



Press Release |

IBA - 2006 RESULTS RISE IN RECURRING PROFITS SUSTAINED BY NONRECURRING EARNINGS

Embargo until 5:40 PM (Belgian time) – March 15, 2007

- Sales rise 25-plus percent and recurring profits triple to EUR 9.8 million.
- EUR 30 million profits with strong nonrecurring component.
- Proton therapy leadership position confirmed with three firm orders in 2006.
- Creation of Europe's biggest FDG distribution network.

Louvain-la-Neuve, Belgium, March 15, 2007 – IBA (Ion Beam Applications S.A.: Reuters IOBAAt.BR and Bloomberg IBAB.BB) announced its results today for the year ended December 31, 2006.

KEY FACTS AND FIGURES

Highlights of IBA results for 2006:

- Sales up 25.1%, to EUR 170.3 million.
- The organic growth rate was over 14%.
- Recurring profits of EUR 9.8 million, up significantly from 2005's EUR 3.1 million.
- Total profits of EUR 30 million, much stronger than in 2005. Heavily impacted by (a) nonrecurring profits of EUR 10.4 million, mainly from acquisitions (Schering AG's FDG operations) and from sale or liquidation of operations and assets; (b) acquisition of a minority interest in CIS Bio International, booked at EUR 4.3 million under IFRS (EUR 1.4 million from investment income and EUR 2.9 million from profits of entities accounted for using the equity method), and (c) recognition of deferred tax assets of EUR 9.6 million. These extraordinary items accounted for a total of EUR 24.3 million.
- Record order backlog of EUR 141.6 million due to steady three-year growth trend.

	12/31/06	12/31/05	Change	
	(Thousands of euros)	(Thousands of euros)	(Thousands of euros)	(%)
Sales and services	170,257	136,099	34,158	25,1%
Recurring results	9,769	3,095	6,674	215,6%
Profit (loss) for the period	30,006	3,048	26,958	884,4%



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Breakdown of 2006 facts and figures by business area:

RADIOISOTOPE MANUFACTURING AND DISTRIBUTION

- Position emission topography (PET) network expanded:
 - Purchase of Shering's European FDG operations, finalized in May 2006, and acquisition of a minority interest in the French firm CIS Bio International.
 - Opening of a first FDG manufacturing and distribution center in India (Delhi), as well as a center in Italy (Rome).
 - At end-2006, IBA directly or indirectly operated 35 FDG manufacturing centers, including 15 in North America, 19 in Europe and one in Asia (India). During fiscal 2006 IBA redeployed the assets of three U.S. manufacturing centers to take advantage of synergies from 2005 acquisitions. It used the equipment from them to start up a new center in Kansas City, Missouri, and will open another manufacturing center in California in 2007. In Europe, several FDG manufacturing centers currently under construction are scheduled to begin production in 2007.
- Sales up 44 percent to EUR 66.1 million in 2006, compared to EUR 45.7 million in 2005.
- Brachytherapy operations discontinued. Note that 2005 figures included brachytherapy operations. In 2006 the year's figures were adjusted to show results from this business under "discontinued operations."

TECHNOLOGY AND EQUIPMENT

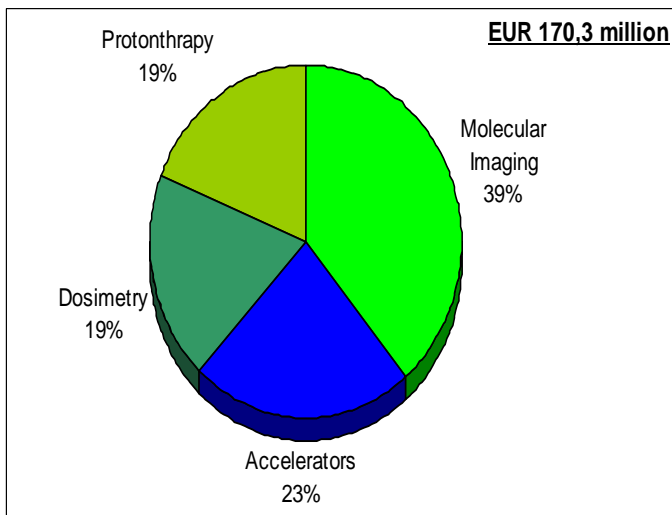
- Sales rose 15 percent to EUR 104.2 million in 2006, compared to EUR 90.4 million in 2005.
- Three proton therapy system orders were logged. IBA will be supplying this technology to the University of Pennsylvania (Philadelphia, USA), the Universitätsklinikum Essen (Germany), and the Institut Curie's proton therapy center (Orsay, France). In 2006 IBA was also chosen by Hampton University (Virginia, USA), and in the first few days of 2007 IBA signed a contract with Procure to install a proton therapy center in Oklahoma City (Oklahoma, USA). These two decisions are still subject to financing.
- IBA is currently the uncontested leader in international proton therapy, with more than 50 percent market share. Twelve institutions in the United States, Asia, and Europe have already chosen proton therapy systems integrating IBA technology.
- Orders for eight PET and SPECT cyclotrons were logged in 2006 (similar to the 2005 figure).
- Dosimetry operations showed solid growth (13-plus percent) during the period under review. By offering innovative dosimetry solutions, IBA was able to consolidate its international lead in this market in 2006.
- In its electron accelerator business (Rhodotron and Dynamitron industrial E-beam and X-ray accelerators), fiscal 2006 saw the sale of a Dynamitron for the degradation of specific polymers in China. Additionally, the U.S. Department of Homeland Security selected the Rhodotron technology for its next generation of cargo inspection systems, designed to detect nuclear threats automatically. The first prototype integrating a Rhodotron was sold in 2006.

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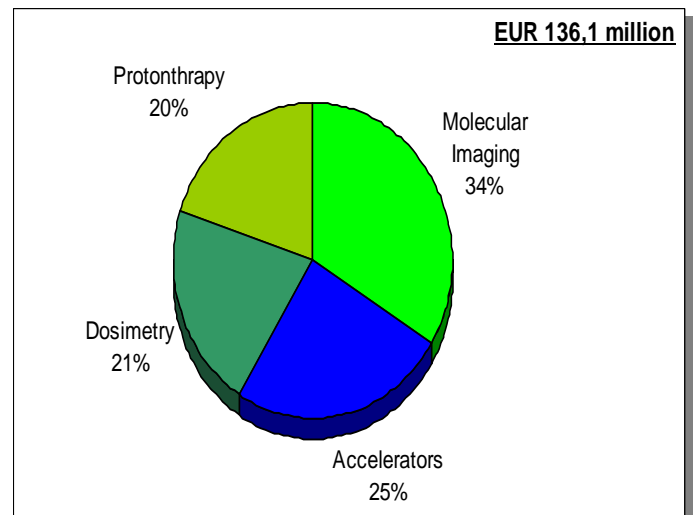
- In January 2006 IBA sold Scanditronix Magnet AB. This Swedish subsidiary had ceased to be a strategic asset after IBA's decision to refocus on cancer diagnosis and treatment.
- BPR, in which IBA held a minority interest, was placed in judicial liquidation.

DISTRIBUTION OF CONSOLIDATED SALES BY BUSINESS AREA

2006



2005





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RESULTS IN DETAIL

IBA posted sales gains of 25 percent compared to the same period of 2005.

	2006		2005		Change (%)
	(Thousands of 2006 euros)	(% of total)	(Thousands of 2005 euros)	(% of total)	
Technology & Equipment	104,170	61%	90,386	66%	15%
Radioisotopes	66,087	39%	45,713	34%	44%
Consolidated Group	170,257	100%	136,099	100%	25%

The USD/EUR exchange rate averaged \$1.2558 to the euro in 2006, compared to \$1.2456 to the euro a year earlier. This minor difference had no significant impact. As in previous years, around half of IBA's operations was influenced by the value of the U.S. dollar.

OPERATING RESULTS

Gross profit stood at EUR 53.3 million, up 21.6 percent over fiscal 2005. As a percentage of sales, it represented 31.3 percent in 2006 compared to 32.2 percent in 2005. For the most part, this decrease can be attributed to a change in the product mix from 2005 to 2006.

Recurring costs rose 6.9 percent, with a 29.4 percent leap in sales and marketing expenses compared to the same period in 2005. This increase in sales and marketing expenses was due to major investments in the context of the company's repositioning strategy (which primarily targets its proton therapy operations), as well as to integration during the second half of 2006 of personnel from its acquisition of Schering's FDG operations.

IBA reported recurring profits of EUR 9.8 million in 2006, compared to EUR 3.1 million in 2005. This represents an increase of 215.6 percent.

NONRECURRING RESULTS

Nonrecurring results for 2006 showed a profit of EUR 10.4 million and were due to several factors: purchase of Schering's European operations in May 2006, acquisition of a minority interest in CIS Bio, sale of Scanditronix Magnet AB, liquidation of BPR, discontinuation of brachytherapy operations, booking of nonrecurring costs in connection with the decrease in the exercise price of IBA employee stock options following refund of issue premiums over par in 2005, various asset write-downs, and other expenses, including those connected with the Optivus litigation and with changing the IBA image.



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FINANCIAL RESULTS

IBA posted a financial profit of EUR 0.6 million in 2006, compared to EUR 7.3 million in 2005. Financial profit for 2006 was the result of normal net interest expenses plus income of EUR 1.4 million resulting from the application of International Financial Reporting Standards (IFRS) to one aspect of the CIS Bio International purchase transaction. It will be recalled that in 2005 financial profit was impacted by extraordinary investment income of EUR 7.3 million.

TAXES

Tax figures for 2006 show an income of EUR 7.8 million compared to an expense of EUR 2.5 million for the same period in 2005. This is due largely to partial recognition of deferred tax assets following analysis under IFRS of the probability of future use.

PROFIT (LOSS) FROM ENTITIES ACCOUNTED FOR UNDER THE EQUITY METHOD

In application of IFRS, acquisition of a minority stake in CIS Bio France following Schering divestment was booked in fiscal 2006 as nonrecurring profit of EUR 2.9 million, calculated as the difference between the revaluation of assets and IBA's percentage share of CIS Bio losses.

NET INCOME

Net income totaled EUR 30.0 million in 2006, compared to EUR 3.0 million in 2005.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On January 8, 2007, IBA announced that it had been selected to build the first private proton therapy center, which will have four treatment rooms, in Oklahoma City, Oklahoma (United States). This contract is for around \$50 million and remains subject to the customer financing.

OTHER ITEMS

Since August 2002, Optivus Technology, Inc. (Optivus) and IBA have been involved in litigation over a number of proton therapy issues. In late 2004 the U.S. District Court for the Central District of California dismissed Optivus' unfair competition claim. In its summary judgment of March 13, 2005, the same court granted that two of the five patents for which Optivus alleged patent infringement by IBA were invalid. In June 2005 IBA was able to convince Optivus to drop the remaining claims, and the case was dismissed at the trial court level.

In November 2006, the Court of Appeal confirmed the district court's summary judgment in IBA's favor on all of the patent infringement cases and most of the non-patent-related issues. However, the court referred certain specific unfair competition claims back to the district court. These claims involve only the University of Florida's award to IBA of its contract to for a proton therapy center in Jacksonville, Florida. Under the terms of the 2004 agreement between the parties, Optivus and Loma Linda



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University Medical Center were authorized to reactivate three patent infringement actions following the appeals court decision. The trial, to be presided over by Judge James Otero, will address this specific unfair competition claim and these three alleged patent infringements. Although a trial date was set, the judge has now postponed trial indefinitely.

IBA remains fully confident in defending its rights and continues to maintain that Optivus' claims are unfounded. It has made no provisions under this heading.

CALENDAR

2007 General Meeting	May 9, 2007, 10 AM
Publication of midyear financial results at June 30, 2007	August 31, 2007
Publication of financial results for the year ended December 31, 2007	March 6, 2008



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REPORT OF THE AUDITOR ON ACCOUNTING INFORMATION CONTAINED IN THE ION BEAM APPLICATIONS S.A. ANNUAL PRESS RELEASE

“The auditor has confirmed that his audit work has not revealed any significant matters requiring adjustments to the accounting information included in this press release. Without qualifying the above opinion, the auditor however draws attention to the dispute between the company and Optivus Technology, Inc. The final outcome of this dispute can not be predicted and no provision has been established to cover this case.”

Brussels, 14 March 2007
Ernst & Young Reviseurs d'Entreprises SCC
Commissaire
Represented by

Eric Golenvaux
Partner



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OUTLOOK

IBA is confident that, at constant exchange rates, the company's recurring results for fiscal 2007 will be better than or equal to those for the period under review, considering the continued strong need for investment in research and development in all of its markets. Its confidence is based on the following:

1. Equipment orders of EUR 141.6 million at December 31, 2006, plus near-term prospects for finalizing several proton therapy contracts
2. Predicted growth of the PET radiopharmaceutical market, particularly for FDG
3. Positive dosimetry outlook

Because of deferred losses, the company cannot legally pay dividends. IBA plans to make the changes needed this year for it to be able to pay dividends in 2008.

ABOUT IBA

IBA is a developer of precision solutions for **cancer diagnosis and treatment**. It also offers sterilization and ionization solutions for optimal everyday hygiene and safety. Listed on the Euronext pan-European stock exchange, IBA is a member of the NextEconomy segment and is included in the BelMid index. Website: www.iba-worldwide.com

IBA's operations are divided into two business areas:

- **Radioisotope Manufacturing and Distribution.** Manufacture and distribution of radiopharmaceutical tracers used in medical imaging, mainly FDG (F-18 Fluorodeoxyglucose).
- **Technology and Equipment.** The technological foundation of a number of the company's businesses, this business area is involved in development, manufacture, marketing, and services relating to equipment (including particle accelerators) used in imaging, therapy, dosimetry, sterilization, and ionization.

Contact

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CONSOLIDATED INCOME STATEMENT

	31/12/06	31/12/05	Variation	
	(EUR '000)	(EUR '000)	(EUR '000)	%
Sales and contract revenue	170,257	136,099	34,158	25.1%
Cost of sales and contract costs	116,912	92,244	24,668	26.7%
Gross profit	53,345	43,855	9,490	21.6%
Selling and marketing expenses	15,815	12,224	3,591	29.4%
General and administrative expenses	17,733	18,847	-1,114	-5.9%
Research and development expenses	10,028	9,689	339	3.5%
Recurring expenses	43,576	40,760	2,816	6.9%
Recurring profit	9,769	3,095	6,674	215.6%
Other non-recurring (income)/ expenses - net	-10,442	4,593	-15,035	-
Finance (income)/ expenses - net	-593	-7,314	6,721	-
Profit before tax	20,804	5,816	14,988	257.7%
Tax (income)/expense	-7,826	2,455	-10,281	-
Profit/ (loss) for the period from continuing operations	28,630	3,361	25,269	751.8%
Profit/ (loss) for the period from discontinued operations	-1,524	325	-1,849	-
Share of profit/(loss) of equity-accounted companies	2,882	-638	3,520	-
Profit for the period	29,988	3,048	26,940	883.9%
profit attributable to equity holders of the parent	30,006	3,048		
Minority interests	-18	0		
	29,988	3,048		



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CONSOLIDATED BALANCE SHEET

	31/12/06	31/12/05
	(EUR '000)	(EUR '000)
ASSETS		
Goodwill	28,100	31,072
Other intangible assets	4,115	4,621
Property, plant and equipment	46,414	33,906
Investments accounted for using the equity method	8,304	1,747
Deferred tax assets	24,978	16,515
Other long-term receivables	8,789	3,099
Non-current assets	120,700	90,960
Inventories and contracts in progress	31,194	28,655
Accounts receivable	37,046	36,123
Other receivables	10,044	3,309
Derivative financial instruments Assets	284	0
Cash and cash equivalents	67,600	43,708
Current assets	146,168	111,795
Total assets	266,868	202,755



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	31/12/06	31/12/05
	(EUR '000)	(EUR '000)
EQUITY AND LIABILITIES		
Share capital	35,747	34,883
Share premium	200,899	198,887
Treasury shares	-256	-256
Hedging and other reserves	4,745	331
Cumulative translation differences	-3,922	905
Retained earnings	-101,384	-131,391
Capital and reserves attributable to Company's equity holders	135,829	103,359
Minority interests	500	518
TOTAL EQUITY	136,329	103,877
Borrowings	18,156	19,356
Deferred tax liabilities	225	40
Provisions	11,813	7,945
Other long-term liabilities	21,578	12,914
Non-current liabilities	51,772	40,255
Borrowings	5,448	6,055
Other short-term financial liabilities	0	1,597
Accounts payable	23,437	16,298
Current income tax liabilities	441	155
Other payables and accruals	49,441	34,518
Current liabilities	78,767	58,623
Total liabilities	130,539	98,878
Total equity and liabilities	266,868	202,755