

## Press release

EMBARGO UNTIL MARCH 16, 2001 AT 5 PM

# 2000 : A year of Integration and Consolidation for Sustained Growth

- Sales up by 67% to EUR 236 million
- Net result Group share increased by 106%
- Net current result per share up by 13% to EUR 0.95

Louvain-la-Neuve, Belgium – March 16, 2001

At its meeting on March 14, 2001, the IBA Board of Directors took note of the Group results for 2000 closed on December 31.

Further to the growth experienced by IBA in 1999 due to acquisitions, the year 2000 has been a year of integration and consolidation. In many parts of the organization, a new management structure has been set in place, and IBA has acquired the management and reporting tools necessary to begin a new stage in its growth based on solid foundations.

With over 1200 employees on 49 sites in 12 countries over 3 continents, IBA is today a world leader in all its markets, and intends to continue its rationalization and optimization efforts in order to maximize its competitive position.

IBA's unique skill in particle accelerator technology, advanced chemistry and physics as well as its application of this technological skill to the areas of health and well-being will continue to be the basis for Group developments aiming for ambitious, selective and profitable growth.

### **Financial results for 2000**

The year 2000 financial results show, for the first time in a full year, the integration of the companies acquired by IBA during 1999.

The Group's consolidated **Sales** figure (excluding R&D capitalized) reached EUR 236 million in 2000, increasing by 67% compared with EUR 142 million achieved in 1999.

The **Operating result** (EBITA) of the company before amortization of acquisition goodwill comes to EUR 36.6 million, showing an increase of 27% when compared with the figure of EUR 28.7 million achieved in 1999.

## Press release

The consolidated **Financial Result** is negative amounting to EUR 10.4 million as against EUR 7.1 million in 1999.

The **Extraordinary result**, negative by EUR 6.1 million, mainly shows the costs related to the capital increase carried out in January 2000.

The **Net current result**, i.e. not including exceptional costs and amortization of acquisition goodwill, shows an increase of 35% amounting to EUR 23.3 million. The net current result per share, calculated in relation to the total number of shares emitted at the end of the fiscal year, amounts to EUR 0.95, increasing by 13%.

After taxes, goodwill amortization, exceptional items and contribution by the companies taken into equivalence, the **Net result Group share** increases by 106% to reach EUR 7.0 million in 2000. The net result per share is at EUR 0.29 compared with EUR 0.17 in 1999, showing an increase of 73%.

The Group's financial structure has been considerably reinforced by the January 2000 capital increase, which enabled the Group to return to moderate indebtedness ratios (ratio of net financial debt over shareholder equity = 35% at the end of 2000 vs. 108% at the end of 1999) compatible with the continuous growth aimed at by the Group.

The operational cash flow obtained in 2000 was burdened with an adverse trend created by the need to have working capital associated with Group financing of a major part of production work in progress. Steady funding and R & D costs have led to total investments of EUR 66 million for the year 2000.

### **Major developments per sector**

IBA's activities can be grouped into 2 main sectors :

- Industrial sector (sterilization and ionization)
- Medical sector (advanced radiotherapy, radioisotopes).

### ***Industrial sector***

This sector is the most important contributor to the consolidated sales of the Group producing a sales figure of EUR 163.6 million, i.e. 69% of the consolidated sales for 2000 compared with EUR 93 million in 1999.

The main contributions made in this sector come from the Sterilization & Ionization Business Units (US and rest of world), operating on the following markets: sterilization of medical products, laboratory testing, food ionization, enhancement of the characteristics of materials.

For these Business Units, the year 2000 was marked by major efforts, particularly in promising sectors such as food ionization and advanced materials as well as by increased pressure from the competition which is shown in the results by reduced margins.

## Press release

### **Highlights**

- Signing of the contract with Ecolab Inc. in order to market food pasteurization services using X-rays or electron beams in the USA.
- Starting operation of the first X-ray test center in Edgewood, New York.
- Agreement signed with Americold Logistics for building a food pasteurization center in Carthage, Missouri.
- Opening of the new extended ethylene oxide sterilization plant in Petit-Rechain, Belgium.

### **Medical sector**

The Group's activities in this sector which include advanced radiotherapy and the production of radioisotopes have generated a sales figure of EUR 72 million, increasing by almost 50% in comparison to 1999 (EUR 48.6 million).

### **Highlights**

- Registering the file 510 (k) for approval by the FDA (Food and Drug Administration) of the IBA proton therapy system at the Massachusetts General Hospital, Boston, USA.
- Acquisition and integration of PTCA (Proton Therapy Corporation of America) in order to develop IBA cancer treatment centers in the USA.
- Sale of 3 high-end traditional radiotherapy systems (MM 50) to China.
- Several sales of IBA Cyclotrons to Asia (Korea and Japan).
- Acquisition in February 2001 of an 80% share of Eastern Isotopes, a company based in Sterling, Virginia with a leadership position in the production and distribution of FDG in the USA.

### **Overall perspectives in 2001**

The objective of IBA in the year 2001 is to improve the profitability of its different activities while continuing to pursue the optimization measures determined and undertaken during the year 2000, and if necessary increase them.

The year 2001 will also be a decisive year in the field of proton therapy. The Group thus expects to see the efforts it has made in this area in the last few years come to fruition, resulting both in obtaining FDA approval on the regulatory side and in terms of commercial success.

The production and distribution of radioisotopes will be a driving force towards strong growth over the next few years, thanks in particular to the acquisition of Eastern Isotopes.

IBA also wishes to provide innovative solutions and become a leader in markets offering more long-term development, in particular food pasteurization.

Such activities will require continuous investments and thus mobilization of the Group's financial resources before they can contribute significantly to the growth in profits. However, thanks to the reinforcement of its organizational structure and its financial resources during fiscal year 2000, IBA is confident in its ability to prepare the conditions necessary for its long-term growth.

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### **Note**

The joint auditors have confirmed that their audit, which has been substantially completed, did not identify any significant adjustments to be made to the financial data contained in this press release.

### **Agenda**

Shareholders Ordinary General Meeting : May 9, 2001

Announcement of half-year results at June 30, June 2001 : September 14, 2001

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