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Press Release

Contact: Vivienne Gaskell
Vice-President
Corporate Communications
Ion Beam Applications
Tel 32 10 47 59 71
E-mail : info-worldwide@iba.be

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Capital increase of around 200 million EUR in the second half of January

IBA today confirmed its intention to call on the capital market to raise around 200 million EUR in the second fortnight of January 2000. A capital increase prospectus has been filed with the CBF to this effect.

This increase in capital with a right of priority allocation for existing shareholders is intended to strengthen the resources of the Group with a view to continuing the tremendous growth that the company has enjoyed over the past five years. The other arrangements concerning the offer will be announced at a later date.

Since its creation, IBA's growth has been based on a strategy of diversification in its three sectors of business: the production of radioisotopes, cancer therapy and industrial sterilization and ionization.

On the strength of its initial successes with high-tech equipment, IBA has decided to adopt a position downstream of this market niche by also becoming a service provider. This will allow the company to respond more effectively to the growing demand of the markets for "one-stop shopping" solutions.

As emphasized by Yves Jongen, President of IBA, "in the medical imagery market, IBA launched in 1999 an ambitious program of investment in centers for the production of radioisotopes. These are mainly used to detect cancerous tumours more accurately and at an earlier stage than by conventional technologies. These centres, which are operated by IBA, will produce radioisotopes which will then be sold directly to hospitals."

In 1999, IBA invested in two production centers of this type, one in Lyon and one in Milan, and aims to open 3 to 5 new centers a year in Europe and in the USA.

In the market for industrial sterilization and ionization, IBA has grown considerably through the acquisition of two service companies, Griffith Micro Science and SteriGenics, with 37 sterilization centers working on contract throughout the USA and Europe. This has given IBA 34% of the global market for the subcontracted sterilization of disposable medical products, making it the most important player in this particular sector of business in the world.

This market allows IBA not only to benefit from considerable stable revenue that generates significant margins but also to position itself in the future as the company best able to respond to the new market for food pasteurization using electron beam technology. This technique, which has no adverse effects on the food, will destroy bacteria such as E Coli, listeria and salmonella, making the food more healthy and preventing many cases of serious illness caused by food poisoning (325,000 cases a year, 5000 of which are fatal, according to the statistics of the American "Center for Disease Control"). The technique was recently approved in the USA by the FDA and the ministry of agriculture (USDA) for the pasteurization of meat.

Pierre Mottet, CEO of IBA, adds: "IBA has the biggest network of service centers and the most efficient technology. On the strength of this, it aims to become the leader in this market of meat pasteurization which over the next 5 to 10 years should account for over 1 billion EUR per year."

To achieve this, IBA has undertaken a vast program of investment in pasteurization centers each with a processing capacity of 100,000 tons of meat a year. Many other centers will be set up in future. In this respect, the American market for meat pasteurization is estimated at around 17 million tons a year.

IBA's impressive potential for growth in the different markets in which the Group operates and the resulting need for funds to carry out this program are the factors behind IBA's decision to return to the financial markets.

It must be remembered that IBA's growth has resulted in a tenfold increase in turnover over the last 4 years to reach the figure of 150 million EUR in 1999, while over the same period IBA's operating income has increased from 1 to 29 million EUR.

The IBA Group currently operates in 14 different countries with a staff of over 1,100.

Additional information can be obtained from:
Vivienne Gaskell, Vice President, Corporate Communications
Tel. : + 32 10 47 59 71
E-mail : info-worldwide@iba.be.

Further information on IBA is available on the World Wide Web at the following address:
<http://www.iba-worldwide.com>.