

Press release

IBA REPORTS 2003 MID-YEAR FINANCIAL RESULTS

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Louvain-La-Neuve, Belgium, September 18, 2003 – IBA (Ion Beam Applications, S.A.:IOBAAt.BR) today announced the company's mid-year financial results for 2003. The company continues to be significantly impacted by foreign currency exchange rates between the Euro, which is IBA's reporting currency, and U.S. dollar, the currency in which approximately 70% of the company's business is transacted. The exchange rate experienced by IBA for the first half of 2003 was \$1.105 to €1.00 versus a rate of \$0.898 to €1.00 for the first half of 2002, representing a 23% decrease in the value of the dollar.

Reported revenue for the six-month period ended June 30, 2003 decreased 7.5% to €128.6 million compared with revenues of €138.9 million reported for the corresponding period of fiscal 2002. If exchange rates between the two periods are held constant, the company actually experienced a 7.3% increase in revenues. The following table sets out the actual reported revenue for each of the company's three business segments for the first half of 2003 together with a proforma comparison with revenues for the same period last year on a constant exchange rate basis:

Numbers in millions of Euros

	First Half 2003 Actual	First Half 2003 Proforma at the First Half 2002 Exchange Rate	First Half 2002 Actual	Proforma Change vs. Prior Year at Constant Exchange Rate
Sterilization & Ionization	€ 77.2	€ 92.7	€ 89.1	4.1%
Technology Services & Equipment	€ 34.8	€ 36.1	€ 32.7	10.1%
Radioisotope Production & Distribution	€ 16.6	€ 20.3	€ 17.1	18.6%
Consolidated Group	€ 128.6	€ 149.1	€ 138.9	7.3%

EBITDA decreased 30.7% to €23.0 million compared with the €33.2 million reported for the six-month period ended June 30, 2002. The net result after tax and minority interest for the six months ended June 30, 2003 is a loss of €0.8 million compared with a loss of €0.0 million for the corresponding period of 2002.

While the group's share of net loss for the first six months of 2003 is almost even with the comparable prior period, the company's overall results were impacted by the continued weakening of the U.S. dollar, increased pressure on gross margin, and disappointing performance from some of the company's businesses.

“While we are disappointed that the company's reported revenue performance is so dramatically impacted by foreign currency movements, we are pleased to see that, when taking into account currency changes, all of IBA's business segments are continuing to see growth,” stated Pierre Mottet, Chief Executive Officer of IBA. “On the other hand, we have seen a 4.0% reduction in our gross margin percentage as a result of new

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facility openings in our Sterilization & Ionization and Radioisotope Production & Distribution businesses, pricing pressure within certain of our Radioisotope Production & Distribution businesses, and a change in product mix within our Technology Services & Equipment segment when compared to the first half of 2002. While a €1.8 million reduction in reported operating expenses has helped us recoup some of the lost gross margin, the management team is focused on improving bottom line results while at the same time maintaining growth. As a result, we will continue working to get our new facilities fully operational as quickly as possible, as well as reviewing the company's operating costs for opportunities to improve our performance," concluded Mottet.

The company's net debt position as of June 30, 2003 was €148.4 million compared with €162.7 million at June 30, 2002 and €141.9 million at December 31, 2002, or a 4.5% increase for the first six months of 2003. In January 2003, the company repaid \$15.0 million of its syndicate bank line of credit. Subsequent to the six months ended June 30, 2003, the company repaid \$25 million related to a separate line of credit with a non-syndicate bank.

In addition, IBA reported operating expenses of €40.1 million for the six months ended June 30, 2003 compared with €41.9 million for the same period in 2002. This reflects a reported decrease in Selling, General, and Administrative expenses coupled with an increase in net Research and Development (R&D) expenses. Current period R&D spending increased by €0.8 million versus the same period in 2002 (€5.5 million in 2003 compared with €5.7 million in 2002), while there was a small decrease in the amortization of previously capitalized costs (€4.2 million in 2003 versus €4.4 million in 2002) and a lower rate of capitalization of current period costs (€3.9 million in 2003 versus €4.7 million in 2002), resulting in a net increase of €1.4 million.

The net financial result for the six months ended June 30, 2003 was a charge of €6.3 million compared with a charge of €5.6 million for the same period of 2002. This reflects a reduction in interest paid on debt that was more than offset by an increase in other financial charges related to realized and unrealized foreign exchange gains or losses. The net extraordinary result for the first half of 2003 was a charge of €0.2 million compared to a charge of €7.7 million for the same period of 2002, the net effect of which is a slight improvement of €0.1 million in the result before tax for the first six months of 2003 when compared to 2002. Net tax expense is €1.8 million for the six months ended June 30, 2003 compared to €0.4 million in the 2002 period, reflecting the company's tax position in the different locations the company does business.

No material impact to the company's first half 2003 financial results was reported by IBA as a direct consequence of the patent infringement and unfair competition claim specific to IBA's proton therapy business, which was filed against the company by Optivus Technology Inc. in August 2002. The trial for the case is currently set for July 13, 2004.

The auditor of the consolidated financial statements has confirmed that, based on his limited review, which has been substantially completed, he is not aware of material modifications that should be brought to the accounting information included in this press release. Without altering the above statement, the auditor however draws attention to the mention of the claim filed against the company by Optivus Technology, Inc. The outcome of this claim cannot be predicted and the accounting information included in this press release has not been affected by any provision for risks and charges in relation to this matter.

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About IBA

Founded in 1986, IBA is a global innovator in the design and development of particle accelerators, therapeutic and diagnostic dosimetry equipment, sterilization and ionization services, and the production and distribution of radioisotopes. With operations at more than 50 sites, spanning 12 countries and three continents, IBA provides extensive expertise and state-of-the-art services and equipment to numerous world markets in healthcare and industry. A selection of IBA clients include top-ranking medical device manufacturers, specialized centers for the diagnosis and treatment of cancer, and the United States Postal Service. IBA stock is listed on the pan-European stock exchange, EURONEXT, and is part of the market segment NextEconomy. Website: www.iba-worldwide.com.

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Ion Beam Applications
Summary Consolidated Income Statement
For the six months ended June 30,
(in '000 Euro)

	2003	2002
Revenue	128,604	138,942
Cost of sales	90,631	92,377
Gross margin	37,973	46,565
Selling and marketing expenses	7,446	8,128
General and administrative expenses	20,381	21,827
R&D	10,667	10,042
Capitalized R&D	(3,857)	(4,668)
Amortization of goodwill	5,453	6,593
Operating result (EBIT)	(2,117)	4,643
Net financial result	6,250	5,597
Current profit before tax	(8,367)	(954)
Net extraordinary result	173	7,653
Result before tax	(8,540)	(8,607)
Net tax	1,842	438
Result before minority interests	(10,382)	(9,045)
Minority interest in earnings	542	60
Group's share of net loss	(9,840)	(8,985)
Memo:		
EBITDA (earnings before interest, tax, depreciation and amortization, and before extraordinary items)	22,995	33,233

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Ion Beam Applications Summary Consolidated Balance Sheet

(in '000 Euro)

ASSETS	30-Jun-03	31-Dec-02
FIXED ASSETS	435,642	468,116
Intangible fixed assets	28,456	29,520
Goodwill	169,642	187,146
Tangible fixed assets	234,692	250,408
Financial assets	2,852	1,042
CURRENT ASSETS	196,952	222,034
Amounts receivable after more than one year	5,915	6,619
Inventories and contracts in progress	88,843	79,161
Amounts receivable within one year	42,518	43,309
Investments	17,303	39,474
Cash at bank and in hand	35,141	50,287
Deferred charges and accrued income	7,232	3,184
TOTAL ASSETS	632,594	690,150
LIABILITIES		
SHAREHOLDERS' EQUITY	304,040	327,121
MINORITY INTERESTS	410	3,028
PROVISIONS AND DEFERRED TAXES	15,933	12,744
Provisions for liabilities and charges	6,616	5,039
Deferred tax liabilities	9,317	7,705
CREDITORS	312,211	347,257
Amounts payable after more than one year	153,472	184,798
Long term advances on contracts in progress	37,391	31,700
Amounts payable within one year	100,079	94,083
Current advances on contracts in progress	18,552	26,505
Accrued charges and deferred income	2,717	10,171
TOTAL LIABILITIES	632,594	690,150