **IBA GENERAL MEETING CONFIRMATION OF WORLD LEADERSHIP STRATEGY**

During the General Meeting of IBA held on Wednesday 12th May at the company's premises in Louvain La Neuve, IBA's management briefly retraced the main events that marked 1998 and the first few months of 1999.

These events were made up principally of the company's very successful introduction last June on the Brussels Stock Market, of the success of IBA technology in each of its markets, particularly proton therapy - a new technology in the treatment of cancer, of the reward for work done achieved via ISO 9001 and EN46001 certification and the award of an Oscar for Export and finally of several acquisitions.

These acquisitions allow IBA to confirm its strategy of expansion and horizontal and vertical enlargement of its range of products and services with a view to offering its customers the "one stop shopping" solution dear to its chief executives, Yves Jongen and Pierre Mottet.

These acquisitions, made at the end of 1998 and at the start of 1999 in the various markets in which IBA is active, strengthen its position as leader in each of them. They were made possible by IBA's recent expansion of capital that has increased its share capital by 175 million euros.

In industrial ionisation, the acquisition of the Griffith Micro Science company, a leader in the field of industrial sterilisation, with 19 centres in North America and Europe, allows IBA to enjoy the benefits of a partner whose reputation with numerous players in this market is well-established and which is focused on the concept of offering clients a complete service. This regrouping will enable "one stop shopping" solutions to be offered to the various markets in which IBA's new technologies are applicable, combining the excellence of both the complete service and the technology and accelerating development of new applications.

In this market, IBA has also enlarged horizontally the range of products that it is able to offer its customers by acquiring the Swedish Scanditronix company and the American company RDI which produce electron accelerators to complement the Rhodotron, a high power, high energy electron accelerator currently marketed by IBA.

In the radiotherapy market, IBA has also added to its range of products by acquiring Scanditronix and the German company, Wellhofer, which together are the world leader in dosimetry equipment used in radiotherapy. This addition of new products allows IBA to offer a more complete solution to its customers.

Finally, in the field of medical imaging, IBA has begun implementation of its vertical expansion strategy by signing a joint venture with a hospital in the south of France with a view to producing radio-isotopes that will be marketed directly to the benefit of IBA.

Following the various acquisitions, the IBA group comprises 800 people.

At the Ordinary General Meeting, IBA therefore confirmed finalisation of the acquisition of the American company Radiation Dynamics Inc. (RDI), a subsidiary of the Japanese company Sumitomo Heavy Industries. Located in New York with a staff of 50, RDI is particularly well established in the field of low energy, high power electron beam accelerators, used in heat-shrinking and polymer modification applications in the wire, cable, tube, film and expanded foam industries. RDI's annual turnover is some 10 million dollars generating a net profit of around 5%. The acquisition was made for 5.5 million dollars.

This transaction will strengthen IBA's position in the field of electrons. The RDI product range in fact perfectly complements that of IBA's Rhodotrons. It will therefore strengthen its position as market leader in electron beam applications, a market that includes, among others, sterilisation of medical products, pasteurisation of foodstuffs, polymer cross linking and waste treatment.

With more than 200 units established mainly in the USA, RDI will serve as a springboard for the development of the market for IBA's accelerators in North America. RDI's team of specialists, an additional and exceptional bonus, will also allow IBA to reinforce marketing of its products in the North American market, and this includes its medical cyclotrons.

In the field of proton therapy, the company's management confirmed that the first prototype of the IBA system, installed in Japan at the National Cancer Center in Kashiwa near Tokyo began treating patients at the end of 1998. The other prototype, that includes the very latest design improvements, installed in the Massachusetts General Hospital - a hospital associated with Harvard University - is operating today in the hospital. With regard to the equipment itself, the prototype has demonstrated all the expected performance. In these terms it is therefore a complete success. However, writing of the final layer of the computer program intended to provide an extremely user-friendly interface between doctor and equipment has been delayed. This puts back recognition of the device by the Food & Drug Administration (FDA) as well as treatment of the first patient in Boston, a fact that could also have an effect on the scheduling of certain subsequent orders in the USA. Despite this setback, IBA's proton therapy system is established and acknowledged as the benchmark in advanced radiotherapy.

The company continues ahead of schedule in the development of Pencil Beam Scanning, a new technique for pin point scanning of tumours by proton beams. This technique aims to improve still further the precision with which certain types of very common cancers are treated. It will confirm once more IBA's position as leader in this advanced technology.

During the Extraordinary General Meeting that followed the Ordinary General Meeting the shareholders decided to proceed with the division of existing shares in the proportion of 5 new shares for each share prior to division. Capital will thenceforward be represented by 20,494,825 shares. Practical realisation of this operation and its scheduling will be the subject of a separate release.

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