ION BEAM APPLICATIONS

("IBA")

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2014

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with IAS 34, IBA SA has chosen to publish its interim consolidated financial statements as of June 30, 2014 in condensed form.

GENERAL INFORMATION

Ion Beam Applications SA (the "Company"), founded in 1986, together with its subsidiaries (together referred to as the "Group" or "IBA") seek to develop key technologies for the diagnosis and treatment of cancer and provides efficient and reliable solutions with an unequaled accuracy. IBA also offers innovative solutions to improve everyday hygiene and safety.

IBA is organized into two business sectors to manage its activities and monitor their financial performance.

The **Proton therapy and other accelerators** segment, which constitutes the technological basis of the Group's businesses and encompasses development, fabrication, and services associated with medical and industrial particle accelerators and proton therapy systems.

The **Dosimetry** segment, which includes the activities that offer a full range of innovative high-quality solutions and services that maximize efficiency and minimize errors in radiation therapy and medical imaging Quality Assurance and calibration procedures.

The Company is a limited company incorporated and registred in Belgium. The address of the registered office is: Chemin du Cyclotron, 3, B-1348 Louvain-la-Neuve, Belgium.

The Company is listed on the pan-European stock exchange Euronext and is included in the BEL Mid Index.

Consequently, IBA has agreed to follow certain rules to enhance the quality of financial information provided to the market. These include:

- Publication of its annual report, including its audited annual consolidated financial statements, within four months from the end of the financial year;
- Publication of a half-year report covering the first six months of the financial year within three months from the end of the second quarter;
- Publication of half-year and annual consolidated financial statements prepared in accordance with IFRS;
- Audit of its annual consolidated financial statements by its auditors in accordance with the auditing standards of the International Federation of Accountants ("IFAC").

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 27, 2014. The Board of Directors of IBA is composed as follows:

Internal directors: Messrs. Olivier Legrain, Yves Jongen, and Saint-Denis SA represented by Mr. Pierre Mottet. Olivier Legrain is Managing Director and Chief Executive Officer. Olivier Legrain was appointed as internal director during the Ordinary General Meeting of shareholders held on May 9, 2012, his term will expire at the Ordinary General Meeting of shareholders in 2016 which will approve the 2015 financial statements. Yves Jongen is Managing Director and Chief Research Officer. His mandate was renewed at the Ordinary General Meeting of shareholders of May 8, 2013, his term will expire at the Ordinary General Meeting of shareholders in 2017 which will approve the 2016 financial statements. The taking over of the mandate of Pierre Mottet by Saint-Denis SA, represented by Mr. Pierre Mottet was acknowledged during the Ordinary General Meeting of shareholders held on May 8, 2013, his term will expire at the Ordinary General Meeting of shareholders in 2015 which will approve the 2014 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Windi SPRL represented by Mr. Yves Windelincx, Professor Mary Gospodarowicz, Katleen Vandeweyer Comm. V. represented by Mrs. Katleen Vandeweyer and Jeroen Cammeraat have been appointed external directors. Consultance Marcel Miller SCS was renewed as an external director during the Ordinary General Meeting of shareholders held on May 9, 2012, his term will expire at the Ordinary General Meeting of shareholders of 2016 which will approve the 2015 financial statements. Windi SPRL was renewed as an external director during the Ordinary General Meeting of shareholders held on May 11, 2011, his term will expire at the Ordinary General Meeting of shareholders of 2015 which will approve the 2014 financial statements. Professor Mary Gospodarowicz was appointed external director by the Board of Director of August 29, 2012, appointment confirmed during the Ordinary General Meeting of shareholders held on May 8, 2013, her term will expire at the Ordinary General Meeting of shareholders of 2017 which will approve the 2016 financial statements. Katleen Vandeweyer Comm. V. was appointed external director during the Ordinary General Meeting of shareholders held on May 14, 2014, her term will expire at the Ordinary General Meeting of shareholders of 2018 which will approve the 2017 financial statements. Jeroen Cammeraat, was appointed external director during the Ordinary General Meeting of shareholders held on May 14, 2014, his term will expire at the Ordinary General Meeting of shareholders of 2015 which will approve the 2014 financial statements

Other directors: Bayrime SA represented by Mr. Eric de Lamotte. Bayrime SA was renewed as other director during the Ordinary General Meeting of shareholders held on May 8, 2013, his term will expire at the Ordinary General Meeting of shareholders of 2017 which will approve the 2016 financial statements.

The IBA Board acts in accordance with the guidelines established in its Corporate Governance Charter as approved by the Board of Directors meeting of April 1, 2010. A copy of the charter can be found on the IBA website (www.iba-worldwide.com).

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2014

The Group has chosen to present its balance sheet on a current/non-current basis. The notes on pages 10 to 34 are an integral part of these interim consolidated financial statements.

	Note	December 31, 2013 (EUR 000)	June 30, 2014 (EUR 000)
ASSETS			
Goodwill	6.3	3 821	3 821
Other intangible assets	6.3	9 065	8 771
Property, plant and equipment	6.3	7 656	7 841
Investments accounted for using the equity method		35 799	35 775
Other investments		423	447
Deferred tax assets	3.1	18 044	19 061
Long-term financial assets		207	135
Other long-term assets		18 291	21 983
Non-current assets		**93 306**	**97 834**
Inventories and contracts in progress	6.5	72 742	90 028
Trade receivables		41 452	41 829
Other receivables	6.6	41 711	23 174
Short-term financial assets		367	199
Cash and cash equivalents	6.2	28 942	45 283
Assets held for sale	2.3	3 233	283
Current assets		**188 447**	**200 796**
TOTAL ASSETS		**281 753**	**298 630**
EQUITY AND LIABILITIES			
Capital stock	6.9	38 787	39 575
Capital surplus	6.9	25 651	31 122
Treasury shares		-8 612	-8 612
Reserves		13 339	21 918
Currency translation difference		-4 716	-4 624
Retained earnings		2 789	10 241
Reserves for assets held for sale		0	0
Capital and reserves		**67 238**	**89 620**
Non-controlling interests		**0**	0
EQUITY		**67 238**	**89 620**
Long-term borrowings	6.4	41 871	29 367
Long-term financial liabilities		553	468
Deferred tax liabilities		711	711
Long-term provisions	6.10	9 649	9 440
Other long-term liabilities		248	2 755
Non-current liabilities		**53 032**	**42 741**
Short-term provisions	6.10	21 186	8 045
Short-term borrowings	6.4	5 201	5 106
Short-term financial liabilities		1 027	553
Trade payables		30 819	37 948
Current income tax liabilities		281	595
Other payables	6.7	102 628	113 679
Liabilities directly related to assets held for sale		341	343
Current liabilities		**161 483**	**166 269**
TOTAL LIABILITIES		**214 515**	**209 010**
TOTAL EQUITY AND LIABILITIES		**281 753**	**298 630**

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2014

The Group has chosen to present its income statement using the “function of expenses” method. The notes on pages 10 to 34 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	June 30, 2013 (EUR 000)	June 30, 2014 (EUR 000)
Sales		75 288	69 007
Services		22 091	29 152
Cost of sales and services (-)		-56 269	-55 118
Gross profit		**41 110**	**43 041**
Selling and marketing expenses		8 851	9 374
General and administrative expenses		14 440	14 600
Research and development expenses		9 528	9 422
Other operating expenses	6.8	5 625	1 407
Other operating (income)	6.8	- 910	-1 162
Financial expenses		3 126	2 725
Financial (income)		-2 619	-1 853
Share of (profit)/loss of companies consolidated using the equity method		1 954	4 689
Profit/(loss) before taxes		**1 115**	**3 839**
Tax (income)/expenses	6.12 & 3.1	- 679	81
Profit/(loss) for the period from continuing operations		**1 794**	**3 758**
Profit/(loss) for the period from discontinued operations	2.3	2 335	3 683
Profit/(loss) for the period		**4 129**	**7 441**
Attributable to :			
Equity holders of the parent		4 129	7 441
Non-controlling interests		0	0
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	5.1	0.155	0.276
- Diluted	5.2	0.154	0.269
Earnings per share from continuing (EUR per share)			
- Basic	5.1	0.067	0.139
- Diluted	5.2	0.067	0.136
Earnings per share from discontinued operations (EUR per share)			
- Basic	5.1	0.088	0.137
- Diluted	5.2	0.087	0.133

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2014

Due to the level of available tax losses, IBA did not calculate deferred tax on items credited or debited directly in the comprehensive income.

	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Profit/(loss) for the period	**4 129**	**7 441**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	165	9
Exchange differences on translation of foreign operations	*165*	*9*
- Reserves movements of investments accounted for using the equity method	96	1 582
Currency translation difference	*-420*	*51*
Cash flow hedges	*0*	*0*
Other (1)	*516*	*1 531*
- Exchange difference related to permanent financing	104	32
- Net (loss)/gain on available for sale financial assets	0	0
- Net movement on cash flow hedges	638	596
- Other	-3	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**5 129**	**9 660**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	22	0
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))	0	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**22**	**0**
Total comprehensive income for the period	**5 151**	**9 660**

(1) Those amounts are mainly composed of the revaluation of AFS assets pledged for the decommissioning liabilities of Rose Holding SARL.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

EUR 000	Attributable to equity holders of the parent											TOTAL
	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – reserves movements of investment accounted for using the equity method	Other reserves - Other	Reverse convertible Bond SRIW	Currency translation difference	Retained earnings	Reserves for assets held for sale	Shareholders' equity and reserves
Balance at 01/01/13	**38 420**	**25 032**	**-8 612**	**-2 750**	**12 430**	**-81**	**157**	**0**	**-10 135**	**3 831**	**-632**	**57 660**
Net profit/(loss) recognized directly in equity	**0**	**0**	**0**	**638**	**0**	**516**	**-3**	**0**	**-151**	**0**	**22**	**1 022**
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	4 129	0	4 129
Comprehensive income for the period	**0**	**0**	**0**	**638**	**0**	**516**	**-3**	**0**	**-151**	**4 129**	**22**	**5 151**
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	576	0	0	0	0	0	0	576
Increase/ (decrease) in capital stock/ capital surplus	89	146	0	0	0	0	0	0	0	0	0	235
Other changes	0	0	0	0	0	0	0	0	0	7	0	7
Balance at 30/06/13	**38 509**	**25 178**	**-8 612**	**-2 112**	**13 006**	**435**	**154**	**0**	**-10 286**	**7 967**	**-610**	**63 629**
Balance at 01/01/14	**38 787**	**25 651**	**-8 612**	**-1 064**	**13 537**	**725**	**141**	**0**	**-4 716**	**2 789**	**0**	**67 238**
Net profit/(loss) recognized directly in equity	**0**	**0**	**0**	**596**	**0**	**1 531**	**0**	**0**	**92**	**0**	**0**	**2 219**
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	7 441	0	7 441
Comprehensive income for the period	**0**	**0**	**0**	**596**	**0**	**1 531**	**0**	**0**	**92**	**7 441**	**0**	**9 660**
Dividends	0	0	0	0	0	0	0	0	0	0	0	
Employee stock options and share-based payments	0	0	0	0	296	0	0	0	0	0	0	296
Increase/ (decrease) in capital stock/ capital surplus	788	5 471	0	0	0	0	0	0	0	0	0	6 259
Other changes	0	0	0	0	0	0	1 156	5 000	0	11	0	6 167
Balance at 30/06/14	**39 575**	**31 122**	**-8 612**	**-468**	**13 833**	**2 256**	**1 297**	**5 000**	**-4 624**	**10 241**	**0**	**89 620**

The Group equity is strengthened through a new financing arrangement with the S.R.I.W. A reverse convertible bond was put in place and this bond allows the Group to ask the conversion of this bond into ordinary shares at any time before December 31, 2015.

Change in other reserve for EUR 1.16 million related to the cash received for future capital increase related to stock option exercises.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2014

The group has chosen to present the cash flow statement using the indirect method. The notes on pages 10 to 34 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	June 30, 2013[(2)] (EUR '000)	June 30, 2014 (EUR '000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**4 129**	**7 441**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.3	1 047	1 024
Amortization and impairment of intangible assets	6.3	1 157	925
Write-off on receivables		296	513
Changes in fair values of financial assets (gains)/losses		-215	278
Changes in provisions		5 039	-1 086
Deferred taxes	6.10	-2 257	-997
Share of results of associates and joint ventures accounted for using the equity method		1 558	4 620
(Profit)/loss on disposal of assets held for sale		0	0
Other non-cash items		-1 263	-3 762
Net cash flow changes before changes in working capital		**9 491**	**8 956**
Trade receivables, other receivables, and deferrals		-7 357	5 151
Inventories and contracts in progress		-7 753	-8 209
Trade payables, other payables, and accruals		-9 114	7 485
Other short-term assets and liabilities		-11 058	781
Changes in working capital		**-35 282**	**5 208**
Income tax paid / received, net		0	0
Interest paid/ Interest received		569	1 079
Net cash (used in)/generated from operations		**-25 222**	**15 243**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment continuing activities	6.3	-717	-1 213
Acquisitions of property, plant and equipment discontinued activities		-346	0
Acquisitions of intangibles assets continuing activities	6.3	-1 294	-636
Acquisitions of intangibles assets discontinued activities		-13	0
Disposals of assets		113	5
Acquisitions of subsidiaries, net of acquired cash		0	0
Acquisitions of third party and equity-accounted investments		0	-21
Disposals of subsidiaries and equity-accounted companies, and other investments net of cash disposed	2.3	169	5 738
Acquisitions of non-current financial assets and loan granted		0	0
Other investing cash-flows		-5 014	0
Net cash (used in)/generated from investing activities		**-7 102**	**3 873**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.4	10 000	0
S.R.I.W. reverse convertible bond		0	5 000
Repayment of borrowings	6.4	-1 356	-12 599
Net interest paid/received		-571	-1 080
Capital increase (or proceeds from issuance of ordinary shares)		235	6 259
Purchase of treasury shares		0	0
Dividends paid		0	-11
Other financing cash flows		140	-240
Net cash (used in)/generated from financing activities		**8 448**	**-2 671**
Net cash and cash equivalents at the beginning of the period		**45 733**	**29 090**
Change in net cash and cash equivalents		-23 876	16 445
Exchange gains/(losses) on cash and cash equivalents		-255	-35
Net cash and cash equivalents at the end of the period		**21 602**	**45 500**

(2) Cash-flow at June 30, 2013 includes cash flows of assets held for sale. Impact on cash flow of assets held for sale is explained in note 2.3

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS – BASIS OF PREPARATION

1.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements of IBA cover the six months ended June 30, 2014. They have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at December 31, 2013.

1.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC Interpretations effective as of 1 January 2014:

- The new consolidation standards consisting of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities in addition to consequential amendments to existing standards and the subsequent addition of guidance in IFRS 10 on investment entities
- IAS 32 Financial Instruments – Presentation - Offsetting Financial Assets and Financial Liabilities
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Levies
- IAS 36 Impairment of assets

Consolidation standards (IFRS 10-12)

IFRS 10 establishes a single control model that applies to all entities including special purpose entities.

The standard introduces a new definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including:

- an investor has power over an investee;
- the investor has exposure, or rights, to variable returns from its involvement with the investee; and
- the investor has the ability to use its power over the investee to affect the amount of the investor’s returns.

The initial application of IFRS 10 did not result in any changes to the consolidated entities due to the large size of the Group’s voting rights compared to the minority shareholders and the absence of any other fact or circumstance that has any influence on the assessment of control. In addition the parent entity of the Group did not meet the definition of an investment entity.

IFRS 11 introduces two categories of joint arrangements, joint operations and joint ventures. Joint operations have to be consolidated according to the Group’s interest in the assets, liabilities, revenue and expenses of the joint operation. Joint ventures have to consolidate according to the equity method. Accordingly, any joint arrangement that meets the definition of a joint venture can no longer be proportionately consolidated.

The initial application of IFRS 11 did not have an impact on the Group’s financial statements due to the fact that the Group’s joint arrangements meet the definition of a joint venture and were equity-accounted prior to 1 January 2014.

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previous existing disclosure requirements for subsidiaries.

While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities.

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment did not have any impact on the presentation of the financial assets and financial liabilities of the Group.

IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.

The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

This interpretation did not have any impact on the Group's financial position and performance.

IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets

The amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment losses have been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014.

1.3 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

All monetary and non-monetary assets and liabilities (including goodwill) are translated at the closing rate. Income and expenses are translated at the rate of the transaction date (historical rate) or at an average rate for the month. The principal exchange rates used for conversion to EUR are as follows:

	Closing rate at June 30, 2013	Average rate for the 6 months period at June 30, 2013	Closing rate at December 31, 2013	Average annual rate 2013	Closing rate at June 30, 2014	Average rate for the 6 months period at June 30, 2014
USD	1.3080	1.3135	1.3791	1.3280	1.3658	1.3708
SEK	8.7773	8.5291	8.8591	8.6487	9.1762	8.9523
GBP	0.8572	0.8504	0.8337	0.8490	0.8015	0.8214
CNY	8.028	8.1959	8.3491	8.2210	8.4722	8.4159
INR	77.721	72.0962	85.3660	77.6278	82.2023	83.1113
JPY	129.3900	125.3650	144.7200	129.5775	138.4400	140.455
CAD	1.3714	1.2852	1.4671	1.3676	1.4589	1.5030
RUB	42.845	40.6826	45.3246	42.2502	46.3779	47.9488

2. CONSOLIDATION SCOPE AND THE EFFECTS OF CHANGES IN THE COMPOSITION OF THE GROUP

IBA Group consists of IBA S.A. and a total of 21 companies and associated companies in 10 countries. Of these, 16 are fully consolidated and 5 are accounted for using the equity method.

2.1 LIST OF SUBSIDIARIES IN IBA GROUP

NAME	Assets held for sale	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2013
IBA Molecular Holding (BE 0880.070.706) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Participations SPRL (BE 0465.843.290) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Investments SCRL (BE 0471.701.397) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
Ion Beam Beijing Medical Applications Technology [(1)] Service Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	0%	-100%
Ion Beam Applications Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
IBA RadioIsotopes France SAS *59 Blvd Pinel, 69003 LYON*	Yes	France	100%	-
IBA Dosimetry GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck. Germany*	No	Germany	100%	-
IBA Dosimetry America Inc. 3150 Stage Post Dr. Ste. 110, Bartlett, TN 38133, USA	No	USA	100%	-
IBA Proton Therapy Inc. *152 Heartland Blvd,* *Edgewood New York 11717, USA*	No	USA	100%	-
IBA Industrial Inc. *152 Heartland Blvd,* *Edgewood New York 11717, USA*	No	USA	100%	-
RadioMed Corporation *3149 Stage Post Drive* *Suite 110, Bartlett, TN 38133, USA*	No	USA	100%	-
IBA USA Inc. *151 Heartland Blvd,* *Edgewood New York 11717, USA*	No	USA	100%	-
IBA Particle Therapy GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck, Germany*	No	Germany	100%	-
IBA Hadronthérapie SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	100%	-
Cyclhad SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	60%	-
Particle Engineering Solutions, LLC *1st Magistralny tupik, 5A* *123290 Moscow, Russia*	No	Russia	100%	
IBA Particle Therapy India Private Limited Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights, Chennai - 600006, Tamil Nadu, INDIA	No	India	100%	-

[(1)] On February, 2014, the company was liquidated

2.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2013
CONTINUING OPERATIONS			
Striba GmbH	Germany	50%	-
Sceti Medical Labo KK	Japan	39.8%	-
Rose Holding SARL	Luxembourg	40%	-
IBA Molecular Compounds Development SARL	Luxembourg	60%	-
DISCONTINUING OPERATIONS			
PharmaLogic Pet Services of Montreal Cie	Canada	48%	-

2.3 BUSINESS COMBINATIONS AND OTHER CHANGES IN THE COMPOSITION OF IBA GROUP

In compliance with IFRS 5, all of the business over which IBA will lose control has been reclassified in the income statement as « profit/(loss) from discontinued operations » for both years 2013 and 2014 and in the statement of financial position as « assets and liabilities held for sale » for the year 2013 and 2014.

As part of the decision to restructure the Group and focus IBA on the medical equipment sector, the Board of Directors has concluded that Bioassays activities should be divested. In October 2012, a contract has been agreed with ING Investment Bank to advise on the disposal. Disposal has been completed in November 2013.

The statement of the financial position of the Cisbio Bioassays business excluding royalties for the use of patents held by the Parent Company was as follows:

	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Sales and services	18 096	0
Cost of sales and services	5 656	0
Gross profit	**12 440**	**0**
Selling and marketing expenses	3 301	0
General and administrative expenses	3 543	0
Research and development expenses	1 139	0
Other operating expenses/(income)	2 148	0
Financial expenses/(income)	-2	0
Profit/(loss) on disposal of assets held for sale	0	0
Share of (profit)/loss of companies consolidated using the equity method	0	0
Profit/(loss) before taxes from discontinued operations	**2 311**	**0**
Tax (income)/expense	459	0
Profit/(loss) for the period from discontinued operations	**1 852**	**0**

The 2013 profit from discontinued operations of EUR 1.85 million match with the profit realized by Bio Assays during the 6 first months of 2013 for EUR 3.49 million corrected of the anticipated impact of the sale transaction for EUR -1.47 million and of the transaction costs already engaged for EUR -0.17 million.

There are no more assets and liabilities for Cisbio Bioassays business discontinued operations as per June 30, 2014 and as per December 31, 2013.

The statement of the financial position of the Radiopharmaceutical business held for distribution to owners, partially distributed in 2014 further to the sale of the assets included within Pharmalogic Pet Services of Montreal Cie and intended to be sold (IBA RadioIsotopes France SAS) is as follows:

	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Sales and services	0	0
Cost of sales and services (-)	0	0
Gross profit	**0**	**0**
Selling and marketing expenses (-)	0	0
General and administrative expenses (-)	2	-14
Research and development expenses (-)	0	0
Other operating (expenses)/income	118	0
Financial (expenses)/income	-32	-34
Profit/(loss) on distribution of assets to owners	395	3 731
Profit/(loss) before taxes from discontinued operations	**483**	**3 683**
Tax income/(expense)	0	0
Profit/(loss) for the period from discontinued operations	**483**	**3 683**

	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Cash inflow/(outflow) :		
Cash distributed as part of discontinued operations	169	5 738
Net cash inflow	**169**	**5 738**

The profit on distribution of assets to owners includes the gain realized upon the disposal of the assets of Pharmalogic Pet Services Montreal Cie in March 2014 and subsequently distributed to IBA.

The main asset and liability categories for discontinued operations on December 31, 2013 are the following:

31/12/2013 (EUR 000)	TOTAL
ASSETS	
Other intangible assets	0
Property, plant and equipment	0
Investments accounted for using the equity method	2 961
Deferred tax assets	0
Other long-term assets	7
Non-current assets	**2 968**
Inventories and contracts in progress	0
Trade receivables	58
Other receivables	59
Cash and cash equivalents	148
Current assets	**265**
TOTAL ASSETS HELD FOR SALE	**3 233**
LIABILITIES	
Long-term provisions	200
Other long-term liabilities	0
Non-current liabilities	**200**
Trade payables	15
Tax liabilities	0
Other liabilities	126
Current liabilities	**141**
TOTAL LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE	**341**
NET ASSETS DIRECTLY RELATED TO OPERATIONS HELD FOR SALE	**2 892**

The main asset and liability categories for discontinued operations on June 30, 2014 are the following:

30/06/2014 (EUR 000)	TOTAL
ASSETS	
Other intangible assets	0
Property, plant and equipment	0
Investments accounted for using the equity method	0
Deferred tax assets	0
Other long-term assets	7
Non-current assets	**7**
Inventories and contracts in progress	0
Trade receivables	22
Other receivables	37
Cash and cash equivalents	217
Current assets	**276**
TOTAL ASSETS HELD FOR SALE	**283**
LIABILITIES	
Long-term provisions	199
Other long-term liabilities	0
Non-current liabilities	**199**
Trade payables	27
Tax liabilities	0
Other liabilities	117
Current liabilities	**144**
TOTAL LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE	**343**
NET ASSETS DIRECTLY RELATED TO OPERATIONS HELD FOR SALE	**-60**

Included in the overall statement of comprehensive income for the financial year ending December 31, 2013 and for the 6 months ended June 30, 2014:

	December 31, 2013 (EUR 000)	June 30, 2014 (EUR 000)
Actuarial reserves	0	0
Revaluation reserves	0	0
Currency translation differences	0	0
Reserves for assets held for sale	**0**	**0**

The net cash flows of the discontinued operations are the following:

	June 30, 2013 (EUR 000)	June 30, 2014 (EUR 000)
Cash flow from operating activities	1 074	69
Cash flow from investing activities	-364	5 738
Cash flow from financing activities	131	0
Net change in cash flow from discontinued operations	**841**	**5 807**

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. We present below estimates and assumptions that could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 INCOME TAX – DEFERRED TAX

At June 30, 2014, the Group has accumulated net operating losses available to offset future taxable profits mainly in Belgium and the United States for a total of EUR 106.1 million and temporary differences amounting to EUR 4.3 million. The Company recorded deferred tax assets amounting to EUR 17.0 million with the view to use the tax losses carried forward and EUR 2.1 million as temporary differences as at June 30, 2014. The valuation of these assets depends on several assumptions and judgments about the probable future taxable profits of the Group's subsidiaries in different countries. These estimates are established with prudence and are based on the latest information available to the Company. If conditions change and the final amount of the future profits differs from the original estimate, such differences will impact the income tax and deferred tax assets during the period in which such determination is made.

June 30, 2014 income statement was positively impacted by the recording of deferred tax assets based on new estimates of the potential future utilization of tax losses carried forward for the years 2015 to 2018.

3.2 PROVISIONS FOR DECOMMISSIONING COSTS

Production of pharmaceutical tracers (segment of the pharmaceuticals activity) generates radiation and results in contamination of production sites facilities. This could require the Group to incur restoration costs to meet regulations in different countries and fulfill any legal or implied obligation.

Analyzes and estimates are made by the Group with the assistance of its legal counsel to determine the likelihood, timing and amount of costs, together with a probable required outflow of resources.

Provisions have been made for unavoidable costs in connection with dismantling the sites where radiopharmaceuticals are produced. These provisions are measured at the net present value of the best estimate of the cost required.

Following the sale of 60% of its Pharmaceuticals activity (except the Bio Assays activity which has been sold to Argos Soditic by the end of 2013) to “SK Capital Partners”, the majority of the provisions for decommissioning were transferred in 2012 to the company "Rose Holding SARL". As of June 30, 2014, the provisions still included in the financials of IBA stand at EUR 5.7 million. They were primarily for obligations in connection with a radiopharmaceutical production facility belonging to the mother company IBA SA in Fleurus.

CIS Bio International SAS has held nuclear operator status since December 2008, which obliges it to pledge assets for the future decommissioning and clean-up of nuclear medicine installations on the Saclay site (France). Those assets were transferred in 2012 to the company "Rose Holding SARL". Under the agreements signed, IBA retains for 5 years an indemnity obligation in the event that the IFRS discounting of the decommissioning provisions in the books of Rose Holding SARL (vehicle for the acquisition by SK Capital Partners of 60% of the Radiopharmaceutical business and in which IBA continues to hold 40% stake accounted for using the equity method) were to exceed the assets pledged for this purpose and managed to date by Candriam Investors Group. At June 2014, the total of those assets are slightly above the provision amounting to EUR 44.4 million.

3.3 REVENUE RECOGNITION

Contracts in progress are valued at their cost of production, increased by income accrued as determined by the stage of completion of the contract activity at the balance sheet date, to the extent that it is probable that the economic benefits associated with the contract will flow to the Group. This probability is based on judgment. If certain judgmental criteria differ from those used for previously recognized revenues, the Group’s income statement is affected. When appropriate, the Company revises its estimated margin at completion to take into account the assessment of residual risk arising from this contract over several years. When the final outcome of these uncertainties differs from initial estimations, the Group’s income statement is affected.

3.4 ESTIMATING THE VALUE IN USE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

The recoverable amounts of tangible and intangible fixed assets are determined on a “value in use” basis. Value in use is determined on the basis of IBA’s most recent business plans, as approved by the Board of Directors. These plans incorporate various assumptions made by management and approved by the Board as to how the business, profit margins, and investments will evolve.

3.5 VALUATION OF PRIVATE EQUITY INSTRUMENTS

IBA revalues its private equity holdings using either the discounted cash flow method or the share value assigned to them during the most recent rounds of financing.

3.6 VALUATION OF THE ASSETS KEPT ON THE BALANCE SHEET FOLLOWING THE PARTIAL SALE OF THE RADIOPHARMACEUTICAL BUSINESS TO SK CAPITAL PARTNERS

A deferred remuneration element depends on whether a certain multiple has been reached when on exit by the private equity fund. In this framework, the market value used to determine the value of the financial instruments associated to it has been based on a model of discounted future cash flows and of multiples.

A probability of an outflow is determined for each year. The outflow probabilities used at the June 30, 2014 closing are : 0% in 2014, 65% in 2015, 30% in 2016 and 5% in 2017.

The deferred remuneration element on the Company’s balance sheet which would be realized in the event of a complete exit from the business through the sale of the 40% stake retained amounts to EUR 17.7 million. If the multiple expected by the partner will not be achieved, a portion of the assets in the books at the closing date could be reduced in value.

The instrument has been recognized in the balance sheet under the heading ‘’Investments accounted for using the equity method’’.

3.7 VALUATION OF THE ASSETS KEPT ON THE BALANCE SHEET FOLLOWING THE SALE OF CISBIO BIOASSAYS BUSINESS TO ARGOS SODITIC

As part of the sale of the Cisbio Bioassays activity, three deferred contingent remuneration elements were negotiated:

- A loan of EUR 7.5 million, repayable over a period of maximum 7 years depending on the achievement of a certain level of EBIT. Interest on the loan will be charged at market conditions. Any unpaid balance after the period of 7 years will be lost.
  The loan valuation is based on the latest strategic plan provided by Cisbio Bioassays’ management, which allows to calculate the part of EBIT above the threshold for the period of 7 years as set out in the agreement and this amount is reassessed on the basis of the discount method for expected future cash flows.

- An earn-out of EUR 1 million depending on the achievement of a certain level of EBIT in 2013. At June 2014, this earn out is granted to the Group and has been paid in August 2014.

- An earn-out of EUR 1 million if and when certain long-term receivables are collected by Cisbio Bioassays SAS.

3.8 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

The assets and liabilities of the Group are valued as follows:

		December 31, 2013		June 30, 2014	
EUR 000	Category	Net carrying value	Fair value	Net carrying value	Fair value
FINANCIAL ASSETS					
Trade receivables	Loans and receivables	41 452	41 452	41 829	41 829
Long-term receivables on contracts in progress	Loans and receivables	959	959	940	940
Available-for-sale financial assets	Available for sale	0	0	0	0
Long-term receivables for decommissioning of sites	Loans and receivables	0	0	0	0
Other long-term receivables	Loans and receivables	17 332	17 332	21 043	21 043
Non-trade receivables and advance payments	Loans and receivables	18 022	18 022	13 326	13 326
Other short-term receivables	Loans and receivables	23 689	23 689	9 848	9 848
Other investments	Available for sale	423	423	447	447
Cash and cash equivalents	Loans and receivables	28 942	28 942	45 283	45 283
Hedging derivative products	Hedge accounting	505	505	325	325
Derivative products – other	FVPL2	69	69	9	9
TOTAL		**131 393**	**131 393**	**133 050**	**133 050**
FINANCIAL LIABILITIES					
Bank borrowings	FLAC	46 250	46 250	33 750	33 750
Financial lease liabilities	FLAC	822	822	723	723
Trade payables	FLAC	30 819	30 819	37 948	37 948
Hedging derivative products	Hedge accounting	1 386	1 386	829	829
Derivative products – other	FVPL2	194	194	192	192
Other long-term liabilities	FLAC	248	248	2 755	2 755
Amounts due to customers for contracts in progress	FLAC	72 364	72 364	82 030	82 030
Social debts	FLAC	12 166	12 166	10 505	10 505
Other short-term liabilities	FLAC	18 098	18 098	21 144	21 144
Short-term tax liabilities	FLAC	281	281	595	595
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**182 628**	**182 628**	**190 471**	**190 471**

At December 31, 2013 and June 30, 2014, the net carrying value of these financial assets and liabilities did not differ significantly from their fair value. The calculation has therefore not been performed.

3.9 CATEGORIES OF FINANCIAL INSTRUMENTS

Fair values of hedging instruments are determined by valuation techniques widely used in financial markets and are provided by reliable financial information sources. Fair values are based on the trade dates of the underlying transactions. The Group uses the following hierarchy to classify financial instruments recognized at fair value according to the reliability of the valuation methods used:

Level 1: Fair value is based on prices quoted in active markets.

Level 2: Fair value is determined using valuation techniques based almost exclusively on directly or indirectly observable inputs.

Level 3: Fair value is determined using valuation techniques based to a significant extent on non-observable inputs.

During the 6 first months of the year, there was no transfer between the various categories for the financial instruments existing as of June 30, 2014. However, new financial instruments were acquired and are classified in levels 2 and 3.

(EUR 000)	Level 1	Level 2	Level 3	June 30, 2014
- Forward foreign exchange contracts		302		302
- Foreign exchange rate swaps		23		23
Hedge-accounted financial assets		**325**		**325**
Other available-for-sale assets			**447**	**447**
Other assets at fair value			**25 100**	**25 100**
- Forward foreign exchange contracts		0		0
- Foreign exchange rate swaps		9		9
Financial assets at fair value through the income statement		**9**		**9**
- Forward foreign exchange contracts		704		704
- Foreign exchange rate swaps		125		125
Hedge-accounted financial liabilities		**829**		**829**
- Forward foreign exchange contracts		1		1
- Foreign exchange rate swaps		191		191
Financial liabilities at fair value through the income statement		**192**		**192**

At June 30, 2014, other available-for-sale assets include the other investments.

At June 30, 2014, other assets at fair value include the contingent loan of Rose Holding SARL and the vendor loan granted to Chromos GA SAS (vehicle for the acquisition by Argos Soditic of Cisbio Bioassays business).

Reconciliation of recurring fair value measurements categorized within level 3 of the fair value hierarchy :

(EUR 000)	Contingent loan Rose Holding SARL	Vendor loan Chromos GA SAS	Other investments	TOTAL
At January 1, 2014	**17 978**	**6 649**	**423**	**25 050**
Credited/(charged) to the income statement	-246	719	0	473
Additions	0	0	21	21
Disposals	0	0	0	0
Equity movements	0	0	3	3
At June 30, 2014	**17 732**	**7 368**	**447**	**25 547**

4. OPERATING SEGMENTS

The operating segments are parts of the company's business. Distinct financial information is available for these segments and is regularly checked by the management. The presentation format of IBA's operational segments is represented by activities in the primary dimension, as the company's risks of the company and the productivity rates related to the activities are mainly affected by the fact that IBA operates activities which have different fundamental risk profiles. Consequently, the organization of the company's management and its internal reporting system to the Board of Directors has been implemented. A business segment is a separate component of a company which provides products or services in a specific field of activity which is subject to risks and returns different from those of other activities. In accordance with IFRS 8 Operating segments, the business segments on which segment information is based are (1) Proton therapy & other accelerators and (2) Dosimetry.

The following table provides details of the income statement for each segment. Any intersegment sales are contracted at arm's length.

Six months ended June 30, 2014	Proton therapy & other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Equipment	49 500	19 507	69 007
Services	26 207	2 945	29 152
External sales	**75 707**	**22 452**	**98 159**
Segment results	**6 463**	**2 332**	**8 795**
Unallocated other operating income/(expenses)			605
Financial income/(expenses)			-872
Share of profit/(loss) of companies consolidated using the equity method			-4 689
Profit/(loss) before tax			**3 839**
Tax income/(expense)			-81
Profit for the period from discontinued operations			3 683
PROFIT/(LOSS) FOR THE PERIOD			**7 441**

Six months ended June 30, 2013	Proton therapy & other accelerators EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Equipment	55 893	19 396	75 289
Services	19 069	3 021	22 090
External sales	**74 962**	**22 417**	**97 379**
Segment results	**913**	**3 075**	**3 988**
Unallocated other operating income/(expenses)			-412
Financial income/(expenses)			-507
Share of profit/(loss) of companies consolidated using the equity method			-1 954
Profit/(loss) before tax			**1 115**
Tax income/(expense)			679
Profit for the period from discontinued operations			2 335
PROFIT/(LOSS) FOR THE PERIOD			**4 129**

5. EARNINGS PER SHARE

5.1 BASIC EARNINGS PER SHARE

Basic earnings are calculated by dividing the net profit attributable to the Company shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares excludes shares purchased by the Company and held as treasury shares.

BASIC EARNINGS PER SHARE	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Earnings attributable to parent equity holders (€ '000)	4 129	7 441
Weighted average number of ordinary shares	26 710 479	26 982 318
Basic earnings per share from continuing and discontinued operations (€ per share)	**0.155**	**0.276**
Earnings from continuing operations attributable to parent equity holders (€' 000)	1 794	3 758
Weighted average number of ordinary shares	26 710 479	26 982 318
Basic earnings per share from continuing operations (€ per share)	**0.067**	**0.139**
Earnings from discontinued operations attributable to parent equity holders (€' 000)	2 335	3 683
Weighted average number of ordinary shares	26 710 479	26 982 318
Basic earnings per share from discontinued operations (€ per share)	**0.088**	**0.137**

5.2 DILUTED EARNINGS PER SHARE

Diluted earnings are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: stock options & reverse convertible bond.

A calculation is performed for the stock options to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares over the relative period) based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the stock options. On top of that the potential ordinary shares resulting from the reverse convertible have been included on a weighted basis.

DILUTED EARNINGS PER SHARE	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Weighted average number of ordinary shares	26 710 479	26 982 318
Average share price over period	5.58	9.30
Weighted average diluted shares	192 270	650 026
Weighted average number of ordinary shares for diluted earnings per share	26 902 750	27 632 344
Earnings attributable to parent equity holders (€ '000)	4 129	7 441
Diluted earnings per share from continuing and discontinued operations (€ per share)	**0.154**	**0.269**
Earnings from continuing operations attributable to parent equity holders (€ '000)	1 794	3 758
Diluted earnings per share from continuing operations (€ per share)	**0.067**	**0.136**
Earnings from discontinued operations attributable to parent equity holders (€ '000)	2 335	3 683
Diluted earnings per share from discontinued operations (€ per share)	**0.087**	**0.133**

6. OTHER SELECTED DISCLOSURES

6.1 SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

IBA's business is not subject to any seasonal or cyclical effect.

6.2 CASH AND CASH EQUIVALENTS

For the purpose of the interim consolidated cash flow statement, cash and cash equivalents are comprised of the following:

	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Bank balances and cash	15 006	23 273
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	2 516	22 010
	17 522	**45 283**
Cash and cash equivalents attributable to assets held for sale	4 080	217
	21 602	**45 500**

6.3 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2014	Property, plant and equipment (EUR '000)	Intangible (EUR '000)	Goodwill (EUR '000)
Net carrying amount at opening	**7 656**	**9 065**	**3 821**
Additions continuing activities	1 213	636	0
Disposals	- 5	0	0
Transfers	0	0	0
Currency translation difference	1	- 5	0
Revaluation	0	0	0
Assets reclassified to held for sale	0	0	0
Depreciation/amortisation and impairment	- 1 024	- 925	0
Net carrying amount at closing	**7 841**	**8 771**	**3 821**

No impairment losses are recognized on property, plant and equipment or intangible assets in the 2014 interim financial statement.

6.4 MOVEMENT ON BORROWINGS

	December 31, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Current	5 201	5 106
Non-current	41 871	29 367
Total	**47 072**	**34 473**
Opening amount	**70 479**	**47 072**
New borrowings [1]	10 793	0
Repayment of borrowings	-34 200	-12 599
Entry in consolidation scope	0	0
Transfer to liabilities directly related to assets held for sale	0	0
Increase/(decrease) bank short-term loans	0	0
Currency translation difference	0	0
Closing amount	**47 072**	**34 473**

(1) The new debt amount includes € 0.77 million in 2013 of undisbursed interest charges.

At June, 2014, the Group had drawn up to EUR 30 million on the EIB line of credit and made repayments for EUR 6.25 million (of which EUR 2.5 million in 2014). The loan granted by EIB is subject to several covenants.

Following the agreements with SK Capital Partners and Argos Soditic, the terms and conditions of this line were modified. The unused EUR 20 million from this line of credit were cancelled following the contract at end 2013.

In 2012, IBA strengthened the availability of financing by obtaining a long-term credit facility of EUR 20 million from the SRIW. Under the terms of this financing, the Group agrees to comply with specific covenants relating to IBA SA level of equity. In 2014, the Group has made a repayment for EUR 10 million on this line of credit.

At June 30, 2014, the Group has at its disposal credit lines up to EUR 72.8 million of which 46.4% are used to date.

Unutilized credit facilities are as follows:

(EUR 000)	December 31, 2013	June 30, 2014
FLOATING RATE		
– expiring within one year	15 000	0
– expiring beyond one year	0	30 000
TOTAL FLOATING RATE	**15 000**	**30 000**
FIXED RATE		
– expiring within one year	0	9 000
– expiring beyond one year	0	0
TOTAL FIXED RATE	**0**	**9 000**
TOTAL	**15 000**	**39 000**

6.5 INVENTORIES AND CONTRACTS IN PROGRESS

(EUR 000)	December 31, 2013	June 30, 2014
Raw materials and supplies	41 031	50 424
Finished products	3 837	3 874
Work in progress	2 678	2 605
Contracts in progress (in excess of billing)	31 040	39 330
Write-off of inventories and contracts in progress	-5 844	-6 205
Inventories and contracts in progress	**72 742**	**90 028**

The increase of the inventories and contract in progress is mainly explained by the fact that over the period, the work in progress on Protontherapy projects has not been fully covered by down payments received from customers and the Group has also launched production on stock.

Contacts in progress (in excess of billing) (EUR 000)	December 31, 2013	June 30, 2014
Costs to date and recognized revenue	183 149	248 936
Less : progress billings	-152 109	-209 606
Contracts in progress (in excess of billing)	**31 040**	**39 330**
Net amounts due to customers for contracts in progress	72 364	82 030

6.6 OTHER RECEIVABLES

(EUR 000)	December 31, 2013	June 30, 2014
Non-trade receivables	18 022	13 326
Prepaid Expenses -Third Party	1 033	1 489
Accrued Income – Third Party	3 324	1 744
Accrued Interest Income – Third Party	216	290
Other current assets	19 116	6 325
Other receivables	**41 711**	**23 174**

The decrease in other current assets is mainly due to the impact of the settlement agreement of the Essen litigation signed in March 2014 for an amount of EUR -10.0 million and other for an amount of EUR -2.5 million.

6.7 OTHER PAYABLES AND ACCRUALS

(EUR 000)	December 31, 2013	June 30, 2014
Non-trade payables	1 237	894
Advances received on contracts in progress (in excess of CIP)	72 364	82 030
Social security liabilities	12 166	10 505
Accrued charges	2 725	3 125
Accrued interest charges	167	238
Deferred income	5 255	6 996
Capital grants	1 131	838
Other current liabilities	7 583	9 053
Other payables and accruals	**102 628**	**113 679**

6.8 OTHER OPERATING INCOME AND EXPENSES

The other operating expenses of EUR 1.4 million in 2014 includes the valuation of stock option plans offered to IBA employees for EUR 0.3 million, Group restructuring expenses for EUR 0.2 million, settlement charges for EUR 0.3 million, depreciation and amortization for EUR 0.2 million and other expenses for EUR 0.4 million.

The other operating income of EUR 1.16 million in 2014 includes the partial reversal of provisions.

The other operating expenses of EUR 5.6 million in 2013 includes the valuation of stock option plans offered to IBA employees for EUR 0.6 million, provisions for potential contractual penalties or expected losses on projects for EUR 2.2 million, Group restructuring expenses for 1.2 million and other expenses for EUR 1.6 million.

The other operating income of EUR 0.9 million in 2013 includes the reversal of decommissioning provisions for 0.4 million and other income for EUR 0.5 million.

6.9 ORDINARY SHARES, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares	Capital stock (EUR)	Capital surplus (EUR)	Treasure shares (EUR)	Total (EUR)
Balance at December 31, 2013	**27 635 439**	**38 787 348**	**25 650 968**	**-8 612 421**	**55 825 895**
Stock options exercised	40 516	56 892	201 910	0	258 802
Capital increase	520 832	730 988	5 269 012	0	6 000 000
Balance at June 31, 2014	**28 196 787**	**39 575 228**	**31 121 890**	**-8 612 421**	**62 084 697**

6.10 PROVISIONS

	Environment	Warranties	Litigation	Employee benefits	Other	Total
At January 1, 2014	**5 404**	**3 834**	**0**	**179**	**21 418**	**30 835**
Additions (+)	472	910	0	18	218	1 618
Write-backs (-)	0	-688	0	0	-2 016	-2 704
Utilizations (-)	0	-837	0	-38	-11 379	-12 254
Actuarial (gains)/losses	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Currency translation difference	0	0	0	0	-10	-10
Total movement	**472**	**-615**	**0**	**-20**	**-13 187**	**-13 350**
At June 30, 2014	**5 876**	**3 219**	**0**	**159**	**8 231**	**17 485**

Main movements on “other provisions” can be detailed as follows:

- New provisions amounting to EUR 0.2 million for completion of works.
- Reversal of provisions amounting to EUR -1.5 million for contractual commitments under the agreement of the disposal of IBA Molecular business and amounting to EUR -0.5 million for non-recurring commitments on proton therapy projects
- Use of provisions amounting to EUR -1.5 million for completion of works, amounting to EUR -8.9 million for contractual commitments under the agreement of the disposal of IBA Molecular business, amounting to EUR -0.6 million for non-recurring commitments on proton therapy projects and amounting to EUR -0.4 million for other provisions.

6.11 LITIGATION

The Group is currently involved in certain litigations. The potential risks connected with these proceedings are deemed to be insignificant or unquantifiable or, where potential damages are quantifiable, adequately covered by provisions.

Developments in litigation mentioned in the 2013 annual report as well as the principal cases pending at June 30, 2014 are presented in this Note.

ARBITRATION PROCEEDINGS RELATING TO WESTDEUTSCHES PROTONENTHERAPIEZENTRUM ESSEN GMBH

In November 2009, Striba Protonentherapiezentrum GmbH, a joint venture in which IBA holds a 50% share, has initiated arbitration against Westdeutsches Protonentherapiezentrum Essen GmbH (“WPE”) to determine, in the context of the public private partnership, the exact extent of Striba’s contractual obligations to supply a proton therapy facility to Essen, Germany, under turnkey contract. A partial ruling against IBA was delivered in April 2012. On August 10, 2012, IBA lodged an appeal against the preliminary conclusions delivered by the arbitrators. This appeal was withdrawn following the positive progress in negotiations with WPE.

The negotiations led to the signature, on March 10, 2014, of a global settlement agreement by which WPE has acquired the center in the condition as it is and WPE and IBA entered into a long-term operation and maintenance agreement. The public private partnership structure has thus been replaced by a classic sale and operation agreement regarding IBA's equipment. Following the signature of this agreement, the arbitration procedure has been settled the 6th of June 2014 so this issue is now definitely closed.

LITIGATION 2014

IBA Dosimetry GmbH was the defendant in a patent infringement claim filed June 24, 2013 by Sun Nuclear Corporation in United States District Court, Florida Middle District Court, Orlando Office. Sun Nuclear alleges indirect infringement of “one or more claims” of U.S. Patent No. 6.125.335 and seeks preliminary injunction, permanent injunction, damages, enhanced damages, and attorneys’ fees. IBA was served under the Hague Convention on October 28, 2013 and filed its answer on November 18, 2013 denying all claims by Sun Nuclear and including the defenses of non-infringement and invalidity. The 7th of May 2014, parties have ended the dispute by mutual agreement, Sun Nuclear withdrew his action and IBA Dosimetry kept the right to use the technology infringement which counterfeiting was alleged.

6.12 INCOME TAX

	June 30, 2013 (EUR '000)	June 30, 2014 (EUR '000)
Current taxes	1 579	1 079
Deferred taxes (income)/expense	-2 258	-998
Total	**- 679**	**81**

6.13 PAID AND PROPOSED DIVIDENDS

No dividend distribution was proposed at the Ordinary General Meeting of May 14, 2014. The Group dividend distribution policy remains unchanged, and it intends to resume distribution as soon as possible.

6.14 TRANSACTIONS WITH AFFILIATED COMPANIES

The main transactions completed with related parties (mainly companies using the equity accounting method) are as follows:

(EUR 000)	June 30, 2013	June 30, 2014
ASSETS		
Receivables		
Long-term receivables	12 343	2 600
Trade and other receivables	3 678	1 938
Impairment of receivables	-588	-588
TOTAL RECEIVABLES	**15 433**	**3 950**
LIABILITIES		
Payables		
Trade and other payables	333	596
TOTAL PAYABLES	**333**	**596**
INCOME STATEMENT		
Sales	792	3 725
Costs	-535	-477
Financial income	628	124
Financial expense	-386	0
Other operating income	0	901
Other operating expense	-92	0
TOTAL INCOME STATEMENT	**407**	**4 273**

The table above does not list an off-balance sheet commitment allocated for an amount of EUR 0.6 million in favor of Bio Molecular SDN.

Other related party transactions did not change significantly from the first 6 months of 2013.

7. INTERIM MANAGEMENT REPORT

7.1 FIGURES AND SIGNIFICANT EVENTS:

	H1 2013 (EUR 000)	H1 2014 (EUR 000)	Variation (EUR 000)	%
Sales & Services	97.379	98 159	780	0.8%
REBITDA	**10 297**	**12 251**	**1 954**	**19.0%**
% of Sales	*10.6%*	*12.5%*		
REBIT	**8 291**	**9 645**	**1 354**	**16.3%**
% of Sales	*8.5%*	*9.8%*		
Net Profit	**4 129**	**7 441**	**3 312**	**80.2%**
% of Sales	*4.2%*	*7.6%*		

REBITDA: Recurring earnings before interest, taxes, depreciation and amortization
REBIT: Recurring earnings before interest and taxes

Business Highlights

- EUR 60 million order intake in H1, including two Proteus®ONE* systems, nine other accelerators predominantly in emerging markets and one Cyclone 70 MeV in Russia
- US Food and Drug Administration (FDA) approval of IBA's new compact gantry in July 2014, clearing all US regulatory hurdles for Proteus®ONE, IBA's smaller and more affordable compact treatment room
- Continued interest in Proteus®ONE, with two new contracts signed in the highly competitive market of Japan
- IBA selected to install first proton therapy center in the Netherlands. IBA to equip new center with Proteus®PLUS two-gantry room configuration including next generation Pencil Beam Scanning capability
- Completion of assets sale in PharmaLogic PET Services in Montreal. Positive impact of approximately EUR 3.7 million on 2014 full year results

Financial Highlights

- Revenues of EUR 98.2 million, up 0.8% vs EUR 97.4 million in H1 2013. Strong growth in service revenues offset by decline in PT equipment revenues due to customer production planning
- REBIT rises to EUR 9.6 million, up 16.3%, and margins increase to 9.8% (H1 2013: 8.5%)
- Reported net profit of EUR 7.4 million (H1 2013: EUR 4.1 million)
- Strong EUR 194 million backlog, up 6% vs end of 2013
- Financial capacity reinforced through EUR 20 million fundraising. Net cash of EUR 10.8 million at end H1 2014

7.2 OPERATING REVIEW

PROTON THERAPY AND OTHER ACCELERATORS

	H1 2013 (EUR 000)	H1 2014 (EUR 000)	Change (EUR 000)	Change %
Net Sales	**74 962**	**75 707**	**745**	**1%**
- Proton Therapy	56 100	55 070	-1 030	-1.8%
- Other accelerators	18 862	20 637	1 775	9.4%
REBITDA	**6 899**	**9 173**	**2 274**	**33.0%**
% of Sales	*9.2%*	*12.1%*		
REBIT	**5 195**	**7 038**	**1 843**	**35.5%**
% of Sales	*6.9%*	*9.3%*		

Net sales were up 1% in the first half to EUR 75.7 million, driven by strong growth in service revenues in both Proton Therapy and other accelerators arising from expansion in the installed base. Service revenue now represents 35% of total segment revenues, up from 25% in the same period last year. Proton Therapy equipment revenues of EUR 36.0 million were 17.5% lower than in the comparable period due to customer production planning, but accelerator revenues rose 10.4% to EUR 13.5 million boosted by demand in the emerging markets.

Improvements in productivity drove strong uplifts in both REBITDA, up 33.0% to EUR 9.2 million (H1 2013: EUR 6.9 million), and REBIT, up 35.5% to EUR 7.0 million (H1 2013: EUR 5.2 million). REBITDA margins rose from 9.2% last year to 12.1% in the current year and REBIT margins rose from 6.9% to 9.3%.

Proton Therapy

IBA is the global leader in proton therapy. More than half of the worldwide proton therapy systems in use today have been manufactured by IBA and close to 30,000 patients around the world have been treated on IBA equipment, more than on all major competitor installations combined. IBA is the only company with a real, FDA cleared, compact intensity modulated proton therapy (IMPT) offering on the market today.

Over the first half of 2014, IBA signed contracts in Japan for two Proteus®ONE systems and was selected by the Universitair Medisch Centrum Groningen (UMCG) as its preferred vendor to establish the first ever proton therapy center in the Netherlands. Following a comprehensive European public tender, IBA will install a two room Proteus®PLUS system in Groningen.

<u>Proteus®ONE* Driving Momentum</u>

Proteus®ONE makes proton therapy more accessible to clinical institutions as it is a smaller, less expensive and faster to install proton therapy solution. Proteus®ONE encompasses the latest in precision technology, including Intensity Modulated Proton Therapy (IMPT), which enables physicians to leverage the clinical effectiveness offered by proton beam precision. Interest continues to grow in H1 2014 and to date IBA has sold five Proteus®ONE systems: in Shreveport, Louisiana (USA), Nice (France), Taiwan (China) and two in Japan. The two Proteus®ONE orders in the demanding and sophisticated Japanese proton therapy market further demonstrates the success of our compact proton therapy system. From a technology standpoint, the shipping of the first superconducting accelerator to the Centre Antoine Lacassagne in Nice, France, is another major milestone in the development of Proteus®ONE.

IBA anticipates that the international interest in IBA's next generation compact system, Proteus®ONE, will continue to grow thanks to the Marketing Authorization that has been received from the US FDA for its Compact Gantry Beam Line (CGBL: FDA 510(k) K132919) and for imaging platform adaPT Insight (FDA 510(k) K132847). These approvals reaffirm IBA's world leading position in the delivery of highly targeted, safer cancer treatment solutions. Proteus®ONE will drive greater momentum in the adoption of this next generation targeted cancer treatment internationally.

ASTRO Model Policy – A Key Indicator of Growing Proton Therapy Usage

IBA expects that the share of indications for which proton therapy is recommended will increase significantly in the coming years and that there will be a commensurately strong uplift in demand for proton therapy rooms. Awareness of the clinical advantages of proton therapy also continues to rise.

A key indicator of this is the American Society for Radiation Oncology's (ASTRO) issuance in June of a new Model Policy for proton therapy that details which cancer diagnoses should be covered by private insurers and Medicare. Developed by leading radiation oncologists and medical physicists, this Model Policy concludes that due to its unique dose deposition characteristics, Proton Therapy can, in certain situations, deliver the prescribed target dose, while giving a lower dose to normal tissues as compared to photon-based forms of external beam radiotherapy.

ASTRO has published lists of cancers for which there may be a medical necessity to treat with proton therapy techniques (ocular tumors, base of skull tumors, spine, liver (hypofractionated), pediatrics) and a list of cancers for which Proton Therapy can be studied in a trial (head and neck malignancies, thoracic malignancies, abdominal malignancies and pelvic malignancies (GU, GI, gynecological)).

Proton Therapy Innovation

IBA continued to provide the most advanced technologies to its partners and maintained its unrivalled position as an innovator and the world's leader in the delivery of proton therapy. From the beginning of July, cancer patients at Penn Medicine proton therapy center have begun to benefit from the most advanced proton therapy software, the adaPT Treatment Suite. This modular software platform provides a fully integrated treatment environment for the fastest, safest and most user-friendly delivery of proton therapy.

On the initiative of IBA, world-leading experts in proton therapy from prestigious institutions met in March 2014 to discuss the clinical and technological advantages of proton therapy, new clinical applications, the advancement of Pencil Beam Scanning, the incorporation of new imaging systems to leverage the precision of protons and optimize the management of organ motion and increased safety through quality assurance and commissioning.

Moreover, based on insights from patient groups, healthcare staff and experts, IBA and partner Philips have jointly developed a solution that improves the overall patient and staff experience of proton therapy treatment, turning a cold, impersonal environment into a comforting and reassuring one. Designed for Proteus®ONE, IBA and Philips have integrated technology, spatial design and workflow improvements to create comfortable, stress-reducing environments. The success of this initiative was recognised in July when the so-called Ambient Experience was awarded the "International Red Dot Best of the Best Award 2014" for its unique contribution to patient well-being.

Time to Patient Treatment

A key differentiator of IBA's proton therapy capability is its speed from system order to patient treatment. During 2014, IBA continued to demonstrate its capacity to accelerate the pace at which newly constructed proton therapy centers are installed. With the first patients treated at Knoxville, Tennessee, US, 12 months after the start of installation of the proton equipment on-site, IBA broke its installation records. Moreover, at the Dresden Technical University in Germany, IBA was able to deliver the proton therapy center two months ahead of schedule.

Essen Settlement

During the first half, IBA was also pleased to reach a final settlement with Westdeutsches Protonentherapiezentrum Essen GmbH (WPE). In March, IBA signed final contracts concluding the Essen project negotiation with the University Hospital of Essen (UK Essen). As the transfer of the center has now been finalized, IBA no longer has exposure to any further disputes based on the old contractual structure and provisions. In addition, a long term operations and maintenance contract has been signed, as well as agreed compensation for past operations and maintenance services rendered by IBA in 2013.

Other Accelerators

IBA announced in early July that it had signed a contract, with a significant upfront payment, with the Centre for Development of Nuclear Medicine in Moscow, Russia, for the installation of its Cyclone®70, a system dedicated to the production of new generation medical isotopes used mainly in the diagnosis of severe diseases. This third Cyclone®70 order further demonstrates IBA's market-leading expertise and success with high energy cyclotrons.

Including this order, 10 machines have been sold in 2014. This compares with four machines in the first half of 2013, an increase in revenues of 9.4%.

In June, IBA and Advanced Biochemical Compounds GmbH (ABX), the world´s leading provider of radiochemistry solutions announced at the Society of Nuclear Medicine and Molecular Imaging congress (SNMMI) the successful implementation of 18F-FDOPA Nucleophilic Pathway on the Synthera® platform which simplifies the manufacturing process of the tracer and, consequently, allows more diagnostic positron emission tomography (PET) centers to be involved in its production and distribution. 18F-FDOPA is a PET agent used to detect, stage and restage neuroendocrine tumors.

In addition, in June, IBA signed an agreement for the supply of a Rhodotron® DUO solution to Mediscan GmbH & Co KG, Kremsmünster, Austria. The Rhodotron® DUO is a compact and economical solution allowing customers to provide electron beam and X-ray sterilization services.

DOSIMETRY

	H1 2013 (EUR 000)	H1 2014 (EUR 000)	Change (EUR 000)	Change %
Net Sales	**22 417**	**22 452**	**35**	**0.2%**
REBITDA	**3 398**	**3 078**	**-320**	**-9.4%**
% of Sales	*15.2%*	*13.7%*		
REBIT	**3 096**	**2 607**	**-489**	**-15.8%**
% of Sales	*13.8%*	*11.6%*		

Dosimetry sales were flat in H1 2014 compared to H1 2013. After a strong first quarter, weak sales were observed in Q2, mostly in the US and in emerging markets where several large orders have been delayed. However, the overall order intake was still 10% above last year in the first half due to a strong performance in EMEA. REBIT fell 15.8% from EUR 3.1 million in H1 2013 to EUR 2.6 million in the current year, due to price pressure and the costs of reorganising the US sales organization. The backlog at Dosimetry is in line with last year at EUR 12.2 million and we anticipate a strong second half which we expect to benefit from the launch of new software and hardware products as well as the reorganisation of our salesforce in the US.

During the first half, IBA announced the delivery of its 1,000th Blue Phantom² system. The system's unique design facilitates faster and more accurate commissioning of radiation therapy treatment systems which is fundamental for the safety of patients. IBA Dosimetry also released a completely new solution for IMRT and Rotational pre-treatment plan verification: the OmniPro I'mRT + software.

In early July, IBA Dosimetry and Mobius Medical Systems, LP (MMS) signed a collaboration agreement on the development of software solutions for Machine Quality Assurance in Radiation Therapy. MMS is a leader in innovative software solutions for quality assurance in radiation oncology.

At the American Association of Physics in Medicine (AAPM) congress in July, IBA announced the launch of a unique software platform for quality assurance, called myQA. This software platform sets a new workflow efficiency standard by integrating all users QA needs under one software roof, connecting plan verification, machine QA and commissioning, all accessible via a single cockpit application.

Corporate

In line with IBA's strategy to divest non-core assets in order to focus IBA on proton therapy and associated technologies, the Company announced in March the closing of an agreement for the sale to a private equity firm of the assets of PharmaLogic PET Services of Montreal Company, a Canadian company in which IBA owns a substantial but minority interest.

IBA announced at the end of June that it has put in place new financing arrangements which substantially strengthen the Company's balance sheet. With support from two leading regional and federal investment companies in Belgium, SRIW (Société Régionale d'Investissement de Wallonie) and SFPI (Société Fédérale de Participations et d'Investissement), IBA raised a total of EUR 11 million via a mixture of equity, quasi-equity and a new subordinated loan credit line of which EUR 10 million was used to repay outstanding loans.

IBA has also been promoted on June 23 to the Belgian Mid-Cap Index (Bel Mid Index or BELMID). The entry of IBA to the BELMID Index is a result of strong performance of the IBA shares and is based on IBA's market capitalisation, free float and liquidity.

Financial Review

IBA reported a 1% uplift in revenues to EUR 98.2 million during the first half of 2014 (H1 2013: EUR 97.4 million). Strong growth in service revenues in both PT and accelerators was offset by lower sales of PT equipment due to customer production planning.

Recurring operating profits before interest and taxes (REBIT) continued to improve compared with the first half of 2013, benefiting from the implementation of the Company's productivity and efficiency programme. On a like-for-like basis, gross margin improved from 42.2% in the first half of 2013 to 43.8% in the first half of 2014. The Company's REBIT grew by 16.3% in H1 2014 from EUR 8.3 million in H1 2013 to EUR 9.6 million, with REBIT margins improving to 9.8% in the first half of 2014 from 8.5% in the comparative period last year.

Other operating expenses, mostly representing the cost of stock option plans and restructuring costs compensated by write-backs of provisions, fell from EUR 4.7 million in H1 2013 to EUR 0.25 million in the current year. The share of loss of equity-accounted companies rose from EUR 1.9 million in H1 2013 to EUR 4.7 million in the current year, mainly representing the share of the loss in the IBA Molecular JV. The level of this half year loss is not recurring.

The uplift in REBIT, the equity-accounting of the JV in IBA Molecular and the substantial fall in other operating expenses have led to an increase in profit before tax to EUR 3.8 million, up from EUR 1.1 million in the same period last year. Following a tax charge of EUR 0.1 million (EUR 0.7 million tax credit last year due to the recognition of additional tax losses carried forward), net profits from continuing operations were EUR 3.8 million, up from EUR 1.8 million last year. Taking into account the impact of the disposal of the assets of PharmaLogic and the distribution of the proceeds from this sale to the shareholders, the net profit for the period is EUR 7.4 million, up from EUR 4.1 million in the first half of 2013.

Cash flow from operations grew strongly during the first half from EUR -25.2 million at the end of June 2013 to EUR +15.2 million at the end of June 2014, thanks to higher profitability and a positive variation of working capital. Cash flow from investments is positive at EUR 3.9 million due to the revenue dividends collected from the disposal of the assets of Pharmalogic in Canada and a limited amount of capex and other investments. The cash flow from financing is significantly impacted by the refinancing undertaken in H1 2014. The EUR 6.3 million capital increase and the EUR 5 million reverse convertible cash inflows are compensated by the early repayment of EUR 10 million to SRIW, EUR 2.5 million repayment to the EIB and other minor elements. Note that the EUR 9 million subordinated loan granted by SFPI has not been drawn yet.

IBA had a positive net cash position at the end of H1 2014 of EUR 10.8 million with its balance sheet having been substantially strengthened through a EUR 20 million financing completed at the end of June, raising EUR 6 million through the issue of new equity for cash, EUR 5 million through a reverse convertible bond and EUR 9 million through a new 12 years subordinated loan granted but not yet drawn as per June 30, 2014. The reverse convertible bond in IFRS is considered as equity and therefore not reported in the consolidated net financial position. Corrected for this accounting treatment, the net cash end of June amounts to EUR 5.8 million.

Guidance

IBA continues to positively develop its strong market share in an increasingly competitive proton therapy market. We were pleased to receive FDA approval for Proteus®ONE compact treatment room in July 2014, which we expect to intensify international interest in this system. We have a strong backlog of EUR 194 million in the Proton Therapy and Other Accelerators divisions, which continues to provide good visibility, although the precise timing of conversion from backlog to revenues remains uncertain due to customers production planning.

IBA reiterates its guidance given at the time of the Company's 2013 Full Year Results in March. IBA anticipates growth in Group revenues in 2014 of 5 to 10% in line with the medium term guidance range. .

The Company also confirms its guidance of 10% REBIT margin in 2014. Over the medium term, IBA is confident it can achieve an annual compound revenue growth rate of 5% to 10% over the next three years and resume its dividend payout program.

* Proteus®ONE is the brand name of a new configuration of the Proteus® 235.

7.3 SUBSEQUENT EVENT

There are no subsequent events after June 30, 2014.

7.4 STATEMENT BY THE DIRECTORS

These interim condensed consolidated financial statements have been prepared by the Chief Executive Officer (CEO) Olivier Legrain and Chief Financial Officer (CFO) Jean-Marc Bothy. To their knowledge: they are prepared in accordance with applicable accounting standards, give a true and fair view of the consolidated results. The interim management report includes a fair review of important events and significant transactions with related parties for the first half of 2014 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties that the Company faces.

7.5 CORPORATE GOVERNANCE

On the occasion of the 2014 General Meeting, the following changes occurred in the management of the Company:

- The mandate of Katleen Vandeweyer Comm. V. as external director was renewed
- Jeroen Cammeraat was appointed external director

AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2014

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Report of the statutory auditor to the shareholders of Ion Beam Applications SA on the review of the interim condensed consolidated financial statements as of 30 June 2014 and for the 6 month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ion Beam Applications SA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2014 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position amounting to a total assets of € (thousand) 298.630 and a consolidated profit for the 6 month period then ended of € (thousand) 7.441. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Group as at 30 June 2014, and of its financial performance and its cash flows for the 6 month period in accordance with IAS 34 as adopted for use in the European Union.

Diegem, 27 August 2014

Ernst & Young Réviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Blockx

Martine Blockx
Partner

15MB00005

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