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IBA - 2007 MIDYEAR RESULTS SHOW GROWTH. BIG INVESTMENT IN MARKETING AND R&D

Embargo until 5:40 PM (Belgian time), August 31, 2007

- Sales growth of 16.8 percent and recurring revenues of 5.6 million euros.
- New Proton Therapy order.
- End of litigation with Optivus.
- Firm orders for 11 PET & SPECT systems in first half of 2007, compared to 8 for all of 2006.
- Opening of three FDG production facilities and improvement in Radioisotope profit margins.

Louvain-la-Neuve, Belgium, August 31, 2007 – IBA (Ion Beam Applications S.A.: Reuters IOBAAt.BR and Bloomberg IBAB.BB) has announced its consolidated income figures for the half-year ended June 30, 2007.

KEY FACTS AND FIGURES

Highlights of IBA results for the first six months of 2007:

- Sales of EUR 96.7 million, up 16.8 percent.
 - At constant EUR/USD, growth would have been 20.6 percent.
 - Organic growth of 11.7 percent at constant exchange rates.
- Recurring earnings of EUR 5.6 million, up 2.7 percent (EUR 5.4 million for the same period in 2006). This figure was affected by the following factors:
 - The dollar: at constant EUR/USD, growth would have been 9.9 percent.
 - R&D investment to further enhance the Group's competitive edge. In the first quarter, R&D spending increased by more than EUR 3.1 million—almost 67 percent.
- Net earnings of EUR 7.1 million. Note that net earnings for the same period in 2006, of EUR 26.2 million, received a major boost from the takeover of Schering's radiopharmaceutical operations and from the reversal of tax provisions.
- Record order book of EUR 158 million, continuing a three-year trend of steady growth.

	2007 Half-Year	2006 Half-Year	Change	
	(In thousand euros)	(In thousand euros)	(In thousand euros)	(%)
Sales and service	96,699	82,803	13,896	16.8%
Recurring profit	5,577	5,428	149	2.7%
Profit for the period	7,143	26,242	-19,099	-72.8%



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Breakdown of the half-year's facts and figures by business area:

RADIOISOTOPE PRODUCTION AND DISTRIBUTION

- Sales up 29.5 percent to EUR 39.3 million in the first half of 2007, compared to EUR 30.3 million in 2006. However, at constant exchange rates, this figure would have been 40.3 percent with 14.3 percent from organic growth.
- Extension of the PET (Positron Emission Tomography) distribution network:
 - Three FDG (fluorodeoxyglucose) production and distribution facilities were opened in Europe—in Udine, Italy; Brussels, Belgium, and Dinnington, England.
 - A European radiopharmaceutical R&D and production facility was opened in Fleurus, Belgium.

TECHNOLOGY AND EQUIPMENT

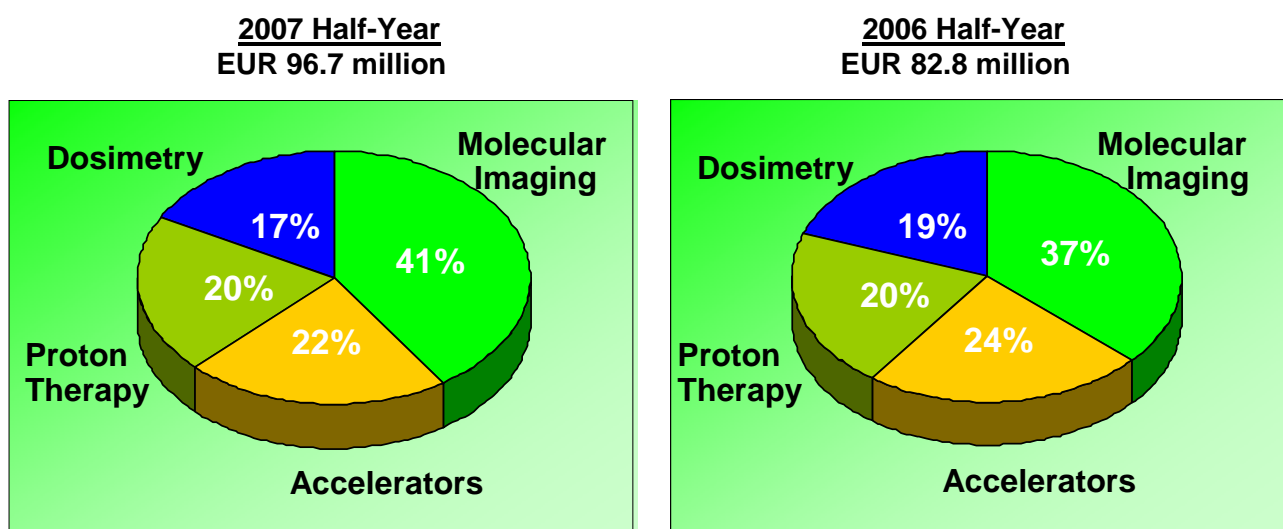
- Sales up 9.5 percent to EUR 57.4 million in the first half of 2007, compared to EUR 52.5 million for the same period in 2006.
- Order from ProCure for a proton therapy system to be installed at the company's Oklahoma City treatment center (United States).
- Work completed on the Louvain-la-Neuve facility, increasing IBA's production capacity to eight proton therapy systems a year. IBA is currently the uncontested leader in international proton therapy, with more than 50 percent market share. Twelve institutions in the United States, Asia, and Europe have already chosen proton therapy systems integrating IBA technology.
- Orders for 11 PET and SPECT cyclotrons received in the first half of 2007, a strong increase over the single order logged for the same period in 2006 and total of eight units for the whole of 2006.
- In Dosimetry, in the first half of 2007, clinical testing was completed on the prototype of COMPASS, the new dosimetry device developed in cooperation with RaySearch Laboratories. Premarket notification "510 K" has been filed with the FDA (U.S. Food and Drug Administration), and commercial launch is scheduled for fall.
- In its electron accelerator business (Rhodotron® and Dynamitron® E-beam and X-ray accelerators), the half-year was marked by the sale of a Dynamitron® to Germany's BGS, which will use it to irradiate plastic cables, pipes, and tubes. In addition, development of the cargo screening prototype is proceeding on schedule.

GROUP

- IBA established a new Asian headquarters in Beijing, China. This new site combines a factory with offices that will serve as IBA's headquarters in Asia.

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DISTRIBUTION OF CONSOLIDATED SALES BY BUSINESS AREA



RESULTS IN DETAIL

During the first six months of 2007, IBA posted sales gains of 16.8 percent compared to the same period of 2006.

	2007 Half-Year		2006 Half-Year		Change
	2007 Rates	(% of total)	2006 Rates	(% of total)	
	(In thousand euros)		(In thousand euros)		(%)
Radioisotopes	39,255	41%	30,322	37%	29.5%
Technology & Equipment	57,444	59%	52,481	63%	9.5%
Consolidated Group	96,699	100%	82,803	100%	16.8%

The USD/EUR exchange rate averaged 1.3295 dollars to the euro in the first half of 2007. Compared to 1.2293 dollars to the euro a year earlier, this represents a depreciation of 8.1 percent. At constant exchange rates, earnings growth would have been 20.6 percent. As in previous years, almost 50 percent of IBA's operations are influenced by the value of the U.S. dollar.



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OPERATING RESULTS

Gross profit stood at EUR 31.6 million, up 24.6 percent over the first half of 2006. As a percentage of sales, it represented 32.7 percent in 2007, compared to 30.6 percent in 2006. This increase was due primarily to an improvement in profit margins in its Radioisotope Production and Distribution unit.

Increased sales and marketing costs (up 22.5 percent over the same period in 2006) and research and development costs (up 66.7 percent) reflect strategic investment in these areas, as well as a change in scope due to the absorption of operations purchased from Schering in 2006.

IBA reported recurring earnings of EUR 5.6 million for the first half of 2007, compared to EUR 5.4 million a year earlier—an increase of 2.7 percent. At constant EUR/USD, this would have been an increase of around 10 percent.

OTHER NONRECURRING INCOME AND EXPENSE

Nonrecurring results for the first half of 2007 showed a loss of EUR 0.7 million, due mainly to charges and provisions in connection with ending the litigation with Optivus, reversal of depreciation on previously depreciated equipment, and decreases in the value of current assets.

FINANCIAL RESULTS

IBA posted a financial loss of EUR 0.1 million for the first half of 2007, compared to EUR 0.8 million in 2006. This smaller loss was the result mainly of improvements in interest and currency cover combined with a better average cash flow position than for the same period last year.

TAXES

Tax figures for the first half of 2007 show tax income of EUR 2.1 million, compared to EUR 10.8 million for the same period in 2006. In both cases, this income is due primarily of the partial recognition of additional deferred tax assets following periodic analysis under IFRS of the probability of future use.

PROFIT (LOSS) FROM ENTITIES ACCOUNTED FOR UNDER THE EQUITY METHOD

This heading, which shows a profit of EUR 0.2 million, reflects the profits and losses of the various companies such as CISBIO in which IBA is a minority stakeholder with a “significant influence” according to IFRS.

NET INCOME

Net Income totaled EUR 7.1 million for the first six months of 2007, compared to EUR 26.2 million for the same period of 2006. Last year’s exceptional earnings were due in large part to nonrecurring income from the deal with Schering and to the reversal of tax provisions.



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EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On August 20, 2007, IBA announced that Optivus Proton Therapy, Inc. and Loma Linda University Medical Center had agreed to abandon all claims against IBA in a case that had been before the U.S. District Court of the Central District of California for the previous five years.

OTHER ITEMS

CALENDAR

Publication of financial results for the year ended December 31, 2007
2008 General Meeting

March 6, 2008
May 14, 2008, 10:00 AM

EMPLOYEE STOCK OPTION PLAN

As in previous years, IBA plans to implement a new employee stock option plan during the second half of 2007. To offset the diluting effect of this plan, it plans to buy back its own stock from the marketplace, either directly or indirectly.

REPORT OF THE STATUTORY AUDITOR ON THE ACCOUNTING DATA PRESENTED IN THE SEMI-ANNUAL COMMUNIQUÉ OF ION BEAM APPLICATIONS SA

We have compared the accounting data presented in the semi-annual communiqué of Ion Beam Applications SA with the interim condensed consolidated financial statements as at 30 June 2007, which show a balance sheet total of € 305,560,000 and net income (group share) for the period of € 7,143,000. We confirm that these accounting data do not show any significant discrepancies with the interim condensed consolidated financial statements.

We have issued a review report on these interim condensed consolidated financial statements, in which we declare that, based on our review, nothing has come to our attention that causes us to believe that these interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with IAS 34 *Interim Financial Reporting*, as adopted for use in the European Union.

Brussels, 29 August 2007

Ernst & Young Reviseurs d'Entreprises SCC
Statutory Auditor
Represented by

Eric Golenvaux
Partner



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OUTLOOK

IBA is confident that, at constant exchange rates, it can show recurring earnings for 2007 that will be at least equivalent to those posted in 2006 while at the same time accelerating its policy of investment in both R&D and sales and marketing.

Its confidence is based on the following:

1. Equipment orders of EUR 158 million at June 30, 2007, plus near-term prospects for finalizing several contracts
2. Predicted growth of the PET radiopharmaceutical market, particularly for FDG
3. Positive outlook for dosimetry

ABOUT IBA

IBA delivers solutions of exceptional precision in the fields of **cancer diagnosis and therapy**. The company also provides sterilization and ionization solutions to improve the hygiene and safety of everyday life. IBA is listed on the pan-European stock exchange EURONEXT, is integrated into the NextEconomy market segment, and belongs to the BelMid index.

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Contact

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CONSOLIDATED INCOME STATEMENT

Selected Key Figures

	<u>30/06/07</u>	<u>30/06/06</u>	Variation	
	(EUR '000)	(EUR '000)	(EUR '000)	%
Sales and contract revenue	96,699	82,803	13,896	16.8%
Cost of sales and contract costs	65,125	57,459	7,666	13.3%
Gross profit	31,574	25,344	6,230	24.6%
	32.7%	30.6%		
Selling and marketing expenses	9,139	7,459	1,680	22.5%
General and administrative expenses	9,102	7,803	1,299	16.6%
Research and development expenses	7,756	4,654	3,102	66.7%
Recurring expenses	25,997	19,916	6,081	30.5%
Recurring profit	5,577	5,428	149	2.7%
Other non-recurring (income)/ expenses - net	688	-11,989	12,677	-105.7%
Finance (income)/ expenses - net	58	835	-777	-93.1%
Profit before tax	4,831	16,582	-11,751	-70.9%
Tax expense	-2,098	-10,822	8,724	-80.6%
Profit/ (loss) for the period from continuing operations	6,929	27,404	-20,475	-74.7%
Profit/ (loss) for the period from discontinued operations	0	-1,030	1,030	-100.0%
Share of profit/(loss) of equity-accounted companies	190	-138	328	-237.7%
Profit for the period	7,119	26,236	-19,117	-72.9%
	7,143	26,242	-19,099	-72.8%
Minority interests	-24	-6		
	7,119	26,236		



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CONSOLIDATED BALANCE SHEET

Selected Key Figures

	30/06/07	31/12/06
	(EUR '000)	(EUR '000)
ASSETS		
Goodwill	27,503	28,100
Other intangible assets	4,037	4,115
Property, plant and equipment	53,040	46,414
Investments accounted for using the equity method	8,494	8,304
Deferred tax assets	29,201	24,978
Other long-term receivables	17,017	8,789
Non-current assets	139,292	120,700
Inventories and contracts in progress	34,854	31,194
Accounts receivable	50,819	37,046
Other receivables	13,156	10,044
Derivative financial instruments Assets	666	284
Cash and cash equivalents	66,773	67,600
Current assets	166,268	146,168
Total assets	305,560	266,868
EQUITY AND LIABILITIES		
Share capital	36,113	35,747
Share premium	114,933	200,899
Treasury shares	-256	-256
Hedging and other reserves	5,643	4,745
Cumulative translation differences	-5,446	-3,922
Retained earnings	-6,807	-101,384
Capital and reserves attributable to Company's equity holders	144,180	135,829
Minority interests	476	500
TOTAL EQUITY	144,656	136,329
Borrowings	19,313	18,156
Deferred tax liabilities	1,928	225
Provisions	12,260	11,813
Other long-term liabilities	27,191	21,578
Non-current liabilities	60,692	51,772
Borrowings	5,323	5,448
Other short-term financial liabilities	978	0
Accounts payable	31,139	23,437
Current income tax liabilities	570	441
Other payables and accruals	62,202	49,441
Current liabilities	100,212	78,767
Total liabilities	160,904	130,539
Total equity and liabilities	305,560	266,868