



## Press release |

Regulated information

### TRADING UPDATE - THIRD QUARTER 2012

- 14% top line growth
- Proton therapy division demonstrating excellent growth and commands global market leadership
- Operating margin improvement path confirmed

**Louvain-La-Neuve, Belgium, 19 November, 2012** - IBA (Ion Beam Applications S.A.) EURONEXT, the global high-tech leader in next generation radiation therapy and diagnostics for the treatment of cancer, today announces its results for the third quarter for the period ending 30 September 2012.

#### Group

- 14% Increase in revenue to EUR 180.1 million compared with the same period of 2011 (2011 restated post disposal of Molecular activity: EUR 157.5 million), driven by continued progress in the Equipment segment and excellent performances in Dosimetry.
- Recurring operating results continue to show improvement compared to 2011, due to the growth and efficiency improvement in the Equipment business.
- Loss recorded in the third quarter due to the negative impact of IBA Molecular activities (approx. EUR 5 million year to date), including investment in new molecules, recorded under equity method post partial divestment.
- Net debt position of EUR 45.2 million, compared to EUR 40.6 million at the end of the year 2011. This has resulted from movements of working capital requirement due to the profile of the payment schemes in the proton therapy business. Net debt position is expected to reduce in the course of the final quarter of the year due to anticipated important down payments from projects.

#### Equipment

- Revenues increased by 17.8% to EUR 155.5 million, mainly driven by:
  - Progress made on the construction and installation of proton therapy centers with historical orders being fulfilled
  - Excellent growth rate in the Dosimetry business of 10.6%
- At the end of third quarter, the backlog of booked orders represented a total value of EUR 185 million (this does not include new proton therapy systems that management believes will be booked before the end of the year).
- Throughout the period IBA has continued to closely support STRIBA (a 50/50 joint venture with Strabag) in its negotiation with its customer WPE (Westdeutsches Protonentherapiezentrum Essen GmbH) to find a mutually acceptable solution allowing the handover of the center and start of patient treatments. Good progress has been made towards completion of the clinical commissioning of the first treatment room and towards reaching a global settlement with all parties involved.



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Regulated information

### Pharmaceuticals

- Bioassays
  - ING hired to advise IBA on the disposal of the Bioassays activity, in order to refocus the business on the medical equipment sector.
  - Revenues for Bioassays activity were EUR 24.6 million compared to EUR 25.5 million in 2011.
  - A reduction in operating expenses has led to an operating profit.
  
- IBA Molecular
  - Strategic initiatives are in progress to grow revenues and profits in key markets.
  - Profitability of the segment reported under equity method is under pressure due to PET FDG product exposed to price pressures (particularly in Europe) lower PET volumes in the US and lower SPECT volumes in Europe. These downward trends have been partially offset by increased volumes in Asia/ROW.
  - Major focus on cost saving initiatives to offset reduction in revenues.
  - Investment of approx. EUR 1 million per quarter in new compound development impacts profitability.
  - Rose Holdings S.à.r.l the investment vehicle of SK Capital partners into IBA Molecular sent a Notice of Claims to IBA representing alleged losses of approx. EUR 24 million. These claims covers for several issues included but not limited to regulatory affairs, decommissioning, waste management and accounting treatments. IBA has officially rejected all of these Claims considering them either ill-founded or not documented.

**Olivier Legrain, Chief Executive Officer of IBA, commented:** *“We are pleased with the significant progress we have made at IBA during this period. We are confident in the positive outlook for the proton therapy sector. IBA is launching Proteus<sup>®</sup>ONE<sup>\*</sup> into the market, a game-changing new compact system. Thanks to Proteus<sup>®</sup>ONE<sup>\*</sup>, a greater number of hospitals in more countries will be able to offer proton therapy to their patients.*”

*“Operational profitability within the group is set to continue to improve in the near future as we see results of our refocused approach within certain key business segments and sales territories and the implementation of our cost control and productivity initiatives.*”

*“We are confident and committed to delivering our operational profit guidance over the next three years.”*

### Guidance

Significant backlog in the Equipment division expected to provide good visibility over the next 12 to 24 months.

The Company's market leading position and growth prospects in proton therapy remain excellent and the company expects to fully enter into the compact system market by 2014 with the full release of the Proteus<sup>®</sup>ONE<sup>\*</sup>.

Revenues from service agreements will provide an impact on the Proton Therapy business as contracts are often associated with a 5 to 10 years' operating and maintenance contract.



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Dosimetry product portfolio also shows significant growth opportunity in the field of patient delivery QA as well as by the strong growth of radiation therapy in the BRIC countries.

The company expects to show an improvement of its operational profitability over the next quarters as it has launched productivity and efficiency initiatives across the organization.

IBA is confident it can achieve a top line growth CAGR of 5% to 10% a year over the next three years and return to an operational profit of 10% within the same time frame.

### Financial calendar

Publication of annual results 2012	March 19, 2013
General Assembly 2013	May 8, 2013
Interim declaration – first quarter 2013	May 8, 2013
Half Year results	Aug. 29, 2013

### Directors' declarations

In accordance with the Royal Decree of November 14, 2007, IBA indicates that this announcement was drafted by the Chief Executive Officer (CEO), Olivier Legrain and the Chief Financial Officer (CFO), Jean-Marc Bothy.

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

### About IBA

IBA (Ion Beam Applications S.A.), is the global high-tech leader in next generation radiation therapy and diagnostics for the 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. This also includes IBA's leading fully integrated IntegraLab<sup>®</sup> radiopharmacy system and dosimetry advanced solutions for reliable Quality Assurance 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 by providing solutions in the fight against cancer.

IBA is listed on the pan-European stock exchange EURONEXT. Further information can be found at: [www.iba-worldwide.com](http://www.iba-worldwide.com)



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