



*iba*

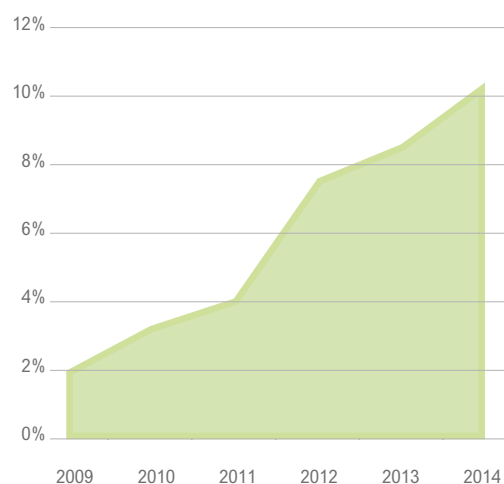
# EMBRACING THE FUTURE

**IBA**  
**ANNUAL REVIEW 2014**

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

## KEY FIGURES 2014

### REBIT<sup>(3)</sup> / SALES & SERVICES TRENDS



- IBA is a high-technology medical company which concentrates its activities on proton therapy, radiopharmacy, particle accelerators for the industry and dosimetry.
- IBA is the worldwide leader on the proton therapy market.
- Quoted on the pan-European stock exchange Euronext.
- 1 100 employees worldwide.
- IBA operates in two segments: “Proton Therapy and Other Accelerators” and “Dosimetry”.

### OPERATING RESULTS

	2013 (EUR 000)	2014 (EUR 000)	Variance (EUR 000)	CAGR <sup>(1)</sup> (%)
Sales and services	212 512	220 577	8 065	3.8%
Gross margin	88 427	96 096		8.7%
REBITDA <sup>(2)</sup>	22 743	28 321	5 578	24.5%
REBITDA/Sales and services	10.7%	12.8%		
REBIT <sup>(3)</sup>	18 359	22 932	4 573	24.9%
REBIT/Sales and services	8.6%	10.4%		
Net profit <sup>(*)</sup>	-1 010	24 294	25 304	N/A

(\*) 2013 Net Result before technical recycling of currency translation adjustment to income statement further to liquidation of a dormant Swedish entity (IAS 21.48).

(1) CAGR: compound annual growth rate

(2) REBITDA: recurring earnings before interest, taxes, depreciation and amortization.

(3) REBIT: recurring earnings before interest and taxes.

### SALES TRENDS BY ACTIVITY<sup>(1)</sup>

	2009 (EUR 000)	2010 (EUR 000)	2011 (EUR 000)	2012 (EUR 000)	2013 (EUR 000)	2014 (EUR 000)	CAGR <sup>(2)</sup> (%)
<b>TURNOVER</b>	<b>155 574</b>	<b>169 988</b>	<b>203 165</b>	<b>221 106</b>	<b>212 412</b>	<b>220 577</b>	<b>7.2%</b>
Proton Therapy	70 689	82 884	121 157	133 213	121 202	128 488	12.7%
Other Accelerators	45 070	39 086	38 896	38 991	45 387	49 199	1.8%
Dosimetry	39 815	48 018	43 112	48 902	45 823	42 890	1.5%

(1) The figures do not include any pharmaceutical activity.

(2) Compound annual growth rate.

## CONTENTS

- Highlights 2014: **2** ➤ IBA at a glance: **4** ➤ Global strategy: **6** ➤ Human resources: **22**
- Corporate social responsibility: **24** ➤ Economic review: **26** ➤ Stock market and shareholders: **28**

# OUR MISSION: **SAVING LIVES**

At IBA we dare to develop innovative solutions pushing back the limits of technology. We share ideas and know-how with our customers and our partners to bring new solutions for the diagnosis and treatment of cancer. We care about the well-being of patients, our employees and our shareholders as it is together that we complete our mission to Protect, Enhance and Save Lives.



# HIGHLIGHTS 2014

Proteus®ONE



## PROTON THERAPY

### PROTON THERAPY SALES

- IBA signed six contracts for proton therapy systems (a total of 10 treatment rooms), four *Proteus®ONE* systems and two *Proteus®PLUS* systems.
- In 2014, IBA strengthened its presence on the Asian market with eight treatment rooms sold (two in Japan and six in China).

### PROTEUS®ONE MILESTONES

- In 2014, IBA received marketing authorization from the Food & Drug Administration (FDA) as well as CE marking approval for its new Compact Gantry Beam Line.
- **July 18**  
*Proteus®ONE* awarded the “International Red Dot Best of the Best Award 2014” for its unique contribution to patient well-being.
- **September 12**  
The first patient is treated with *Proteus®ONE* at the Willis-Knighton Cancer Center in Shreveport (Louisiana, US) only 14 months after the beginning of installation.

### PROTON THERAPY NOW AVAILABLE FOR MORE PATIENTS WORLDWIDE

- In 2014, four new proton therapy centers began treating patients: Knoxville, Tennessee and Shreveport, Louisiana (both in the US), Trento (Italy) and Dresden (Germany).
- **September 15**  
The first patient was treated with IBA's proton therapy specific Cone Beam CT (CBCT) at Roberts Proton Therapy Center, University of Pennsylvania.
- **September 3**  
As part of its work with CYCLHAD in Caen (France) IBA will also work with several French industrial partners and semi-public institutions to develop the potential of carbon beam therapy.

# 2014

1<sup>st</sup> patient treated with *Proteus*<sup>®</sup>**ONE**



# 65%

operating proton therapy rooms market share



## HIGHLIGHTS 2014

### 3

### DOSIMETRY

→ **First quarter 2014**

IBA delivers its 1 000<sup>th</sup> *Blue Phantom*<sup>2</sup> system.

→ **July 17**

IBA launches its new global quality-assurance platform called *myQA*<sup>®</sup>.

→ **September 16**

IBA presents *Dolphin*<sup>®</sup>, the new online treatment monitoring system, the next revolution in radiation therapy patient safety.

### OTHER ACCELERATORS

→ **2014**

Another record year of cyclotron sales for the "Other Accelerators" division. IBA won 14 major contracts throughout the world, demonstrating its market-leading expertise and success in the accelerator market.

→ **July 2**

IBA signs a contract to install a 70MeV cyclotron dedicated to the production of new-generation medical isotopes to diagnose severe diseases.

→ **June 13**

IBA signs a contract for its new solution *Rhodotron*<sup>®</sup> *DUO* with Mediscan for the sterilization of medical devices.

### IBA GROUP OPERATING HIGHLIGHTS

→ **March 17**

IBA divests all shares and assets in PharmaLogic PET Services of Montreal Company assets, which were IBA's last remaining pharmaceutical assets.

→ **March 26**

IBA signs the final contracts with the Essen University Hospital (Germany).

→ **September 11**

IBA and Philips join forces to provide advanced diagnostic and therapeutic solutions for cancer treatment.

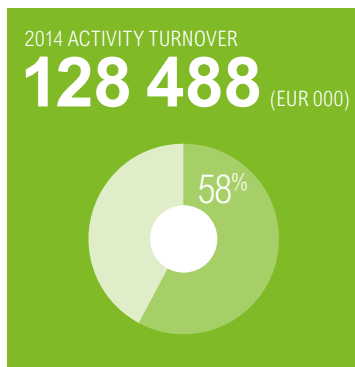


# **IBA** **AT A GLANCE**

IBA is the worldwide technology leader in advanced cancer radiation therapy and diagnostic technologies. The Company's special expertise lies in the development of innovative proton therapy technologies, supplying the oncological world with equipment of unequalled precision.

## IBA FOCUSES ON THREE MAIN ACTIVITIES

### PROTON THERAPY



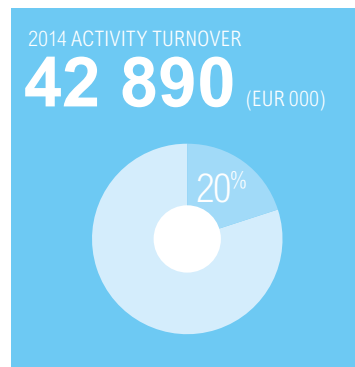
Proton therapy is considered to be the most advanced treatment available in the fight against cancer. With the precision that proton therapy offers, it is possible to target the tumor more effectively while limiting the side effects of the treatment. Protons deposit the majority of their energy within a precisely controlled zone, directly in the center of the tumor while limiting the impact on healthy tissues surrounding the tumor.

Proton therapy is particularly appropriate for the treatment of eye and brain cancers, tumors close to the brain stem and spinal cord as well as prostate, liver, lung and breast cancers. Proton therapy is also extremely well-suited for the treatment of pediatric cancers.

Today, IBA provides the systems and technology for more than half of all proton therapy clinical facilities worldwide. At the end of 2014, there were 18 proton therapy centers in operation and 14 additional centers under development.

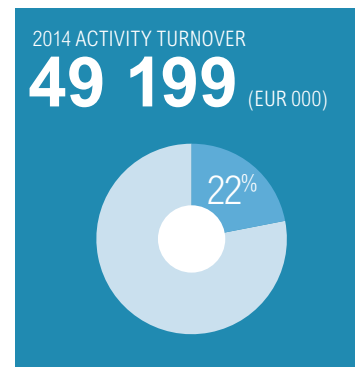
IBA offers two solutions: *Proteus<sup>®</sup>PLUS* with several treatment rooms, and *Proteus<sup>®</sup>ONE<sup>(1)</sup>*, a single-room solution, which makes proton therapy more accessible than ever.

### DOSIMETRY



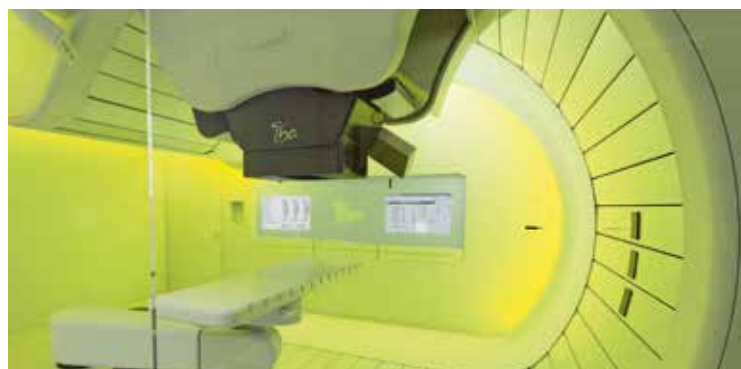
IBA offers a full range of monitoring equipment and software that enables hospitals to perform the necessary checks and calibration procedures during radiation therapy and radiology. Precision and control are essential in the delivery of radiation. Delivering exactly the prescribed dose to a precisely defined area in the patient's body is absolutely crucial. Treatment success and patient safety depend on it.

### OTHER ACCELERATORS



IBA has installed more than 400 accelerators worldwide. Most of these are used to produce radioisotopes in oncology (for cancer detection), and in neurology and cardiology. The IBA RadioPharma Solutions team helps nuclear medicine departments to design, install and maximize the functional efficiency of a radiopharmacy for the production of radiopharmaceuticals.

In addition to its medical activity, IBA leverages its scientific expertise in radiation to develop sterilization and ionization solutions for various industrial uses.



(1) *Proteus<sup>®</sup>ONE* - the brand name of a new configuration of the *Proteus<sup>®</sup>235*.

# GLOBAL STRATEGY

➤ 6



Iba





→ **2014** was a positive and transformational year for IBA. The Company benefited from the increasing global adoption and acceptance of proton therapy as the most advanced and precise treatment option for radiation therapy patients. IBA has continued to maintain its strong

leadership in the field, securing more than 50% of all proton therapy technology orders in 2014. Asia and other emerging markets are increasingly strong markets for IBA, with four of our proton therapy systems sold in Asia in 2014. The technological developments we achieved with *Proteus®ONE*,

Pencil Beam Scanning precision delivery and CBCT imaging, are key differentiators for our clients. IBA remains at the forefront of technological advances in radiation therapy, and will continue to enhance its position with new innovations such as adaptive and carbon therapy.



Pierre Mottet,  
Chairman

Olivier Legrain,  
CEO

## In 2015,

IBA started off strong with multiple purchase orders, a record backlog and a very healthy pipeline. With sales and interest in IBA's proton therapy systems growing globally, and the increasing affordability and financing options for the therapy systems, we believe that IBA will continue to show strong progress in the coming year and beyond.

# PROTON THERAPY

IBA, WORLD LEADER  
ON A GROWING MARKET

➤ 8

Proteus®PLUS



**17%**  
of patients treated by radiotherapy would benefit from being treated by proton therapy

Unfortunately, we are witnessing a steady increase in the number of cancer cases in the world. Globally, the World Health Organization estimates that cancer incidence will rise from 14 million new cases in 2012 to 24 million (see figure 1) by 2035 (CAGR 2%-3%).

In developed markets, around 35% of cancer cases (>60% in US) require radiation treatment alone or in combination with other treatments, such as surgery or chemotherapy. Minimizing the overall exposure of healthy tissues has always been an important aspect of radiation therapy. This is where proton therapy offers a real advantage and has a huge clinical potential compared to other forms of radiation. Proton therapy reduces the risk of secondary cancers and growth anomalies linked to the radiation of healthy tissues. It also offers patients a better quality of life during and after treatment by significantly reducing side effects.

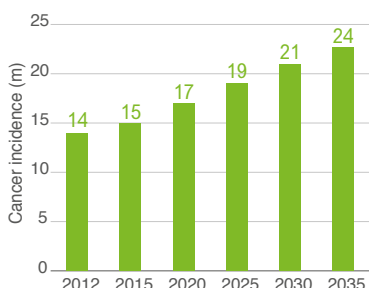


Fig. 1: number of cancer cases in the world

Currently, only 1% of radiation therapy patients are treated with proton therapy. It is clear from the growing number of patients treated and proton therapy rooms (see figure 2), that the market is entering a phase of growth.

IBA anticipates a strong worldwide increase in demand for proton therapy rooms in the coming years.

**GROWING RECOGNITION OF THE CLINICAL ADVANTAGES OF PROTON THERAPY**

While proton therapy today represents less than 1% of radiotherapy treatments, studies estimate that at least 17% of radiotherapy patients would benefit from being treated with proton therapy, as reported by the Netherlands' Health Council<sup>1</sup>.

Another key indicator of the growing recognition of proton therapy and its advantages is the American Society for Radiation Oncology's (ASTRO) issuance of a new Model Policy for proton therapy (June 2014). Developed by leading radiation oncologists and medical physicists, the Model Policy clearly indicates that due to its unique dose deposition characteristics, proton therapy can, in certain situations, deliver the prescribed target dose, while giving a lower dose to

**IBA PROTON THERAPY CENTERS SOLD WORLDWIDE**

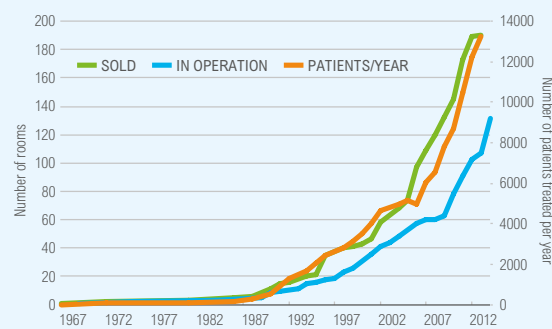


Fig. 2: proton therapy treatment worldwide

normal tissues as compared to conventional radiation therapy.

ASTRO has published a list of cancers for which it may be medically necessary to treat with proton therapy techniques (ocular, base of skull, spine, liver (hypofractionated) and pediatric tumors). ASTRO has also compiled a list of cancers for which proton therapy should be studied in trials as a possible better treatment option (head and neck, thoracic, abdominal and pelvic malignancies including GU, GI and gynecological).

In terms of cost/value comparison, a recent study from the University of Texas MD Anderson Cancer Center shows that the episodic cost of care using Intensity Modulated Proton Therapy (IMPT) in advanced-stage head and neck cancer is lower than that of Intensity Modulated Radiation Therapy (IMRT).

(1) Nederlands Gezondheidsraad. Netherlands' Health Council. Proton radiotherapy. Horizon scanning report. Publication n° 2009/17E. ISBN 978-90-5549-786-7. www.gezondheidsraad.nl

# PROTON THERAPY

Additionally, a large number of clinical trials are currently ongoing. These results will eventually shape the future of proton applications, and undoubtedly open a new era for proton therapy treatment.

IBA expects the indications for proton therapy as the standard of care to increase significantly in the coming years. This will fuel a strong demand for proton therapy treatment rooms.

As awareness and evidence of the clinical advantages of proton therapy continue to rise, many governments worldwide have increased their support for proton therapy technology.

## IBA CONTINUES TO STRENGTHEN ITS LEADING MARKET POSITION

Proton therapy is IBA's principal source of growth for the future, particularly since the Company also enjoys the position of uncontested world market leader. IBA provides the systems for more than half of all proton therapy treatment projects in the world.

To date, more than 40 000 patients have been treated by IBA clients, more than by all competitors combined.

In 2014, with six new contracts signed in Japan, France, the US and China, IBA sold 53% of the proton therapy rooms in 2014 representing 51% market shares.

A key differentiator of IBA's proton therapy capability is its speed from system order to patient treatment. Four new IBA treatment centers began treating patients in 2014: Knoxville, Tennessee and Shreveport, Louisiana (both in the US), Trento (Italy) and Dresden (Germany). IBA is continually reducing the amount of time it takes to build new proton therapy centers. The new treatment center in Knoxville was treating patients just a year after system installation began – breaking a previous IBA installation record. At Dresden Technical University in Germany, IBA finished building the proton therapy center two months ahead of schedule.

In 2014, IBA announced a new strategic global collaboration

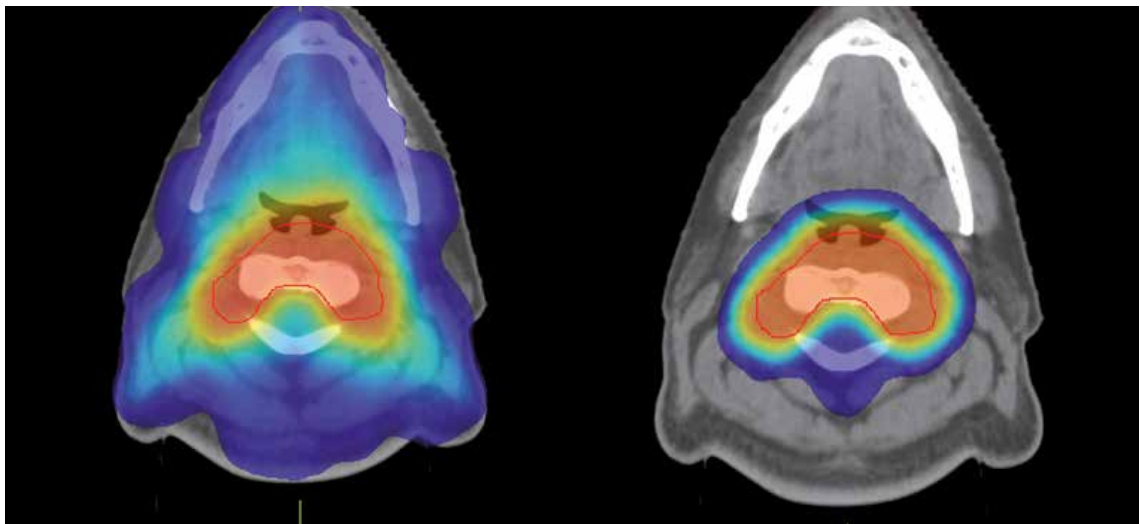
with Philips Healthcare to provide advanced diagnostic and therapeutic solutions for the treatment of cancer. The collaboration includes sales, marketing and R&D of imaging and cancer therapy solutions. IBA will benefit from Philips' diagnostic imaging products offered to oncology care centers, while Philips will leverage IBA's proton therapy solutions within its offering for customers in select markets around the world.

## IBA MAKES PROTON THERAPY MORE ACCESSIBLE

More patients would have the opportunity to benefit from proton therapy if its cost was closer to that of conventional radiation therapy. For this reason, IBA has been researching and developing ways to minimize the cost of proton therapy and make it more accessible to all cancer patients.

In line with IBA's commitment to this, the *Proteus<sup>®</sup>ONE* is a compact single-room solution that is more affordable while also

➤ 10



Intensity Modulated Radiation Therapy (IMRT) vs Intensity Modulated Proton Therapy (IMPT)  
With courtesy of Elekta.

IMRT

IMPT

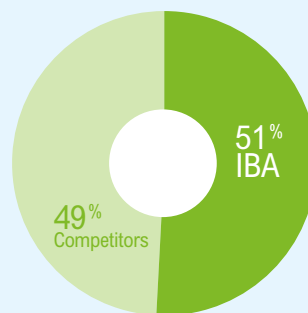
Proteus®PLUS

IBA market share of total proton therapy rooms sold:

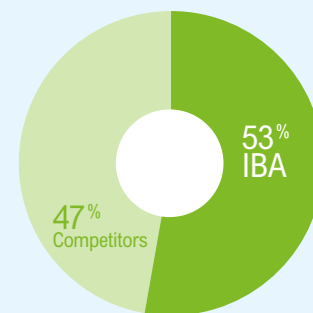
# 51%

**PROTON THERAPY ROOMS SOLD**

TOTAL ROOMS SOLD



ROOMS SOLD IN 2014



being easier to install, operate and finance.

With *Proteus®ONE*, proton therapy becomes accessible for more patients worldwide. Interest in this compact solution has grown rapidly. By the end of 2014, seven *Proteus®ONE* systems had been ordered by four countries: the US, France, Japan and Taiwan.

From a technology standpoint, major milestones were achieved in the development of *Proteus®ONE* in 2014.

IBA not only received marketing authorization from the US Food and Drug Administration (FDA) but also CE marking (in Europe) for the Compact Gantry Beam Line and its Cone Beam Computed Tomography (CBCT) solution which enables a more precise patient positioning. The first *Proteus®ONE* patient was treated




With courtesy of Institut Curie  
Photographer: Pedro Lombardi

# PROTON THERAPY




➤ 12



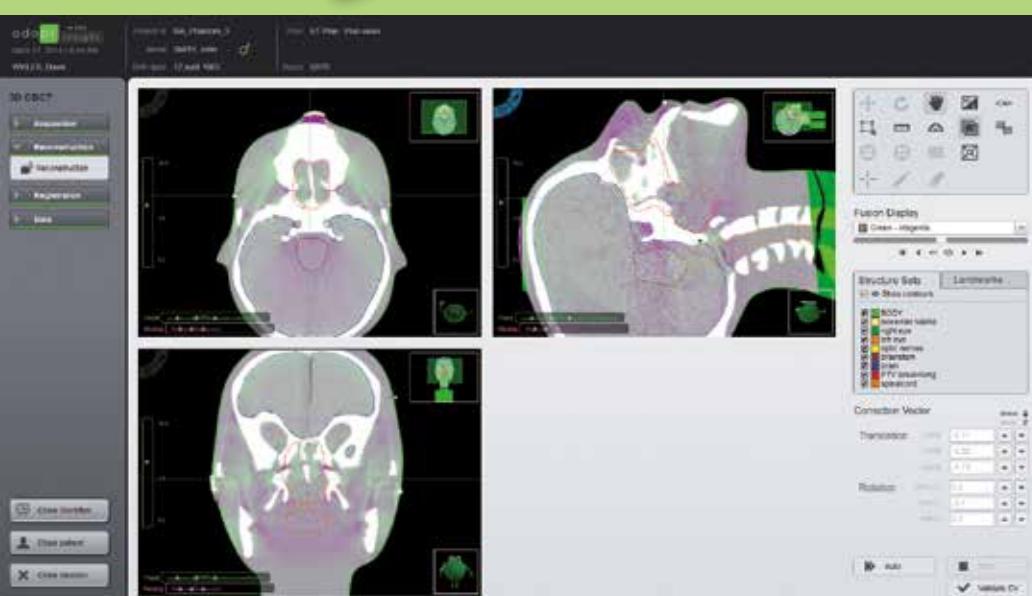
**Proteus<sup>®</sup>ONE**

- smaller footprint
- easier to install
- easier to finance

**Proton therapy made easy**



*Pencil Beam Scanning (PBS) allows to modulate the intensity of the beam at any specific location to precisely match the shape of the target*



at Willis-Knighton Cancer Center in Shreveport, Louisiana, (US). This patient received Image Guided Intensity Modulated Proton Therapy (IMPT) treatment on September 9, 2014, nearly three months before its projected date.

IBA believes that these milestones, combined with *Proteus<sup>®</sup>ONE's* attractive profile in terms of lower cost, footprint and installation time will further accelerate the adoption of proton therapy across the globe.

*Cone-Beam Computed Tomography (CBCT) offers excellent soft-tissue contrast, ensuring accurate patient positioning during treatment*

## IBA DEPLOYS TECHNOLOGICAL SOLUTIONS WITH HIGH CLINICAL ADDED VALUE

In 2014, IBA continued to provide the most advanced technologies to its partners and maintained its unrivalled position as an innovator in proton therapy technology.

### PBS TECHNOLOGY

Spot scanning or Pencil Beam Scanning (PBS) is one of the technological improvements that impacts the speed of proton therapy adoption by the market. PBS technology provides millimeter precision, allowing the proton dose to be delivered with very high levels of conformity, even in complex-shaped tumors. PBS increases the number of clinical indications for proton therapy and contributes to minimizing the overall radiation dose. Fourteen centers are already equipped with PBS technology

### adaPT TREATMENT SUITE

Since July 2014, cancer patients at the University of Pennsylvania's proton therapy center have benefited from the most advanced proton therapy software available – the *adaPT Treatment Suite*. This modular software platform provides a fully integrated treatment environment for the fastest, safest and most user-friendly delivery of proton therapy.

### IMAGING

Cancer tumors are inherently unstable. Therefore, it is extremely important to thoroughly and regularly measure the size and shape of the tumor, and correctly position the patient under the beam. As with conventional radiation therapy, real-time 3D imaging is used for tumor localization and patient alignment. IBA is working on a way to incorporate 3D imaging in proton therapy to further improve proton

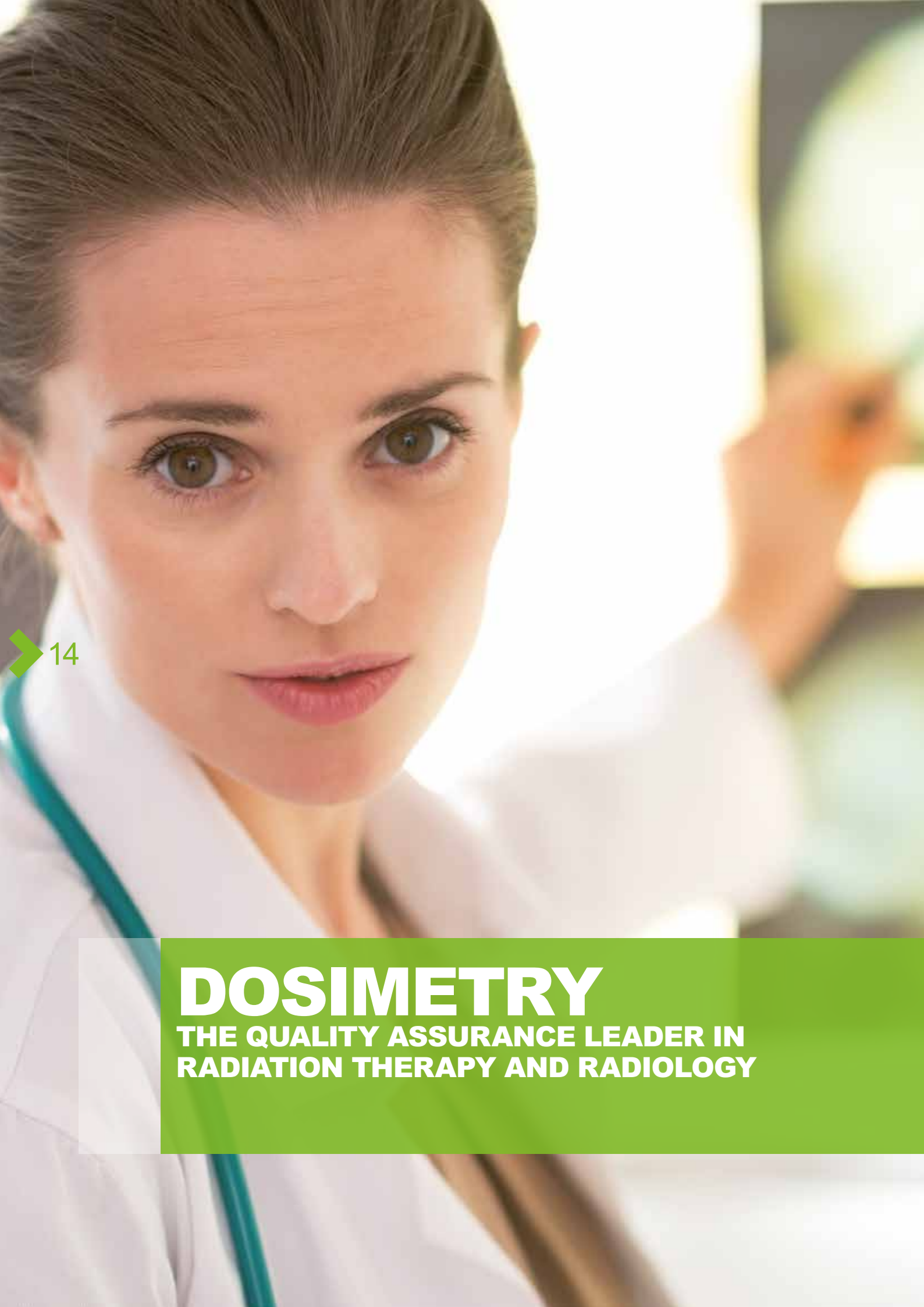
range accuracy as well as daily plan correction.

Measurement tools are important to maximize the efficiency of radiation therapy and refining these tools would significantly increase the precision of proton therapy. For example, CBCT technology allows imaging to be conducted directly in the treatment room, while gamma cameras help verify the beam range. To further develop these solutions, IBA benefits from several partnerships, such as the Philips Healthcare agreement to provide diagnostic imaging expertise.



« Due to the unique properties of protons, proton therapy allows to treat tumors with unmatched accuracy, security and efficiency. The administered dose is focused on the tumor and spares healthy surrounding tissues, thereby reducing side effects such as radiation-induced cancers. »

*Michel Closset, Clinical Director Particle Therapy*



# **DOSIMETRY**

**THE QUALITY ASSURANCE LEADER IN  
RADIATION THERAPY AND RADIOLOGY**



IBA offers a full range of innovative quality assurance and calibration procedure solutions for radiation therapy and medical imaging. Both in radiation therapy and medical imaging applications, radiation has to be applied wisely and carefully. IBA Dosimetry solutions are used in order to maximize the quality of the diagnosis and therapy, as well as minimize the associated risks for patients. In medical imaging, the goal is to minimize the imaging radiation dose given to the patient while maintaining good image quality. In radiation therapy, the goal is to focus a high dose of cancer-killing radiation with pinpoint accuracy on the tumor mass, while sparing healthy tissues.

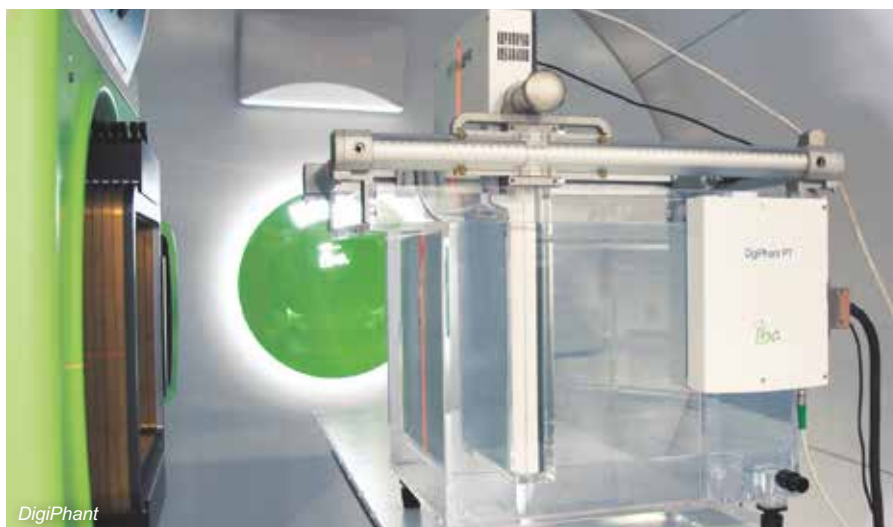
**CONTINUOUS GROWTH**

With over 10 000 users worldwide, IBA Dosimetry is the market leader in providing healthcare professionals with high-end quality assurance solutions to measure and analyze the imaging and treatment doses received by patients. IBA believes that in view of the increasing requirement in the healthcare market for higher patient safety, the demand for dosimetry and quality assurance solutions in conventional radiation therapy, proton therapy and medical imaging will grow as fast as the demand in radiation therapy and medical imaging equipment.

**CONTINUOUS INNOVATION**

IBA Dosimetry is continually striving for innovative solutions and services in order to constantly improve dosimetry. One of the Company's latest developments – the *Blue Phantom<sup>2</sup>* system – has achieved much business success and recorded its 1000<sup>th</sup> completed order of the system in the first quarter of 2014. The *Blue Phantom<sup>2</sup>* embodies decades of expertise, research and experience in the development and clinical use of water phantom systems.

*IBA Dosimetry developed a full range of products for proton therapy systems*

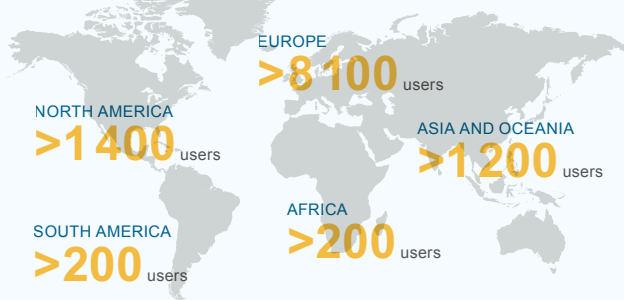


*Blue Phantom Helix DigiPhant*

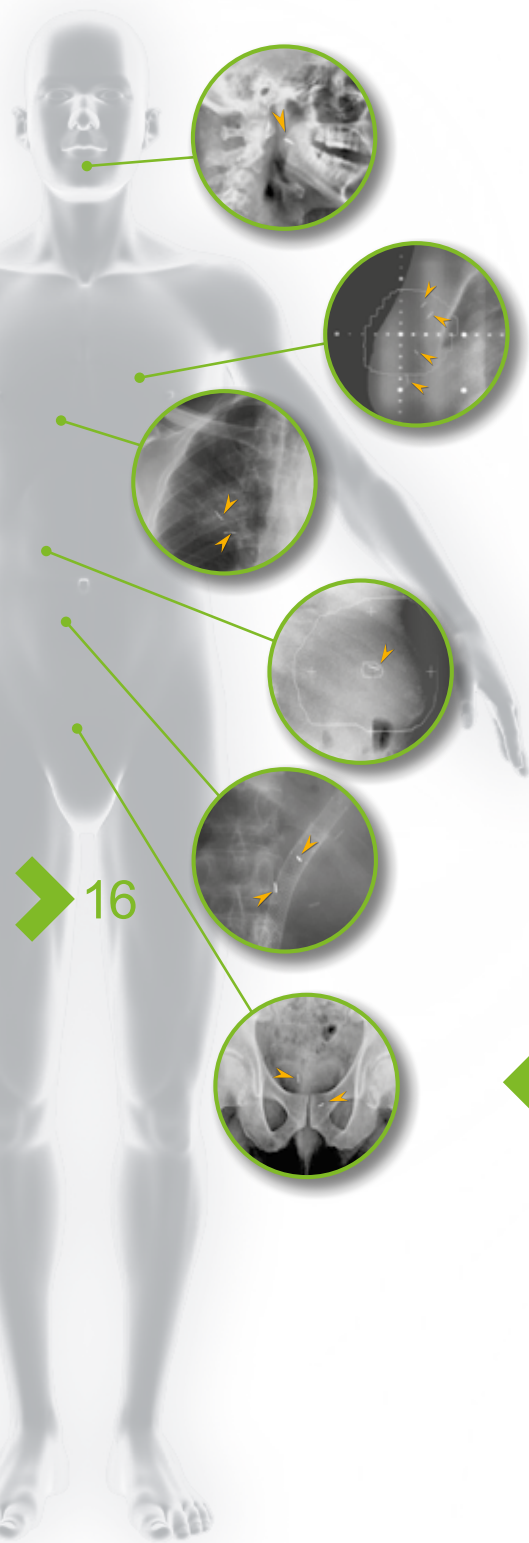


**10 000**  
users  
worldwide

**IBA DOSIMETRY SOLUTIONS WORLDWIDE**



# DOSIMETRY



In addition, IBA Dosimetry introduced several new integrated solutions for patient safety in 2014, including a unique software platform for quality assurance (QA) called *myQA*® and the next revolution in patient safety, *Dolphin*®.



*myQA*™

By integrating all quality assurance data and applications under the same software platform, *myQA*® sets a new workflow efficiency standard. It offers a complete overview of the radiation therapy department and connects different users, so that new treatment methods can be applied faster and with more confidence, resulting in safer patient treatments. This software platform enables physicists and dosimetrists to implement the most efficient QA workflow for their department, as well as for their satellite and partner hospitals.

« In 2014, IBA launched unique innovations such as *Dolphin*® and *myQA*® global quality assurance platform. Together with our partners around the world we believe these solutions are a significant step towards better quality of cancer care and safer patient treatments. »

*Dr. Juan Carlos Celi,*  
Chief Innovation Officer  
at IBA Dosimetry



VISICOIL™  
LINEAR FIDUCIAL MARKER



Dolphin®

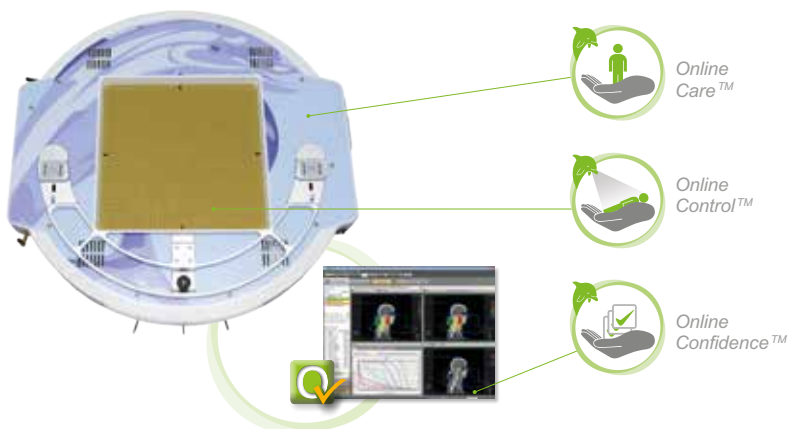
## dolphin Online Treatment Monitoring

IBA's *Dolphin*® system was introduced at the 2014 annual congress of the American Society of Radiation Oncology (ASTRO) and provides online care by enabling a more positive and safer treatment experience for patients. The *QuickCheck*™ software automatically analyzes the delivered fraction versus the dose defined in the treatment plan and automatically confirms its validity after each fraction is delivered. *Dolphin*® provides

online reassurance that the entire treatment has been delivered safely, fraction by fraction. Its user-friendly design supports the radiation therapist in delivering a more accurate treatment, as well as providing peace of mind for patients, knowing that the *Dolphin*® system is tracking the entire treatment.

1 000<sup>th</sup>  
*Blue Phantom*<sup>2</sup> delivered

17



*IBA solutions help to lower patient imaging doses and to improve picture quality in Medical Imaging*

# RADIOPHARMACY

A WORLDWIDE UNIQUE KNOW-HOW



IBA RadioPharma Solutions has already sold

**240**  
cyclotrons worldwide



IBA has developed in-depth experience in setting up medical radiopharmaceutical production centers. Based on this longstanding expertise, the IBA RadioPharma Solutions team helps nuclear medicine departments in hospitals and radiopharmaceutical distribution centers to design, build and operate a radiopharmacy. Acquiring a cyclotron is the first step in the complex project of acquiring a fully-functional radiopharmacy capability, one that requires all components and auxiliary equipment to be integrated into a consistent and efficient radiopharmacy center.

### AN EXCEPTIONAL YEAR FOR IBA RADIOPHARMA SOLUTIONS WORLDWIDE

2014 was another record year of cyclotron sales for IBA

RadioPharma Solutions division, with important contracts won in all regions. One such contract, announced in July 2014, was signed with the Center for Development of Nuclear Medicine in Moscow, Russia, for the installation of a high-energy cyclotron called *Cyclone®70*. This system is dedicated to the production of new-generation medical isotopes, used mainly in the diagnosis of severe diseases. This was IBA's third order for the *Cyclone®70* and demonstrates IBA's solid market-leading position, expertise and success with cyclotrons.

2014 was also a record sales year for *Synthera®*, the IBA automated chemistry module for the production of radiopharmaceuticals. In June 2014, at the Society of Nuclear Medicine and Molecular Imaging congress (SNMMI), IBA announced the successful

implementation of  $^{18}\text{F}$ -FDOPA Nucleophilic Pathway on the *Synthera®* platform. This simplifies the manufacturing process of the tracer and consequently, allows more diagnostic positron emission tomography (PET) centers to be involved in its production and distribution.  $^{18}\text{F}$ -FDOPA is a PET agent used to detect, stage and re-stage neuroendocrine tumors.

IBA RadioPharma Solutions has already installed 240 cyclotrons and 400 chemistry modules throughout the world. The sales potential for IBA in mid- and high-energy cyclotrons is high considering the increased demand for radiopharmaceuticals for the diagnosis of severe diseases throughout the world, particularly in emerging countries.

« Our approach is truly comprehensive, taking the project of a client from the radiopharmacy design to the full regulatory compliance and the selection, integration, installation and qualification of the equipment. »

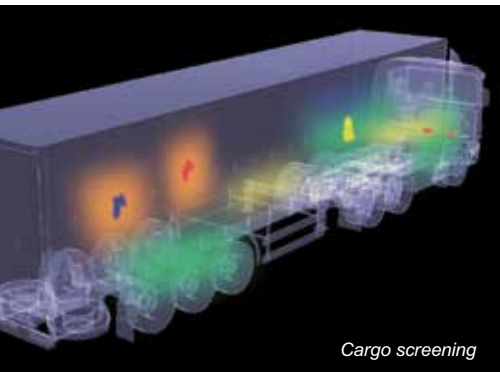
Jean-Michel Geets, *IntegraLab Business Developer*





# INDUSTRIAL ACCELERATORS

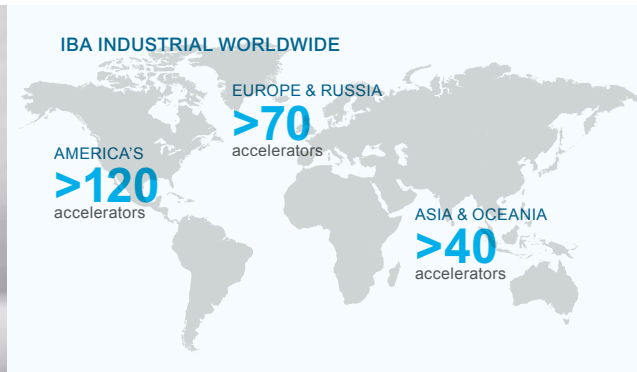
E-BEAM AND X-RAY STERILIZATION  
FOR MEDICAL DEVICES



Cargo screening



Rhodotron®



The IBA Industrial division focuses on two markets: the sterilization of single-use medical products and the improvement of the physical properties of polymers (crosslinking).

In the sterilization market, IBA proposes a highly differentiated and innovative offering based on the *Rhodotron*® electron beam accelerator. In 2014, IBA delivered its first *Rhodotron*® with progressive power design allowing customers to start with small capacity solutions and increase capacity when needed. IBA also sold the first *Rhodotron*® DUO, a new configuration that allows its customers to sterilize medical devices either by X-ray or electron beam treatment. This new solution enables the industry to break the dependency on chemical or radioactive-based sterilization processes.

Growth in the polymer crosslinking market has come mainly from the automotive industry where manufacturers require cables treated by electron beams that are both more compact and offer superior performance. In 2014, IBA Industrial installed, in record time, its new 1 MeV self-shielded *Dynamitron*®, the highest energy self-shielded solution available on the market with the ability to treat bigger cables than previous self-shielded models.

### LONG-TERM GROWTH

IBA Industrial is actively evaluating high-value, long-term markets such as cargo screening and energy-saving solutions for industry. All of these high-potential markets could benefit from the uniqueness of IBA Industrial's technology.

« The IBA *Rhodotron*® E-beam and X-ray technologies enable our customers to break their dependency on toxic chemicals and radioactive material for their sterilization process, which improves safety for everyone involved. »

Jean-Louis Bol, Industrial Business Line Leader





# HUMAN RESOURCES

## THE KEY TO IBA SUCCESS: THE EXPERTISE OF ITS EMPLOYEES

IBA is a company that innovates, stimulates and believes in its employees. IBA is committed to providing the best technology possible to benefit society, its employees and the world in general. IBA employees are top-level, talented experts in their respective fields. It is thanks to their commitment, continuous

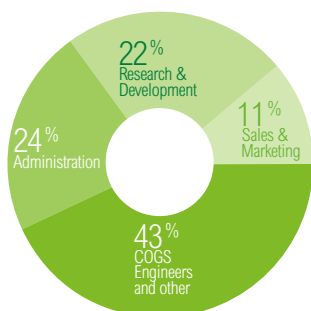
training and accumulated experience that IBA, as a company, can make a difference in the world and provide unrivalled technology that saves lives throughout the world.

## AUTONOMY AND TEAM-WORK FOR CONTINUOUS INNOVATION

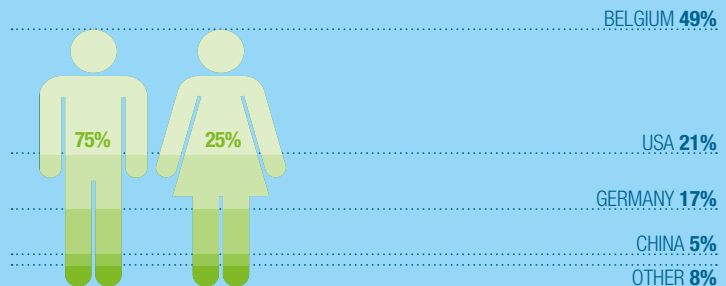
IBA's company culture encourages individual autonomy and initiative, combined with

a strong spirit of collaboration within teams. The Company's real added value comes from its multicultural community made of complementary competencies, enabling it to constantly meet new technological challenges. The global structure of the Group and the synergies between its core activities add further strength to this teamwork and innovation.

### EMPLOYEE ACTIVITY PROFILE



### IBA EMPLOYEES WORLDWIDE







1100

employees  
in 21 countries



Cyclone®18



Dosimetry staff in Germany

**EMPLOYEES DEDICATED  
TO THE IBA MISSION**

IBA benefits from exceptional staff loyalty. Abundant opportunities for training and mobility within the Company allow individuals to develop their skills and grow within the Company as well as individually. All employees contribute to the success of IBA, fully aware that their professional commitment has a positive effect

on patients, society, clients, the Company and their colleagues. They know that they are working for an international company whose mission benefits the whole society and which gives them the opportunity to make a real impact in the battle against cancer. Every employee helps to Protect, Enhance and Save Lives.

2014 was a turning point for IBA. Thanks to strong business results

and the predicted growth of the proton therapy market, IBA plans to expand its workforce over the next three years. To attract and keep the best talent, IBA relies on its clear mission, unique social contribution and opportunity for real self-fulfilment, that shows that the Company is committed to the well-being of its employees.

**Frederic Nolf,**  
*Chief Human Resources Officer*





IBA staff joining the ELA race in profit of the research against Leukodystrophy

©Art Light Photography

# CORPORATE SOCIAL RESPONSIBILITY

## ONE MISSION: TO PROTECT, ENHANCE AND SAVE LIVES

Nearly everyone in the world is affected by cancer either directly or indirectly. IBA employees have a sense of urgency and are inspired by IBA's mission to Protect, Enhance and Save Lives. The scientific and technological challenges of preventing and treating cancer can only be overcome by continually pushing back the limits of innovation at every level: products, services and processes. At IBA, we are committed to this innovation – for the patient, the client and the community. This promise stands for all employees whatever their function. By providing effective technology, and by combining a courageous mentality with a desire to give the absolute best products

on the market, IBA can fulfill its mission and create a future focused on saving human lives.

Our vision is to achieve a sustainable business through excellence in areas related to the environment, health and safety. Employees are involved in various activities to reduce the environmental footprint of the Company, live healthier lives and/or in support of independent associations that fight cancer.

## IBA GREEN CELL: BECAUSE WE ONLY HAVE ONE WORLD

Green Cell is a group of 50 IBA employee volunteers, working to develop initiatives in the fields of energy, waste management, mobility and environmental protection. Projects that fall under one of these areas are continuously assessed with

regards to the Green Cell's main goal: to involve the whole IBA community in a joint effort to reduce the Company's environmental footprint over the next three years.

Teams of passionate IBA volunteers are working on six key objectives:

1. Education & Awareness: to promote environmental information through campaigns and best practices. An "IBA Green Week" was organized in 2014 with lectures and workshops to sensitize IBA employees on environment-friendly behaviors.

« At IBA, what we do for the health of mankind doesn't come at the expense of the planet. We have one life – we have one world. »

*Pierre Mottet, Chairman of the Board, IBA*



**Our priority:  
to protect the  
health and safety  
of our employees,  
contractors,  
visitors and  
others affected by  
our operations**

*IBA Sailing Team  
against cancer*



- 2. **Waste & Consumables:** to reduce IBA's environmental impact through the optimized management of waste and consumables. Every type of waste is handled separately and sent to local companies to be recycled.
- 3. **Mobility:** to develop plans to create easier access for IBA employees to energy-efficient means of transport, ranging from carpooling to cycling and public transport. For instance, IBA employees benefited from special offers on bicycles.
- 4. **Energy:** to reduce the environmental impact of energy consumption linked to the nature of IBA's activity (cyclotrons). Photovoltaic panels were also placed on the roof of the IBA assembly hall in mid-2014.



- 5. **Evaluation & Monitoring:** to evaluate and monitor the environmental impact of IBA's activities and products.
- 6. **Biodiversity:** to develop initiatives regarding organic food, wild gardens and biodiversity in our workspace and at home.

**IBA: SAVING LIVES  
OUTSIDE AND IN**

IBA's employee health program creates opportunities for employees to increase awareness on healthy living.

Sports sessions are organized during the lunch break. Activities rotate to meet employee needs. Activities include running, volleyball, zumba, hockey and golf. It is easy and free to join and all levels are welcome.

In addition, an IBA Health Week takes place once a year. Employees can attend information sessions on different wellness related topics including stress management, healthy eating, stretching and movement as well as how to quit smoking.

**Our mission:  
to Protect  
Enhance and  
Save Lives**



# ECONOMIC REVIEW

In 2014, IBA reported a 3.8% increase in revenues to EUR 220.6 million (2013: EUR 212.5 million). Recurring operating profits before interest and taxes (REBIT) continued to improve compared with 2013, due to the growth in service revenues (+28%) and benefits from the implementation of the Company's productivity and efficiency programme. The Company's REBIT increased 24.9% in 2014 from EUR 18.4 million in 2013 to EUR 22.9 million despite the low level of revenue conversion in dosimetry.

The Board of Directors intends to recommend to the General Assembly that a gross dividend of EUR 0.17 per share be paid in 2015, based on 2014 results, representing a payout ratio of about 20%.

Operating cash flow during 2014 amounted to EUR 15.0 million. Cash flow from investing was positive at EUR 1.7 million. The net cash position at the year-end was EUR 5.3 million, significantly improved from a net debt EUR 18.1 million at year-end 2013.

## PROTON THERAPY AND OTHER ACCELERATORS

Net sales grew by 6.7% in 2014 for Proton Therapy and Other Accelerators, driven in part by continued strong growth of sustainable service revenues,

making up about one third of the total.

Proton Therapy service revenues alone increased by 42.8% and, including Other Accelerators, by 32.4%, further indicating the sustainability and predictability of this important revenue stream. The Company now has 27 Proton Therapy service contracts signed, totalling a backlog of EUR 468 million in future booked revenues over the next 10-15 years.

In addition, IBA has a record year-end backlog in Proton Therapy and Other Accelerators of EUR 256.2 million, up 39% from EUR 183.8 million at the end of 2013.

## DOSIMETRY

In Dosimetry, IBA has been facing the same phenomenon reported by the main players in the linear accelerators (LINAC) market, with strong order intake in the emerging countries from multi-year orders that take longer to be converted into revenues than with previous established market contracts. Therefore, the strong order intake, unexpectedly, only converted into a limited amount of revenues causing a decrease in sales to EUR 42.89 million and REBIT of EUR 3.41 million.

However, with a strong backlog of EUR 16.8 million, up 39%

compared to full year 2013, increasing synergies between dosimetry and proton therapy, stabilization of the conversion rate and new, innovative product solutions and services introduced in 2014, IBA is confident that Dosimetry will return to growth in 2015.



## OPERATING RESULTS

	2013 (EUR 000)	2014 (EUR 000)	Variance (EUR 000)	CAGR <sup>(1)</sup> (%)
Sales and services	212 512	220 577	8 065	3.8%
Gross margin	88 427	96 096		8.7%
REBITDA <sup>(2)</sup>	22 743	28 321	5 578	24.5%
REBITDA/Sales and services	10.7%	12.8%		
REBIT <sup>(3)</sup>	18 359	22 932	4 573	24.9%
REBIT/Sales and services	8.6%	10.4%		
Net profit <sup>(*)</sup>	-1 010	24 294	25 304	N/A

## OTHER KEY FIGURES

Capital expenditure	3 933	4 954	1 021	26.0%
Research and development expenses	23 046	22 912	-134	-0.6%
Equity	67 238	107 526	40 288	59.9%
Net cash position <sup>(4)</sup>	-18 130	5 301	23 431	-129.2%
Current liabilities	161 483	158 442	-3 041	-1.9%
Total assets	281 753	307 056	25 303	9.0%
Return on Equity	-1.5%	22.6%		
Return on Capital Employed (ROCE)	15.3%	15.4%		
Share price at December 31 (Euro)	7.80	14.34		83.8%
Number of shares	27 635 439	28 393 804		2.7%
Net earnings per share (EPS) (Euro per share)	-0.04	0.86		
Price/Earnings	-213.42	16.76		
Market capitalization <sup>(5)</sup>	215 556	407 167		
Book value per share (Euro per share)	2.43	3.79		
Dividend per share	0.00	0.17		
Enterprise value <sup>(6)</sup>	233 686	401 866		72.0%
EV/REBITDA	10.3	14.2		38.1%
Employees at December 31	1 037	1 071	34	3.3%

(\*) 2013 net result before technical recycling of currency translation adjustment to statement further to liquidation of a dormant Swedish entity (IAS 21.48).

## CONTINUING OPERATIONS

	2013 (EUR 000)	2014 (EUR 000)	Variance (EUR 000)	Variance %
<b>PROTON THERAPY AND OTHER ACCELERATORS</b>				
<b>Net Sales</b>	<b>166 589</b>	<b>177 687</b>	<b>11 098</b>	<b>6.7%</b>
- Proton Therapy	121 202	128 488	7 286	6.0%
- Other Accelerators	45 387	49 199	3 812	8.4%
<b>REBITDA</b>	<b>15 320</b>	<b>24 148</b>	<b>8 828</b>	<b>57.6%</b>
% of Sales	9.2%	13.6%		
<b>REBIT</b>	<b>11 644</b>	<b>19 516</b>	<b>7 872</b>	<b>67.6%</b>
% of Sales	7.0%	11.0%		
<b>DOSIMETRY</b>				
<b>Net Sales</b>	<b>45 923</b>	<b>42 890</b>	<b>-3 033</b>	<b>-6.6%</b>
- Dosimetry	45 923	42 890	-3 033	
<b>REBITDA</b>	<b>7 423</b>	<b>4 173</b>	<b>-3 250</b>	<b>-43.8%</b>
% of Sales	16.2%	9.7%		
<b>REBIT</b>	<b>6 715</b>	<b>3 417</b>	<b>-3 298</b>	<b>-49.1%</b>
% of Sales	14.6%	8.0%		

(1) CAGR: compound annual growth rate  
(2) REBITDA: recurring earnings before interest, taxes, depreciation and amortization.  
(3) REBIT: recurring earnings before interest and taxes.  
(4) Cash and cash equivalents less long-term and short-term financial debts.  
(5) The share price at December 31 multiplied by the number of shares.  
(6) Market capitalization less the net cash position.

# THE STOCK MARKET AND SHAREHOLDERS

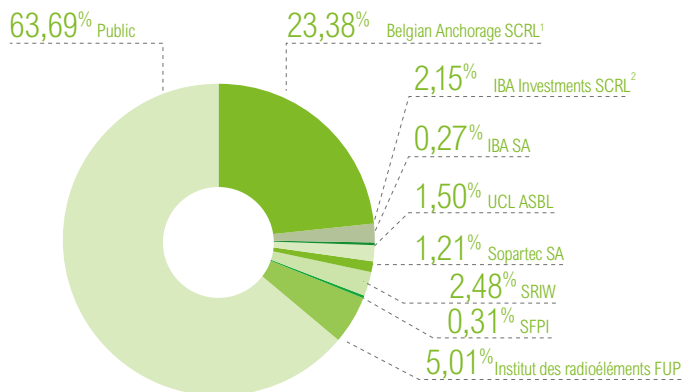
## IBA STOCK

IBA stock is quoted on the Euronext Brussels continuous market (Compartment B since January 17, 2013). It was introduced on the Stock Exchange on June 22, 1998 at a price of EUR 11.90 (adjusted for a 5 to 1 split in June, 1999).

IBA stock closed at EUR 14.34 at December 31, 2014.

The total number of outstanding stock options as at December 31, 2014 amounts to 2 224 802 stock options. However, further to the exercises and cancellations of options recorded on February 26, 2015, only 1 732 343 were issued and outstanding at that date. As mentioned above, if the entire amount of the RC Obligation was converted into shares, this would represent 434 027 actions. There are no other convertible bonds or bonds with warrants outstanding as at 31 December 2014.

## IBA' S SHAREHOLDERS



## SHAREHOLDERS' AGENDA

Interim statements, first quarter 2015	May 13, 2015
2015 Annual Shareholders' Meeting	May 13, 2015
Publication of the mid-year results as of June 30, 2015	August 27, 2015
Interim statements, third quarter 2015	November 17, 2015
Publication of the annual results on December 31, 2015	March 24, 2016

**To consult at any time the last version of the Shareholders' Agenda:**  
<http://group.iba-worldwide.com/legal-and-regulatory-information#financial-calendar>

## STOCK MARKET PRICES



(1) Belgian Anchorage is a company established and wholly owned by IBA Management and a number of IBA employees.  
 (2) IBA Investments is a second-tier subsidiary of IBA SA.

BOARD OF DIRECTORS



MANAGEMENT TEAM



## IBA CONTACT

*Thomas Ralet*  
Vice-President Corporate Communication  
Tel.: +32 10 47 58 90  
E-mail: [investorrelations@iba-group.com](mailto:investorrelations@iba-group.com)

*Version française disponible sur demande.*

## ION BEAM APPLICATIONS, SA

*Chemin du Cyclotron, 3*  
1348 Louvain-la-Neuve, Belgique  
Tel.: +32 10 47 58 11 - Fax: +32 10 47 58 10  
RPM Nivelles - TVA BE 428.750.985  
E-mail: [info-worldwide@iba-group.com](mailto:info-worldwide@iba-group.com)  
Website: [www.iba-worldwide.com](http://www.iba-worldwide.com)

*E.R.: IBA SA, Chemin du Cyclotron, 3*  
1348 Louvain-la-Neuve, Belgique.

*Design & Production: [www.thecrewcommunication.com](http://www.thecrewcommunication.com)*

*This report is printed on FSC certified wood-free offset paper.*  
*It is manufactured in environmentally-friendly factories.*

*<http://www.iba-worldwide.com/?page=investor-relations#overview>*

