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IBA TRADING UPDATE - FIRST QUARTER 2016

- Proton Therapy and Other Accelerators backlog reaches new high of EUR 355.4 million
- Good start to the year for Proton Therapy and high growth forecasted in H2
- Group revenue up 10.2%, full year 2016 revenue growth guidance of 20% reiterated

Louvain-La-Neuve, Belgium, 11 May 2016 - IBA (Ion Beam Applications S.A., EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today announces its trading update for the first quarter ending 31 March 2016.

Group Highlights

- Q1 2016 Group revenues of EUR 64.6 million, up 10.2% YoY, driven by excellent revenue recognition of Proton Therapy (PT) projects, offsetting slow revenue recognition in Other Accelerators and Dosimetry
- Proton Therapy and Other Accelerators service revenue up 16.4% to EUR 17.7 million, in line with expectations
- Proton Therapy and Other Accelerators backlog continues to surpass previous highs, amounting to EUR 355.4 million at the end of Q1 2016 and not including the recently announced contract with University of Florida Health Proton Therapy Institute (UFHPTI) in April
- Despite strong activity in Dosimetry for PT, Dosimetry revenue declined to EUR 12.2 million, down 16.8% YoY compared to a record high in Q1 2015, due to slow activity in the US for Dosimetry for conventional radiotherapy
- Net cash position positive at EUR 104.9 million compared to a net cash of EUR 22.4 million at end of Q1 2015, helped by the more than EUR 62 million proceeds from the sale of IBA Molecular collected in Q1 2016, of which about EUR 41 million (EUR 1.39 per share) is proposed for approval by the general assembly as an exceptional dividend payable, if approved, in the coming weeks
- Guidance for 2016 reiterated for both topline growth and REBIT margin (>20% and 11%, respectively). Strong H2 in PT expected to make up for the anticipated relatively soft year for Dosimetry

Post-Period End Highlights

- On April 8th, IBA signed a final contract with UFHPTI to install a new Proteus[®]One* solution and to upgrade its current proton therapy equipment with IBA's latest technologies. The contract also includes an operation and maintenance agreement for the Proteus[®]One solution. In total, the contract is worth approximately \$30 million to IBA

Olivier Legrain, Chief Executive Officer of IBA commented: *"The first quarter of 2016 has seen the accelerated growth trends in the proton therapy market, established over the last 12 months, continue. IBA's position remains strong with three sales so far this year in each of the world's three major regions of Europe, the US and Asia including two for our unique compact system, Proteus[®]One. Importantly, we are also starting to see the impact of IBA's ability to upgrade its installed base as shown by the recent UFHPTI contract, further bolstering our growth potential."*



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Regulated information

“Due to this, and our ever growing backlog which has once again reached new highs, we are confident in achieving our growth projections for the year.”

KEY FIGURES AND EVENTS AT SEGMENT LEVEL

IBA reported the following segmental trends and news during the first quarter of 2016:

Proton Therapy and Other Accelerators

- At the end of the first quarter, the segment reported revenues of EUR 52.4 million, compared to EUR 44.0 million for the same period in 2015, representing a 19.2% growth rate. Revenue growth comprises 20.7% from equipment revenue recognition and 16.4% from service contracts revenue recognition
- Demonstrating the continuing strength of the proton therapy market, IBA again reported a record backlog in Proton Therapy and Other Accelerators amounting to EUR 355.4 million at the end of the first quarter of 2016

Dosimetry

- Dosimetry faced a difficult first quarter in terms of revenue conversion, but the backlog remains strong at above EUR 18.1 million, compared with EUR 17.4 million backlog at the end of Q1 2015
- Revenue in the first quarter declined 16.8% to EUR 12.2 million versus the all-time high of EUR 14.7 million for the same period last year, partially explained by a catch up from 2014. In particular, Dosimetry for conventional radiotherapy suffered, in part, due to the difficult LINAC market as experienced by most radiotherapy manufacturers, especially in the US, and due to the limited activity on multi-year orders in emerging markets
- Nevertheless, it is important to point out that Dosimetry revenues are not equally spread over the quarters, as demonstrated in the past, and that a slow quarter does not necessarily mean a linear extrapolation over the year. The Company is also pleased to report positive evolution in the capture of strong market share in both Dosimetry for PT and QA software (MyQA)

OUTLOOK

IBA has a record PT and OA backlog of more than EUR 355 million. Equipment construction and shipment planning gives high revenue visibility and it is therefore expected that PT revenue recognition in the second half of the year will be significantly higher than the first. Based on these elements and the high predictability of PT service revenues, IBA reiterates its guidance given at the time of the Company's 2015 Full Year Results in March 2016 of:

- 2016 revenue growth greater than 20%, with double digit annual growth thereafter
- 2016 operating margin of 11%, increasing to 13%-15% by 2018
- Net debt, if any, is expected to stay limited in the years to come
- IBA is planning to maintain a dividend payout ratio of 30%



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SHAREHOLDER'S AGENDA

H1 2016 results	25 August 2016
Q3 2016 trading update	16 November 2016
Year End results 2016	23 March 2017

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 a global medical technology company focused on bringing integrated and innovative solutions for the diagnosis and treatment of cancer. The Company is the worldwide technology leader in the field of proton therapy, the most advanced form of radiation therapy available today. IBA's proton therapy solutions are flexible and adaptable, allowing customers to choose from universal full scale proton therapy centers as well as compact, single room systems. In addition, IBA also has a radiation dosimetry business and develops particle accelerators for the medical world and industry.

Headquartered in Belgium and employing about 1,200 people worldwide, IBA has installed systems across the world, from Europe and the US and to the emerging markets. 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

* *Proteus®ONE is the brand name of a new configuration of the Proteus® 235.*

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