



### Trading update :

- **Letter of intent signed for sale of IBA Molecular business in Canada for approximately EUR 11 million**
- **Good progress on settlement of Essen Project litigation**
- **Settlement might have non cash negative impacts on 2012 earnings**
- **Proposed postponement of capital reduction pending progress on final settlement of Essen litigation and sale of IBA Molecular Canada**

**Louvain-la-Neuve, Belgium, July 5, 2012** - IBA (Ion Beam Applications S.A.), the global high-tech leader in next generation proton therapy healthcare and targeted treatments and diagnostics in cancer, today provides an update on the proposed sale of IBA Molecular in Canada, the Essen project litigation, and the proposed capital reduction, due to be voted upon at an Extraordinary General Meeting on July 9, 2012.

### Update on the sale of IBA Molecular operations in Canada

#### Background

On April 2, 2012, IBA publically announced that, due to legal constraints at that time that have now been resolved, assets related to the IBA Molecular operations in Canada were not able to be sold together with the rest of the IBA Molecular business to SK Capital Partners.

#### Current position

IBA has now negotiated and signed, together with its partners in Pharmalogic PET Service of Montreal, a Letter of Intent for the sale of its shares for a total net consideration of approximately CAD 14.1 million (EUR 10.9 million) to a Canadian private equity firm.

The transaction is subject to due diligence and other customary conditions, but if it completes as planned, it is expected to close within the next 60 days and result in a profit of approximately EUR 9 million to IBA.

### Essen Project litigation

#### Background

- In November 2009, STRIBA Protonentherapiezentrum GmbH (STRIBA), a 50/50 joint venture between IBA SA and STRABAG (Strabag Projektentwicklung GmbH) initiated arbitration against WPE (Westdeutsches Protonentherapiezentrum Essen GmbH) in order to determine, in the context of the public-private partnership (PPP), the precise extent of STRIBA's contractual obligations to supply a proton therapy facility to Essen, Germany, under a turnkey contract. The arbitration mainly covers a divergence of interpretation in the contract wording regarding the specification of the



equipment and the building to be delivered. Details of the ongoing arbitration are available on the IBA website: <http://www.iba-worldwide.com/financial-results-reports/>

- On April 26, 2012, having received a copy of the preliminary, but not yet complete, decision reached by the arbitrators, STRIBA announced that the majority of its claims had been rejected and that the majority of the counterclaims from WPE had been accepted.

At that time, IBA confirmed that, in parallel with the arbitration, STRIBA, WPE and all other parties involved in the PPP were negotiating constructively to reach a settlement, with a clear objective of starting treatment of cancer patients as soon as possible. The Company also confirmed at that time that the assumptions taken into account as a basis for drawing up its annual financial results (in particular, that the net assets related to the project recognized in the financial statements as of 31 December 2011 amount to approximately EUR 25 million) were still valid and should not be modified.

### Current position

All parties involved in the PPP have recently held a number of positive meetings that give the Company confidence that a settlement can be concluded in the coming months, although there are still several outstanding issues to be addressed. On the basis of the current status of the good faith negotiations between the parties, this settlement would include the take-over of the center by WPE. The resolution of all disputes is expected to result in the Company incurring a non-cash write-down of a significant - but still not precisely known - part of the current EUR 25 million total net asset exposure in its balance sheet.

## Recommendation of IBA Board of Directors regarding capital reduction plans

### Background

- On May 9, 2012 the Board of Directors of IBA, based on the information at its disposal at that time, decided to invite shareholders at an Extraordinary General Meeting to vote on a capital reduction by way of a distribution of EUR 0.18 per share from the Company's share premium account.
- On June 21, 2012, an Extraordinary General Meeting was held, but was unable to approve the decision regarding the share premium distribution due to a lack of quorum.
- A further Extraordinary General Meeting has been scheduled for July 9, 2012 which will have the capacity to decide on the share premium distribution, whatever the number of shares represented at the meeting.

### Current position

Due to the recent developments regarding the final settlement of the Essen litigation and the sale of IBA Molecular in Canada as described above, IBA Board of Directors has decided to recommend to IBA shareholders to postpone the vote of items 1 and 2 on the agenda of the Extraordinary General Meeting to be held on July 9, 2012, dealing with the capital reduction by the way of a distribution of EUR 0.18 per share, to a new one to be held on September 24, 2012.



**About IBA**

IBA (Ion Beam Applications SA), is a cancer diagnostics and treatment company and the worldwide technology leader in the field of proton therapy. 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® system. 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 and provides high quality services and products for oncology specialists and cancer patients.

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

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