



## IBA – 2008 HALF-YEAR RESULTS 1<sup>ST</sup> CONSOLIDATION OF CISBIO

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**Louvain-la-Neuve, Belgium, August 29, 2008** - IBA (Ion Beam Applications S.A.: Reuters IBAB.BR and Bloomberg IBAB.BB) announced today its consolidated results for the first half year ending June 30, 2008.

### KEY FIGURES AND EVENTS

The key event for the first half of 2008 was undoubtedly the acquisition of CISBIO on June 1, 2008, a French medical diagnosis company with more than 600 employees and a turnover of over €100 million, in which IBA already owned a 20% stake. CISBIO's business, more than 50% of which is geared towards cancer treatment and is highly complementary to IBA's own business activities, will allow the group to take over as the European leader in the field of molecular imaging using radiation.

Only one month of activity is fully consolidated into our half-year results, however, given the equity method used during the first five months of the year and the large-scale reorganization in progress at CISBIO, the latter's total contribution to IBA's results is negative by almost €2 million for the period. This negative contribution explains why the group's net result has decreased compared with the previous year. CISBIO's contribution is expected to be positive from 2009 onwards as the benefits of the current reorganization emerge and various synergies are achieved.

For the first six months of 2008, IBA also recorded:

- Sales which were up by 37.7% to €133.1 million.
  - At a constant EUR/USD exchange rate, growth would have been 45.0%,
  - On a like-for-like basis, this amounts to 26.6% growth at the actual rate and 33.5% at a constant rate,
  - The recurring income is €5.4 million, up 12.0% at a constant rate but down 3.9% at the actual rate due to the significant depreciation of the dollar when compared to the first six months of 2007.
- An equipment order book ("backlog") which is worth €188 million, decreasing compared to the end of 2007 (€216 million) but increasing compared to the same period in 2007 (€158 million). The backlog should be cleared within 1 to 3 years.

## RESULTS BROKEN DOWN BY BUSINESS SEGMENT

Following the acquisition of CISBIO in late May 2008, and the consolidation of the company's figures into the IBA group since June 1, 2008, IBA's financial reporting is presented in two business segments: Pharmaceuticals and Equipment.

Key events by business segment for the first half year are detailed below:

### PHARMACEUTICALS

- This segment is made up of the production and distribution of radiopharmaceutical agents and Bioassays activities:
  - Radiopharmaceuticals:
    - PET<sup>1</sup>, mainly FDG - fluorodeoxyglucose – which is a product used in molecular imaging allowing the diagnosis of many different illnesses (mainly cancer),
    - SPECT<sup>2</sup> used in nuclear medicine for therapy and imaging,
  - Bioassays:
    - A range of biomarkers for in vitro medical diagnosis purposes, such as radioimmunoassays,
    - the in vitro screening of new drugs for the pharmaceutical industry and biotechs by means of its HTRF® technology<sup>3</sup>
    - More than 50% of these products are designed for use in the diagnosis and treatment of cancer.
- The turnover is up by 27.0% to €49.8 million in the first six months of 2008 compared to €39.2 million for the same period in 2007. At a constant exchange rate this growth would have been 39.9%.
  - Organic growth amounts to 10.4% at a constant rate,
  - There is a 4% penalty on organic growth over the period due to the halting of the business activity involving the distribution of SPECT tracers in the USA.
- A first agreement has been signed for the worldwide marketing, distribution and sale of a proprietary diagnosis product, REDECTANE® (CA9-SCAN), developed by Wilex AG. The agreement grants IBA the worldwide licences and exclusive rights required for the manufacturing and marketing of the product. REDECTANE® is an imaging diagnostic designed to support physicians in diagnosing clear cell renal cell cancer prior to surgery. REDECTANE® is currently undergoing a phase III pivot test with a view to its registration. This agreement is the first concrete expression of the company's strategy of using its network of PET centers to distribute patented tracers.
- An FDG distribution joint venture has been set up in Malaysia, reinforcing IBA's network to 38 production and distribution centers for PET radiopharmaceutical products worldwide.

<sup>1</sup> PET = Positron Emission Tomography

<sup>2</sup> SPECT = Single Photon Emission Computed Tomography

<sup>3</sup> HTRF = Homogeneous Time-Resolved Fluorescence

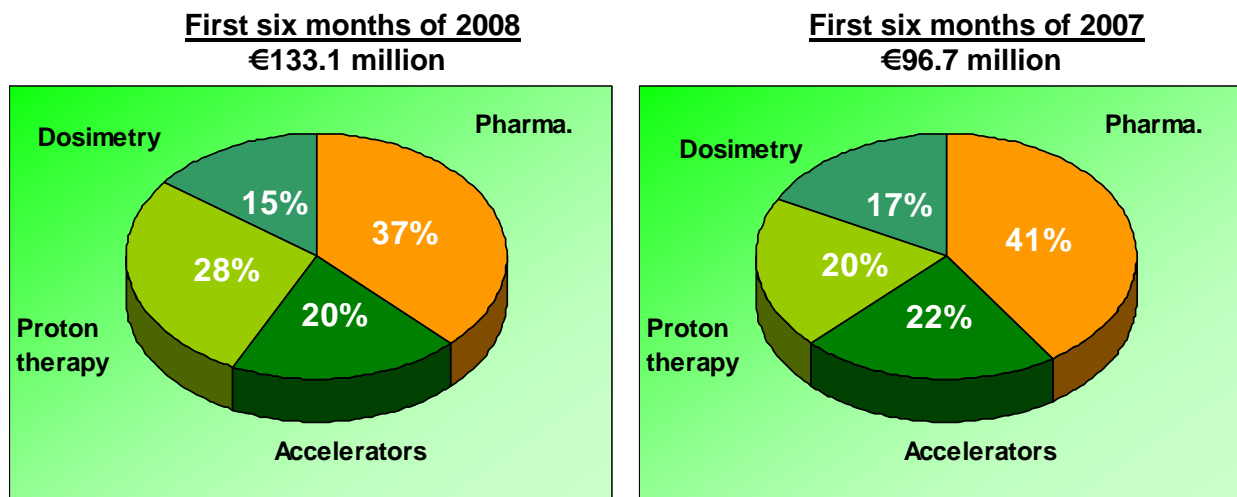
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### EQUIPMENT

- ▣ This business segment comprises:
  - Protontherapy,
  - Particle accelerators (cyclotrons, Rhodotron®, Dynamitron®, etc.),
  - Dosimetry,
  - The relevant service activities.
  
- ▣ Turnover is up 45.0% to €83.3 million in the first six months of 2008 compared to €57.4 million for the same period in 2007.
  - No firm proton therapy orders were recorded during the first six months of the year, but there is strong growth in turnover (90.1%) following the progress made by the current projects agreed upon in 2006 and 2007,
  - Orders for 11 PET and SPECT cyclotrons were obtained during the first six months of 2008, worth a total of €45 million.
  
- ▣ Dosimetry sales increased by 18.0% during the first six months of 2008, with the first 6 orders for the new COMPASS® dosimetry solution and wins in Asia.
  
- ▣ In the field of electron beam accelerators (Rhodotron® and Dynamitron® type E-beam & X-ray industrial accelerators), the half-year saw the sale of a Rhodotron® to PetroBeam, Inc. (USA), a technological company whose business involves the upgrading of oil, in which IBA has acquired a 10% holding and warrants allowing it to increase its holding to approximately 20% during a subsequent phase. During this half-year, IBA also sold the LEONI group an X-ray sterilization unit which uses the Rhodotron® TT-1000 system. When it is commissioned in 2009 it will be the first facility of this type in operation.

### BREAKDOWN OF CONSOLIDATED TURNOVER BY ACTIVITIES





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### DETAILED RESULTS

	6/30/2008 (€000) at 2008 exchange rate	6/30/2007 (€000) at 2007 exchange rate	Variance (€000) at actual rate	Variance %
Revenue	133,121	96,699	36,422	37.7%
REBITDA	11,786	9,020	2,766	30.7%
<i>% of Sales</i>	8.9%	9.3%		
REBIT	5,359	5,577	(218)	-3.9%
<i>% of Sales</i>	4.0%	5.8%		
Net result	4,832	7,143	(2,311)	-32.4%
<i>% of Sales</i>	3.6%	7.4%		

REBITDA: Recurring Earnings Before Interest, Taxes, Depreciation, and Amortization.  
REBIT: Recurring Earnings Before Interest and Taxes.

The average USD/EUR exchange rate for the first six months of 2008 stood at \$1.53/€1 as opposed to \$1.33/€1 one year earlier, in other words a 15% depreciation of the dollar. At a constant exchange rate, there would have been a 45% increase in revenue, the Recurring Earnings Before Interest, Taxes, Depreciation, and Amortization (REBITDA) would have been 47.8% and the increase in the recurring earnings would have been 12.1%. Almost 50% of IBA's business activities are influenced by the US dollar. This proportion will be significantly reduced by the consolidation of CISBIO's business activity.

#### OPERATING RESULTS

The gross margin amounts to €43.0 million which is up 36.1% compared to the first six months of 2007. As a percentage of sales, the gross margin is 32.3% over the first six months of 2008 compared to 32.7% in 2007.

Compared to the same period in 2007, the increase in the cost of sales and marketing (+34.5%), in general overheads (+54.2%) and research and development costs (+45.4%) reflects the strategic investment in R&D and sales along with the change of consolidation methods brought about as a result of incorporating CISBIO since 1<sup>st</sup> June 2008.

IBA has recurring earnings of €5.4 million for the first six months of 2008 compared to €5.6 million a year earlier, in other words a 3.9% fall. At a constant EUR/USD exchange rate, the recurring earnings would have shown growth of almost 12.1%.

#### OTHER NON-RECURRING INCOME AND EXPENSES

The non-recurring earnings for the first six months of 2008 amount to €0.9 million and are mainly accounted for by costs relating to the takeover of CISBIO, the incorporation of the activities purchased from Schering AG, the cost of share option plans and depreciation recovered on assets.



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### **FINANCIAL RESULTS**

The financial result shows earnings of €0.1 million as a result of the balance between income from cash investments, interest charges on financial debts and the appreciation of financial instruments, especially those relating to the acquisition of CISBIO.

### **TAXES**

The tax burden for the first six months of 2008 amounts to an income of €2.1 million which is comparable to that for the same period in 2007. This income comes mainly from the partial recognition of additional deferred tax debits following the periodic revision of the analysis made under the IFRS for the probability of their future use.

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

This item, which shows expenditure of €1.9 million, is mainly made up of CISBIO's results for the first 5 months of the year, which were particularly affected for this period by the provision for restructuring recorded by CISBIO in February 2008.

### **NET PROFIT**

The net profit stands at €4.9 million for the first six months of 2008 after full provision has been made for CISBIO's reorganization and where the fluctuation of the dollar had a wide-ranging impact, compared to a profit of €7.1 million for the same period in 2007.

## ITEMS SUBSEQUENT TO THE CLOSING OF ACCOUNTS

- On July 30, 2008, IBA announced that it had signed an agreement with Lantheus Medical Imaging, Inc. (LMI) from North Billerica, Massachusetts, for the exclusive distribution of Cardiolite® and Neurolite® in a number of European countries including France, Germany, the United Kingdom and Spain.
- On August 13, 2008, IBA announced the signing of a collaboration agreement for the marking and distribution of APOSENSE® [18F]-ML-10, NST's new agent for molecular imaging of apoptosis, on the sites collaborating on the multicentre clinical trials of APOSENSE® [18F]-ML-10.
- On August 28, 2008, IBA announced the release of the first Cyclotron-based integrated commercial Proton Therapy system with Pencil Beam Scanning.



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### OTHER ITEMS

#### FORTHCOMING EVENTS

Interim declaration, third quarter 2008:	November 18, 2008
Publication of the annual results to December 31, 2008:	March 5, 2009
2009 General Assembly:	May 13, 2009, at 10 am.

### AUDITOR'S REPORT ON THE ACCOUNTING DATA INCLUDED IN ION BEAM APPLICATIONS SA'S SEMI-ANNUAL REPORT

#### **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 2008, which show a balance sheet total of € 508.739.025 and net income (group share) for the period of € 4.831.981. 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, August 27, 2008

Ernst & Young Reviseurs d'Entreprises SCCRL  
Statutory Auditor  
represented by

Eric Golenvaux  
Partner



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### PROSPECTS

For the 2008 financial year, at a constant exchange rate, the company reiterates its confidence in being able to show results which are up on those for 2007, whilst at the same time pursuing its policy of investing both in research and development and in sales and marketing.

It is basing its estimates on:

1. an equipment order book which was worth €188 million at the end of June 2008, in addition to which there is the prospect of the forthcoming finalization of a number of contracts,
2. PET radiopharmaceutical market growth estimates, especially FDG and the incorporation of CISBIO into the group's scope of consolidation since 1<sup>st</sup> June 2008,
3. opening of new fields of application for electron beam accelerators,
4. promising prospects in dosimetry especially for the Compass®.

#### **ABOUT IBA**

IBA develops very high precision solutions used to diagnose and treat cancer. The company also offers sterilization and ionization solutions to optimize health and safety on a daily basis. IBA is quoted on the pan-European EURONEXT stock exchange and is part of the BelMid index.

Website: [www.iba-worldwide.com](http://www.iba-worldwide.com)

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SUMMARY CONSOLIDATED INCOME STATEMENT

	30/06/2008	30/06/2007	Variation	
	(EUR '000)	(EUR '000)	(EUR '000)	%
Sales and contract revenue	133,121	96,699	36,422	37.7%
Cost of sales and contract costs	90,157	65,125	25,032	38.4%
<b>Gross profit</b>	<b>42,964</b>	<b>31,574</b>	<b>11,390</b>	<b>36.1%</b>
	32.3%	32.7%		
Selling and marketing expenses	12,296	9,139	3,157	34.5%
General and administrative expenses	14,030	9,102	4,928	54.1%
Research and development expenses	11,279	7,756	3,523	45.4%
<b>Recurring expenses</b>	<b>37,605</b>	<b>25,997</b>	<b>11,608</b>	<b>44.7%</b>
<b>Recurring profit</b>	<b>5,359</b>	<b>5,577</b>	<b>-218</b>	<b>-3.9%</b>
Other non-recurring (income)/ expenses - net	852	688	164	23.8%
Finance (income)/ expenses - net	-136	58	-194	-334.5%
<b>Profit before tax</b>	<b>4,643</b>	<b>4,831</b>	<b>-188</b>	<b>-3.9%</b>
Tax expense	-2,126	-2,098	-28	1.3%
<b>Profit/ (loss) for the period from continuing operations</b>	<b>6,769</b>	<b>6,929</b>	<b>-160</b>	<b>-2.3%</b>
Profit/ (loss) for the period from discontinued operations				
Share of (profit)/loss of equity-accounted companies	1,894	-190	2,084	-1096.8%
<b>Profit for the period</b>	<b>4,875</b>	<b>7,119</b>	<b>-2,244</b>	<b>-31.5%</b>
Equity Holders of the parent	4,832	7143		
Minority interests	43	-24		
<b>Profit for the period</b>	<b>4,875</b>	<b>7,119</b>		



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CONSOLIDATED BALANCE SHEET

	30/06/2008	31/12/2007	Variation
	(EUR '000)	(EUR '000)	(EUR '000)
<b>ASSETS</b>			
Goodwill	28,971	26,538	2,433
Other intangible assets	39,432	4,619	34,813
Property, plant and equipment	76,996	59,792	17,204
Investments accounted for using the equity method	9,444	8,381	1,063
Deferred tax assets	38,143	33,312	4,831
Other long-term receivables	28,824	18,641	10,183
<b>Non-current assets</b>	<b>221,810</b>	<b>151,283</b>	<b>70,527</b>
Inventories and contracts in progress	81,517	40,899	40,618
Accounts receivable	73,171	44,243	28,928
Other receivables	42,971	27,943	15,028
Derivative financial instruments Assets	2,668	1,860	808
Cash and cash equivalents	86,602	58,210	28,392
<b>Current assets</b>	<b>286,929</b>	<b>173,155</b>	<b>113,774</b>
<b>Total assets</b>	<b>508,739</b>	<b>324,438</b>	<b>184,301</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	37,225	36,215	1,010
Share premium	124,248	115,199	9,049
Treasury shares	-7,245	-6,746	-499
Hedging and other reserves	10,233	8,397	1,836
Cumulative translation differences	-17,049	-12,309	-4,740
Retained earnings	3,817	70	3,747
<b>Capital and reserves attributable to Company's equity holders</b>	<b>151,229</b>	<b>140,826</b>	<b>10,403</b>
<b>Minority interests</b>	<b>698</b>	<b>655</b>	<b>43</b>
<b>TOTAL EQUITY</b>	<b>151,927</b>	<b>141,481</b>	<b>10,446</b>
Borrowings	18,148	17,854	294
Deferred tax liabilities	464	369	95
Provisions	99,464	12,313	87,151
Other long-term liabilities	39,748	33,763	5,985
<b>Non-current liabilities</b>	<b>157,824</b>	<b>64,299</b>	<b>93,525</b>
Borrowings	13,405	8,328	5,077
Accounts payable	70,057	51,191	18,866
Current income tax liabilities	113,944	1,115	112,829
Other payables and accruals	1,582	58,024	-56,442
<b>Current liabilities</b>	<b>198,988</b>	<b>118,658</b>	<b>80,330</b>
<b>Total liabilities</b>	<b>356,812</b>	<b>182,957</b>	<b>173,855</b>
<b>Total equity and liabilities</b>	<b>508,739</b>	<b>324,438</b>	<b>184,301</b>