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Press Release

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IBA postpones its new equity issue

IBA is announcing that, in consultation with its bankers, it has decided to postpone until next year the new equity issue initially planned for November this year.

Despite the need to strengthen its financial structure in order to continue growth, IBA is postponing this transaction because of the less favourable climate currently prevailing on the Stock Exchange markets, especially in Belgium where all transactions planned for several weeks have been postponed to next year.

As Eric de Lamotte, Financial Director of the Group pointed out : "On the advice of the bank syndicate formed for this transaction we have considered it advisable to postpone the new equity issue for several months and therefore to return to the market when it will be more receptive to this kind of transaction. In the view of our advisors, most of their customers - pension and mutual funds - have in fact now to a large extent already withdrawn from the market earlier than in other years. Under these circumstances, we have decided to postpone the transaction even if our case can be considered to be particularly attractive."

By way of background, it can be noted that within the space of one year IBA has acquired five companies which are active in areas involving its core businesses. These acquisitions have enabled IBA to position itself as a major player in each of these areas. In industrial sterilization services, for example, IBA has therefore become a Group representing 34% of the world market with 35 medical equipment sterilization centers located mainly throughout the USA and Europe and operating on behalf of major companies in that sector.

The acquisition strategy implemented by IBA has given it the resources to transform itself into a world-scale group ready to pursue its growth objectives and strengthen its leadership position in the years to come.

Even more than in the past, the new markets opening up to IBA will require the allocation of appropriate resources for which IBA will return to the market at the beginning of next year. In the meantime, IBA will resort to bank loans if necessary in order to finance new investments for production centres and possible acquisitions.

In the short term, this expansion strategy means exceptional expenditure of around EUR 13 million (acquisition costs and equity issue), all of which has been taken as a charge in 1999 and as acquisition goodwill depreciation. While affecting the company's net income for 1999, this expenditure will enable a threefold increase in its current income to be achieved.

1999 will thus be an important year for IBA which has transformed itself from a company with a workforce of 150 and a turnover of EUR 40 million into a world Group with a workforce of 1,100 and a turnover of EUR 150 million in 1999 (consolidated turnover as from the dates of the acquisitions).

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