



Press release |

Regulated information

IBA TRADING UPDATE- FIRST QUARTER 2013

- **Low conversion rate of the existing backlog leading to a decrease in revenues compared to first quarter of 2012 but guidance for the full year confirmed**
- **Stable operating margin versus last year**
- **Company on track to reach 10% EBIT margin in 2014**

Louvain-la-Neuve, Belgium, 8 May 2013

IBA (Ion Beam Applications S.A.: Reuters IBAB.BR and Bloomberg IBAB.BB)

KEY FIGURES AT GROUP LEVEL

IBA (Ion Beam Applications S.A., EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today announces its consolidated results for the first quarter 2013.

- Revenues of EUR 44.7 million, down 13.9% compared to first quarter of 2012.
- Recurring operating margin in line with 2012 full year earnings despite lower revenues, thanks to implementation of efficiency program expected to generate annual savings of EUR 10 million by 2014. First significant effects seen in H2 2012 and confirmed in Q1 2013. Company on track to reach 10% EBIT margin in 2014.
- Period ended with a small positive net result after EUR 1.3 million of restructuring costs in connection with the efficiency program.

BALANCE SHEET

- At the end of Q1 2013, IBA reported a net debt position of EUR 41.5 million, compared to EUR 78.0 million at the end of Q1 2012 and EUR 24.8 million at the end of 2012.

Olivier Legrain, Chief Executive Officer of IBA commented: "IBA has had a solid start to the year. Whilst revenues were lower against a tough comparator period last year, the pipeline continues to build and the order book remains strong. During the first quarter, we continued to benefit from implementation of the efficiency program and we also made progress on resolution of the outstanding legacy issues. The global market for proton therapy continues to grow and we remain on track both to meet our guidance for 2013 and our medium term targets."



Press release |

Regulated information

KEY FIGURES AND EVENTS AT SEGMENT LEVEL

IBA reported the following segmental trends and news during Q1:

□ Proton Therapy and Accelerators

- Revenues of EUR 33.7 million during Q1 were down 15.3% compared to Q1 2012 mainly due to the low conversion rate of the existing backlog this quarter that is related to production planning and is not unusual for this type of activity.
- No new orders were signed in Q1 for Proton Therapy projects, but the pipeline remains strong, allowing confirmation of the Company's expectation of a good order intake in line with the 8 to 12 rooms guidance for the full year. Most of these sales are expected to occur during H2.
- Backlog at the end of the quarter amounts EUR 216.4 million.
- IBA has reached major milestones in the development of two key technologies relating to ProteusONE, the Company's new, more compact and economically affordable proton therapy system. First, the new gantry is today a reality, entering its final testing phase before shipping to the Willis Knighton Cancer Center in Shreveport, Louisiana. In addition, the new IBA Compact Synchrocyclotron recently achieved its major specification and performance measures. This accelerator will be shipped later this year to the Centre Antoine Lacassagne (CAL) in Nice, France.
- IBA continues to make progress towards reaching a final settlement with WPE, although finalisation of the Letters of Intent (LOI's) is taking longer than initially anticipated. Of the three LOI's needed, UK Essen and the WPE Board have communicated that they have approved two: the LOI between UK Essen and WPE and both Strabag and IBA. The LOI with the noteholders remains unsettled primarily because WPE requires to use the center for treating patients as soon as the LOI's are signed while the noteholders refuse that the center is used for patient treatment until the full price for the center is paid. WPE and the noteholders are actively trying to resolve this difference. While all parties are still working to find a solution shortly, this issue is outside of IBA's control.
- On 8 March, IBA RadioPharma Solutions signed an IntegraLab[®] contract with MediCuba to install the first radiopharmacy center in Cuba. With a project value estimated at in excess of EUR 6 million, IntegraLab[®] is a fully integrated radiopharmacy solution combining equipment and services for the establishment of radiopharmaceutical production centers.

□ Dosimetry

- Revenues during the first quarter amounted to EUR 11 million, down 11% compared to the same period last year, mainly due to a very strong first quarter in 2012 (19.2% increase Q1 2012 vs 2011). The performance in conventional radiotherapy was stable due to good



Press release |

Regulated information

growth in the EMEA and several emerging countries, particularly in China. This growth was offset by a generally slower market in the USA. Revenues in the Diagnostics OEM business were lower in Q1 2013 compared to an unusually strong first quarter last year.

- Discontinued operations and companies consolidated under the equity accounting method:
 - Revenues for Bioassays activity are increasing compared to Q1 2012. Good results are being driven by Drug Discovery in all regions.
 - Good progress is being made on the disposal of the Bioassays activity. The process is still expected to be finalized before the end of 2013.
 - IBA and SK Capital continue to make progress towards reaching settlement on the claims sent by SK Capital Partners to IBA in November 2012. No arbitration has been initiated to date and a number of separate settlement agreements have been signed. The expected impact on IBA is still in line with what has been accrued in the 2012 financial statements.
 - IBA Molecular is continuing to reassess with its partners the investment strategy linked to the new molecules.

OUTLOOK

The Company's market leading position and growth prospects in proton therapy remain excellent and IBA expects to further penetrate into the compact system market by 2014 on the receipt of FDA clearance of Proteus[®]ONE.* In that context, IBA reiterates its existing FY12 guidance.

The backlog of EUR 216.4 Million in the Proton Therapy and Accelerators division's order book is expected to provide good visibility over the next 12 to 24 months. Revenues from service agreements are also expected to provide a beneficial impact on the Proton Therapy business as these agreements are typically associated with 5 to 10 year operating and maintenance contracts.

IBA's Dosimetry business is also well-positioned, with its product portfolio showing significant growth in the field of patient delivery quality assurance in radiation therapy as well as opportunities for growth in the BRIC countries.

IBA anticipates low single-digit growth in Group revenues in 2013, based on a Proton Therapy order intake of 8 to 12 rooms and service revenue growing from EUR 17 million to approximately EUR 24 million. The Company expects to continue showing improvements in operational profitability over the coming quarters as the productivity and efficiency initiatives are rolled out across the organization. IBA expects to report positive net profits during 2013.

Net debt is expected to reduce significantly in 2013 with the partial acceptance of the Trento project, triggering repayment of a substantial part of the EUR 30 million supplier's credit due to IBA during the second half of the year.



Press release |

Regulated information

Over the medium term, IBA remains confident that it can achieve an annual compound revenue growth of 5% to 10% over the next three years and deliver an operating profit margin of 10% by the end of 2014, despite the investment required to achieve the first deliveries of Proteus[®] ONE over the period.

CISBio Bioassays SAS and Pharmalogic PET Service of Montreal Inc are still held for sale. Completion of the sale of these businesses is expected to further improve the Company's profitability and net financial position.

** Proteus[®] ONE is the brand name of a new configuration of the Proteus[®] 235, including some new developments subject to review by Competent Authorities (FDA, European Notified Bodies, et al.) before marketing.*

SHAREHOLDER'S AGENDA

Publication of half year results 2013	29 August 2013
Interim declaration - third quarter 2013	14 November 2013
Publication of annual results 2013	18 March 2014

DIRECTORS' DECLARATIONS

In accordance with the Royal Decree of 14 November 2007, IBA indicates that this Trading Update has been prepared by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

About IBA

IBA (Ion Beam Applications S.A.) is the worldwide technology leader in the field of proton therapy for the diagnosis and treatment of cancer. The Company's expertise lies in the development of next generation proton therapy technologies and radiopharmaceuticals that provide oncology care providers with premium quality services and equipment, including IBA's leading fully integrated IntegraLab[®] radiopharmacy system, and Dosimetry advanced solutions for Quality Assurance of medical equipment and increased patient safety.

Headquartered in Belgium and employing more than 1,200 people worldwide, IBA currently has installed systems across Europe and the US and is expanding into emerging markets. The Company is focused on building sustainable global growth for investors, providing solutions in the fight against cancer.

IBA is listed on the pan-European stock exchange EURONEXT. (IBA: Reuters IBAB.BR and Bloomberg IBAB.BB) and more information can be found at: www.iba-worldwide.com



Press release |

Regulated information

Contact

IBA

Jean-Marc Bothy

Chief Financial Officer

Tel: +32 10 47 58 90

Thomas Ralet

Vice-President Corporate Communication

+32 10 47 58 90

communication@iba-group.com

For media and investor enquiries:

M:Communications

Mary-Jane Elliott, Amber Bielecka, Claire Dickinson

+44 (0) 207 920 2333

IBA@mcomgroup.com