

Ion Beam Applications (“IBA”)

IFRS Interim Condensed consolidated
financial statements for the six months ended
June 30, 2009

IFRS Interim Condensed consolidated Financial Statements

In accordance with IAS 34.7, IBA S.A. has elected to publish its interim consolidated financial statements at June 30, 2009 in a condensed format.

Structure of the IFRS interim condensed consolidated financial statements

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General information

Ion Beam Applications s.a. (the "Company") and its subsidiaries (together the "Group" or "IBA") was founded in 1986 and is committed to technological progress in the field of cancer diagnosis and therapy and delivers efficient, dependable solutions of a unique precision. IBA also offers innovative responses to improve the efficacy, hygiene and safety of everyday life.

IBA has organized its businesses into two operating segments in order to manage its activities and monitor their financial performance.

- **Pharmaceuticals** composed of production, development and distribution services for radiopharmaceuticals and bio-assays.
- **Equipments** forming the technology foundation of the Company's many businesses, including the development, manufacture, and service of medical and industrial particle accelerators, proton therapy systems, and a wide range of dosimetry products and solutions in radiation therapy.

The Company is a limited liability company incorporated and domiciled in Belgium. The address of its registered office is Chemin du Cyclotron, 3, 1348 Louvain-la-Neuve, Belgium.

The company is listed on the pan-European stock exchange EURONEXT and belongs to the BelMid index.

IBA commits itself to adopting certain rules that enhance the quality of financial information provided to the market. These include:

- Making public its annual report including audited annual consolidated financial statements within four months from the end of the financial year
- Making public a half-yearly report, covering the first six months of such financial year, within two months from the end of the second quarter
- Publishing its half-year and annual consolidated financial statements under IFRS as from financial year 2005.
- Subjecting its annual consolidated financial statements to an audit performed by its auditors in accordance with the auditing standards set forth by the International Federation of Accountants (for purposes of this Chapter 7 referred to as "IFAC").

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 28, 2009. The Board of Directors of IBA is composed as follows:

- Internal Directors: Mrs. Pierre Mottet, Yves Jongen and Bayrime S.A. represented by Eric de Lamotte, its Managing Director. Mr. Pierre Mottet is Managing Director and Chief Executive Officer. Pierre Mottet's mandate was renewed at the Ordinary General Meeting of Shareholders on May 14, 2008 and will expire at the Ordinary General Meeting of 2011 deciding on the 2010 accounts. Mr. Yves Jongen is Managing Director and Chief Research Officer. His mandate was renewed at the Ordinary General Meeting of Shareholders on May 9, 2007 and will expire at the Ordinary General Meeting of 2010 deciding on the 2009 accounts. The mandate of Bayrime S.A. represented by Mr. Eric de Lamotte was renewed at the Ordinary General Meeting of Shareholders on May 14, 2008 and will expire at the Ordinary General Meeting of 2011 deciding on the 2010 accounts.
- Independent Directors: Innosté S.A. represented by Mr. Jean Stéphane, its Managing Director, Mr. Peter Vermeeren, S.C.S. PSL Management Consulting represented by Mr. Pierre Scalliet and JJ Verdickt SPRL represented by Mr. Jean-Jacques Verdickt its General Manager were nominated as Independent Directors. The mandate of Innosté S.A. represented by Mr. Jean Stéphane was renewed at the Ordinary General Meeting of May 14, 2008 and will expire at the ordinary General Meeting of 2011 deciding on the 2010 accounts. . The mandate of Mr. Peter Vermeeren was renewed at the Ordinary General Meeting of May 14, 2008 and will expire at the ordinary General Meeting of 2011 deciding on the 2010 accounts. Mr. Peter Vermeeren was also nominated as Chairman of the Board, Nomination Committee and Remuneration Committee. The mandate of JJ Verdickt SPRL represented by Mr. Jean-Jacques Verdickt was granted at the General Meeting of Shareholders of May 10, 2006. He was also nominated as Chairman of the Audit Committee. The mandate of JJ Verdickt SPRL was renewed at the Ordinary General Meeting of Shareholders on May 9, 2007 and will expire at the ordinary General Meeting of 2010 deciding on the 2009 accounts. The S.C.S. PSL Management Consulting represented by Mr Pierre Scalliet, its General Manager, has taken over on June 24, 2008 the mandate of Mr. Pierre Scalliet. That mandate was renewed at the Ordinary General Meeting of Shareholders of May 13, 2009 and will expire at the Ordinary General Meeting of 2012 deciding on the 2011 accounts.
- Other directors: The Institut National des Radioéléments (IRE) represented by Mrs. Nicole Destexhe, its Chief Financial Officer and Olivier Ralet BDM SPRL represented by Mr. Olivier Ralet, its General Manager. IRE's mandate was renewed at the Ordinary General Meeting of Shareholders on May 9, 2007 and will expire at the Ordinary General Meeting of 2010 deciding on the 2009 accounts. The mandate of Olivier Ralet BDM SPRL represented by Mr. Olivier Ralet was renewed at the Ordinary General Meeting of Shareholders of May 13, 2009 and will expire at the Ordinary General Meeting of 2012 deciding on the 2011 accounts.

IBA Board of Directors operates within the guidelines defined in its Charter of Corporate Governance as approved by the Board session of May 11, 2005. A copy of it can be found on the IBA website (www.iba-worldwide.com).

Interim Consolidated Statement of Financial Position as at June 30, 2009

The Group has chosen to present its statement of financial position on a current/ non-current basis. The notes on pages 9 to 27 are part of those interim condensed consolidated financial statements.

	Note	June 30, 2009 (EUR '000)	December 31, 2008 (EUR '000)
ASSETS			
Goodwill	6.3	29 926	29 936 (1)
Other intangible assets	6.3	36 240	37 768
Property, plant and equipment	6.3	81 880	78 693
Investments accounted for using the equity method		4 207	3 643
Other investments		2 411	2 420
Deferred tax assets		34 087	33 986
Other long-term assets		72 408	65 111
Non-current assets		261 159	251 557
Inventories and contracts in progress	6.5	96 567	85 759
Trade receivables		74 600	74 820
Other receivables and accruals		37 731	42 341
Short-term financial assets		2 529	2 275
Cash and cash equivalents	6.2	15 942	53 943
Current assets		227 369	259 138
TOTAL ASSETS		488 528	510 695
EQUITY AND LIABILITIES			
Capital stock	6.7	37 475	37 285
Capital surplus	6.7	124 715	124 358
Treasury shares	6.7	-8 826	-7 563
Hedging and other reserves		11 493	9 220
Cumulative translation differences		-15 989	-17 064
Retained earnings		6 048	5 446
Capital and reserves attributable to Company's equity holders		154 916	151 682
Non-controlling interests		867	684
TOTAL EQUITY		155 783	152 366
Long-term borrowings	6.4	10 203	11 885
Deferred tax liabilities		561	470
Provisions		95 304	99 545 (1)
Other long-term liabilities		53 210	45 515
Non-current liabilities		159 278	157 415
Short-term borrowings	6.4	16 732	24 252
Short-term financial liabilities		728	2 498
Trade payables		49 324	71 518
Current income tax liabilities		2 052	1 942
Other payables and accruals	6.6	104 631	100 704
Current liabilities		173 467	200 914
TOTAL LIABILITIES		332 745	358 329
TOTAL EQUITY AND LIABILITIES		488 528	510 695

(1) Consolidated statement of financial position of December 31, 2008 has been restated reflecting the impact of the final purchase price allocation on CIS Bio International SAS and its subsidiaries.

Interim Consolidated Income Statement for the 6 months ended June 30, 2009

The Group has chosen to present its income statement by function of expenses.
The notes on pages 9 to 27 are an integral part of these IFRS interim condensed financial statements.

	Note	June 30, 2009 (EUR '000)	June 30, 2008 (EUR '000)
Sales and services		180 805	133 121
Cost of sales and services		111 646	90 157
Gross profit		69 159	42 964
Selling and marketing expenses		17 733	12 296
General and administrative expenses		31 410	14 030
Research and development expenses		13 732	11 279
Other operating expenses	6.8	4 358	2 967
Other operating (income)	6.8	-4 677	-2 115
Financial expenses		10 641	3 710
Financial (income)		-8 038	-3 846
Share of (profit)/loss of companies consolidated using equity method		-267	1 894
Profit/(loss) before taxes		4 267	2 749
Tax (income)/ expenses	6.11	1 048	-2 126
Profit for the period from continuing operations		3 219	4 875
Profit/ (loss) for the period from discontinued operations		0	0
Profit for the period		3 219	4 875
Attributable to :			
Equity holders of the parent		3 036	4 832
Non-controlling interests		183	43
		3 219	4 875
Earnings per share from continuing and discontinued operations (€per share)			
- basic		0.11	0.19
- diluted		0.11	0.18
Earnings per share from continuing operations (€per share)			
- basic		0.11	0.19
- diluted		0.11	0.18

Interim Consolidated statement of comprehensive income for the six months ended June 30, 2009

	June 30, 2009	June 30, 2008
	(EUR '000)	(EUR '000)
Changes in available-for-sale financial asset reserves	747	0
Changes in cash flow hedge reserves	788	1 127
Changes in post-employment benefit reserves	0	0
Changes in share-based payment reserves	738	1 045
Other changes in reserves	0	-336
Changes in currency translation difference	-1 275	-6 219
Change in hedge of net investments in foreign operations (note 6.7)	2 356	1 479
Income tax-related	-6	0
Other comprehensive income/(loss) for the period, net of tax	3 348	-2 904
Net income/(expense) from discontinued operations recognized directly in reserves	0	0
Profit/(loss) for the period	3 219	4 875
total comprehensive income for the period, net of tax	6 567	1 971
Attributable to : Group	6 384	1 928
Non-controlling interests	183	43

Interim Consolidated Statement of Changes in Shareholders' Equity

The notes on pages 9 to 27 are part of those interim condensed consolidated financial statements.

	Attributable to equity holders of the Company							Non-controlling Interests	Total Equity
	Share capital	Share premium	Treasury shares	Hedging reserve	Other Reserves	Currency translation difference	Retained Earnings		
Balance at 1 January 2008	36 215	115 199	-6 746	1 802	6 595	-12 309	70	655	141 481
Cash flow hedges, net of tax				1 127					1 127
Changes in post employment benefit reserves									0
Other movements					-336		3 327		2 991
Currency translation differences						-4 740			-4 740
Net income/(expenses) recognised directly in equity	0	0	0	1 127	-336	-4 740	3 327	0	-622
Profit/(loss) for the period							4 832	43	4 875
Total recognised income/(expenses) for the period	0	0	0	1 127	-336	-4 740	8 159	43	4 253
Dividends							-4 412		-4 412
Employee stock options					1 045				1 045
Purchase of treasury shares			-499						-499
Issue/Reduction of share capital	1 010	9 049							10 059
Balance at 30 June 2008	37 225	124 248	-7 245	2 929	7 304	-17 049	3 817	698	151 927
Balance at 1 January 2009	37 285	124 358	-7 563	689	8 531	-17 064	5 446	684	152 366
Cash flow hedges, net of tax				788					788
Changes in post employment benefit reserves									0
Other movements					747		-308	0	439
Currency translation differences						1 075			1 075
Net income/(expenses) recognised directly in equity	0	0	0	788	747	1 075	-308	0	2 302
Profit/(loss) for the period							3 036	183	3 219
Total recognised income/(expenses) for the period	0	0	0	788	747	1 075	2 728	183	5 521
Dividends							-2 126		-2 126
Employee stock options					738				738
Purchase of treasury shares			-1 263						-1 263
Issue/Reduction of share capital	190	357							547
Balance at 30 June 2009	37 475	124 715	-8 826	1 477	10 016	-15 989	6 048	867	155 783

Interim Consolidated Statement of Cash Flow for the six months ended June 30, 2009

The Group has chosen to present the cash flow statement using the indirect method.
The notes on pages 9 to 27 are part of those interim condensed consolidated financial statements.

	June 30, 2009 (EUR '000)	June 30, 2008 (EUR '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period	3 036	4 832
Adjustments for:		
Depreciation and impairment of property, plant, and equipment	7 410	4 372
Amortization and impairment of intangible assets	2 581	982
Write-off on receivables	-307	452
Changes in fair value of financial assets (gains)/losses	-491	319
Change in provisions	732	565
Taxes	27	-2 914
Share of result of associates and joint ventures accounted for using the equity method	-267	1 895
Other non-cash items	1 670	-1 057
Net profit/(loss) before changes in working capital	14 391	9 446
Trade receivables, other receivables, and deferrals	7 638	-8 489
Inventories and contracts in progress	-7 140	-10 652
Trade payables, other payables, and accruals	-24 849	6 750
Changes in working capital	-24 351	-12 391
Interest paid/received net	73	224
Net cash (used in)/generated from operations	-9 887	- 2 721
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions of property, plant, and equipment	-8 949	-7 729
Acquisitions of intangible assets	-976	-4 992
Disposals of fixed assets	57	165
Acquisitions of subsidiaries, net of acquired cash	0	47 208
Acquisitions of third party and equity-accounted companies	-336	-4 375
Other investing cash flows	-5 228	-76
Net cash (used in)/generated from investing activities	-15 432	30 201
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	10 274	895
Repayments of borrowings	-19 242	-4 101
Interest paid/received net	-670	-224
Capital increase (or proceeds from issuance of ordinary shares)	524	9 968
Purchase of treasury shares	-1 263	-499
Dividends paid	-1 809	-3 413
Other financing cash flows	416	564
Net cash (used in)/generated from financing activities	-11 770	3 190
Net cash and cash equivalents at beginning of the period	53 943	58 210
Change in net cash and cash equivalents	-37 089	30 670
Exchange gains/(losses) on cash and cash equivalents	-912	-2 278
Net cash and cash equivalents at end of the period	15 942	86 602

Notes to the interim condensed consolidated financial statements

1 FINANCIAL STATEMENTS – BASIS OF PREPARATION

1.1 Basis of preparation

These interim condensed consolidated financial statements of IBA are for the six months period ended June 30, 2009. 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 31 December 2008.

1.2 Change in accounting policies

In 2009 The Group has early adopted the revised version of IFRS 3 “Business combinations” that was published in early 2008 and which is required to be implemented from 1 January 2010 at the latest.

IFRS 3R (revised): “business combination”: the revised standard requires that directly attributable transaction costs are expensed in the current period, rather than being included in the costs of acquisition as previously. The revised standard also requires that contingent consideration arrangements should be included in acquisition accounting at fair value and expands the disclosure requirements for business combinations.

Business combinations in 2008 and prior periods have not been restated. If the company would have applied IFRS 3 revised in 2008, this would have led to the recognition of an additional charge of €0.6 million.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008, except for the adoption of new Standards and Interpretations as of 1 January 2009, noted below:

IFRS 8 “Operating segments”

IFRS 8 was issued in November 2006 and becomes effective for annual periods on or after January 1, 2009. This standard adopts the same approach to the presentation of operating segments in the notes to financial statements as used by management for its own internal reporting requirements. Additional disclosure about the operating segments is shown in note 4.

IAS 1 “Revised presentation of financial statements”

The revised standard was issued in September 2007 and becomes effective for annual periods beginning on or before January 1, 2009. The standard distinguishes between changes in equity arising from owner transactions and changes in equity arising from non-owner transactions. The Statement of Changes in Equity may show only the details of transactions with owners. Non-owner changes in equity must be presented separately. Furthermore, the standard introduces a new presentation option: the statement of comprehensive income, which includes all items of income and expense a single statement rather than two related statements. The Group has elected to present two statements.

IFRS 2 “Share-based payment – vesting conditions and cancellations”

This amendment to IFRS 2 Share-based Payments was published in January 2008 and becomes effective for annual periods beginning on or after January 1, 2009. The standard restricts the definition of “vesting condition” to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect any significant impact on its accounting for share-based payments.

IAS 23 “Borrowing costs” revised

A revised IAS 23 Borrowing Costs was issued in March 2007 and becomes effective for financial years beginning on or after January 1, 2009. The standard was revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial amount of time to get ready for its intended use or sale. In accordance with the transitional requirements in the standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalized on qualifying assets with a commencement date after January 1, 2009. No changes have been made for borrowing costs incurred prior to this date that have been expensed.

IAS 32 “Financial instruments: Presentation and IAS 1 Puttable Financial Instruments and obligations Arising on liquidation”

The standard has been amended to allow a limited scope exception to puttable financial instruments to be classified as equity if they fulfill a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group as it has never issued instruments of this type.

IFRIC 13 “Customer loyalty programs”

IFRIC Interpretation 13 was issued in June 2007 and becomes effective for annual periods after December 31, 2008. This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted, and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This IFRIC interpretation has no impact on the Group’s financial statements as no such schemes currently exist.

IFRIC 9 “Reassessment of Embedded Derivatives and IAS 39 Financial Instruments : recognition and measurement”

These amendments to IFRIC 9 and IAS 39 were issued in March 2009 and are effective for annual periods ending on or after June 30, 2009. The amendments require an entity to assess whether an embedded derivative must be separated from host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. The Group expects that this interpretation will have no impact on the Group’s financial statements.

IFRIC 16 “hedges of a net investment in foreign operation”

IFRIC Interpretation 16 was issued in July 2008 and becomes effective for annual periods beginning on or after October 1, 2008. It is to be applied prospectively. The interpretation provides guidance on accounting for the hedge of a net investment in a foreign operation. It clarifies which foreign exchange risks qualify for hedge accounting and where within the group the hedging

instrument can be held. It also clarifies what amounts should be reclassified to profit or loss on disposal of a hedged foreign operation with respect to exchange differences from translation of the foreign operation and gains and losses arising from the hedging instrument. An analysis is underway within the Group to determine which accounting treatments will be applied when a foreign operation is disposed of.

IFRIC 17 “Distribution of non-cash assets to owners” (not yet endorsed by European Union)

IFRIC 17 was issued in November 2008 and becomes effective for financial years beginning on or after 1 July, 2009. This interpretation applies prospectively and provides guidance on how an entity should account for a distribution of assets, other than cash, as dividends to its owners or may give its owners a choice of receiving either non-cash assets or cash.

IFRIC 18 “transfers of assets from customers” (not yet endorsed by European Union)

IFRIC 18 was issued in January 2009 and becomes effective for financial years beginning on or after 1 July, 2009. This interpretation provides guidance on the accounting for transfers of assets from customers and clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

1.3 Translation of financial statements of foreign operations

All assets (including goodwill) and liabilities, both monetary and non-monetary, are translated at the closing rate. Income and expenses are translated at the rate of the date of the transaction (historical exchange rate) or at an average rate for the month.

The principal exchange rates that have been used are as follows:

	2009		2008	
	Closing rate at end June	Average rate for the 6 months period	Closing rate at end December	Average rate for the year
USD	1.4047	1.3346	1.4040	1.4712
SEK	10.8933	10.8699	10.8988	9.6254
GBP	0.8504	0.8952	0.9682	0.7962
CNY	9.5865	9.1329	9.5655	10.2481
INR	67.9365	66.5440	68.9817	64.1041
JPY	134.204	127.4375	126.9440	152.5253

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

The IBA Group consists of IBA S.A. and a total of 39 companies and associated companies in 14 countries.

Of these, 32 are fully consolidated and 7 are accounted for using the equity method. The group has elected not to use the proportional method for any subsidiaries.

2.1 List of companies consolidated in IBA Group

List of subsidiaries

Name	Country of incorporation	Share of equity held (in %)	Variation in % held compared to 31 December 2008
<u>Consolidated subsidiaries</u>			
IBA RadioIsotopes S.A. (BE 0466.749.548)	BELGIUM	99.73%	-
IBA Molecular Holding S.A. (BE 0880.070.706)	BELGIUM	100%	-
IBA Pharma S.A. (BE 0860.215.596)	BELGIUM	100%	-
IBA Pharma Invest S.A. (BE 0874.830.726)	BELGIUM	61.90%	-
IBA Participations S.P.R.L. (BE 0465.843.290)	BELGIUM	100%	-
IBA Investment S.C.R.L. (BE 0471.701.397)	BELGIUM	100%	-
IBA Corporate Services S.A. (BE 0471.889.261)	BELGIUM	100%	-
Ion Beam Beijing Medical Appliance Technology Service Co. Ltd.	CHINA	100%	-
Ion Beam Applications Co. Ltd.	CHINA	100%	-
IBA RadioIsotopes France S.A.S.	FRANCE	100%	-
IBA Dosimetry Gmbh	GERMANY	100%	-
IBA Molecular Imaging (India) Pvt. Ltd.	INDIA	61.90%	-
IBA Molecular Italy S.r.L.	ITALY	100%	-
IBA Molecular Spain S.A.	SPAIN	100%	-
MediFlash Holding A.B.	SWEDEN	100%	-
IBA Dosimetry A.B.	SWEDEN	100%	-
IBA Advanced Radiotherapy A.B.	SWEDEN	100%	-
IBA Molecular UK limited	UNITED KINGDOM	100%	-
IBA Dosimetry America Inc.	USA	100%	-
IBA Proton Therapy Inc.	USA	100%	-
IBA Industrial Inc.	USA	100%	-
IBA Molecular North America Inc.	USA	100%	-
RadioMed Corporation	USA	100%	-
IBA USA Inc.	USA	100%	-
IBA Molecular Montreal Holding Corp.	USA	100%	-
Betaplus Pharma S.A. (BE 0479.037.569)	BELGIUM	75%	-
IBA Particle Therapy Gmbh	GERMANY	100%	-
Radiopharma Partners SA (BE 0879.656.475)	BELGIUM	100%	-
Cis Bio International SAS	FRANCE	100%	-
Cis Bio Spa	ITALY	100%	-
Cis Bio Gmbh	GERMANY	100%	-
Cis Bio US Inc.	USA	100%	-

List of equity-accounted investments

Name	Country of incorporation	Share of equity held (in %)	Variation in % held compared to 31 December 2008
Striba Gmbh	GERMANY	50%	-
Pharmalogic Pet Services of Montreal Cie	CANADA	48%	-
PetLinq L.L.C.	USA	40%	-
Radio Isotope Mediterranée S.A.	MOROCCO	25%	-
Molypharma	SPAIN	24.5%	-
Sceti Medical Labo KK	JAPAN	39.80%	-
	SWITZERLAN		
Swan Isotopen AG	D	20.20%	20.20%

2.2 Changes in the composition of the IBA Group

In January 2009, IBA participated to the capital increase of the Swiss company, Swan Isotopen AG. At 30th of June 09, interest of IBA into Swan Isotopen AG reaches 20.2%.

The calculation of the goodwill arising from the acquisition on May 31, 2008 of CIS Bio International S.A.S and its subsidiaries (acquisition of the additional 80.1% stake into Radiopharma Partners S.A.) in the scope of consolidation of the IBA Group has been finalized in May 2009, and is presented as follow :

(EUR '000)	Fair value	Carrying amount
Cash & cash equivalents	66 617	66 617
Trade and other short-term receivables	45 221	45 221
Inventories	23 643	16 528
Property, plant and equipment	18 098	16 615
Intangible assets	28 859	23 398
Investments accounted for using the equity method	133	133
Other Long-term receivables	10 362	3 194
Trade and other short-term payables	-69 549	-69 549
Provisions	-89 215	-87 749
Borrowings	-9 626	-9 626
Other long-term payables	-83	-83
Net acquired assets	24 460	4 699
Fair value of net acquired assets (80.1%)	19 592	
Total purchase consideration	22 178	
- cash paid	18 736	
- value of call option for 15% of shares	2 784	
- direct acquisition-related expenses	658	
Goodwill	2 586	

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

The Group has accumulated net operating losses useable to offset future taxable profits essentially in Belgium, France, Italy, Spain, United Kingdom and the United States for €151.9 million and for temporary differences amounting to €108.3 million at June 30, 2009. The company has recognized deferred tax assets amounting to €32.1 million on net operating losses at June 30, 2009. The valuation of this asset depends on a number of judgmental assumptions regarding the future probable taxable profits of different group subsidiaries in different jurisdictions. These estimates are made prudently in the limit of the best current knowledge. Where circumstances should change and the final tax outcome would be different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax assets in the period in which such determination is made.

In order to mitigate this risk and given the rapid evolution of the technical environment in which the IBA group operates, estimated taxable profits beyond a horizon of 4 years are not considered.

(b) Provision for decommissioning costs

The production of radiopharmaceuticals in the USA, in France, in Italy, in UK, in India, in Spain and in Belgium generates some radiation and causes the contamination of the facilities of the production sites. This situation may require the Group to incur restoration costs to comply with the regulations in these various jurisdictions and to settle any legal or constructive obligations.

Analysis and estimates are performed by the Group, together with its legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources.

In this context, provisions for decommissioning costs in relation to the sites where radioisotopes are produced have been recognized where an obligation exists to incur these costs. These provisions are measured at the net present value of the best estimate of the costs that will need to be incurred.

At June 30, 2009 the amount of such provisions amounts to €35.6 million compared to €34.7 million at December 31, 2008.

(c) Provisions for obligation to take over radioactive equipment and sources

In the context of the gradual disengagement from radioactive source production (production of cobalt and cesium) at the site in Saclay, France, a provision has been made to meet obligations for

the takeover and disposal of used radioactive sources and certain equipment (irradiators) on French territory. This provision is valued at the net present value of the most probable estimates of unavoidable costs for the treatment and disposal of these used sources. This provision is discounted based on the estimated plan for source recovery.

At June 30, 2009 the amount of such provisions amounts to €18.4 million compared to €18.9 million at December 31, 2008.

(d) Revenue recognition

Contracts in progress are valued at their cost of production, increased by income accrued by reference to the percentage 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. Such probability requires some judgment. When some judgmental criteria change from those used for the recognized revenues, the Group's income statement is impacted.

When appropriate, the company revises its estimated margin at completion to take into account the evaluation of a residual risk that it may be subject to, for a certain number of years. When the final outcome of the uncertainties differs from the initial estimates, the Group's income statement is impacted.

(e) Defined benefit plans

Under defined benefit plans, an employer's obligation is to provide the agreed benefits to current and former employees. The benefits are typically based on such factors as age, length of service and compensation. The actuarial risks and investment risks are retained by the employer. If actuarial or investment experience is different than expected, an employer's obligation may be increased or decreased. Such engagements should be valued and recognized on the balance sheet under IFRS.

Actuarial gain and losses are presented into the equity.

At June 30, 2009 the amount of provisions for defined benefit plans amounts to €21 million. The valuation of this provision, based on estimates and judgments made by the Group, is subject to the recurring revision by an external actuarial consultant.

(f) Termination benefits

Prior to integration within the IBA Group in June 2008, CIS Bio International SAS had initiated a restructuring plan for which a remaining provision of €10.2 million is presented in the consolidated figures of the Group at 30 June 2009. This provision is based on estimates and judgments made by the Group.

(g) Stock options

On June 19, 2009 IBA's Board of directors approved the extension of the stock options plans instituted in 2004, 2005, 2006 and 2007 for a 3 years period. The model used to determine the additional charge for this extension is the model Black & Scholes.

This additional charge corresponds to the difference between the option value on June 19, 2009 without extension and option value at June 19, 2009 including 3 years of extension. This difference is calculated on the remaining not yet exercised options of the different concerned stock options plans. This change has a minor impact on the 2009 interim condensed financial statements.

Detail of the assumptions taken for the 2 calculations:

Plan assumptions without extension :

	Plan 2004	Plan 2005	Plan 2006	Plan 2007
Strike Price at grant (x)	6.360	6.370	13.672	19.970
Expected option life (t)	1.28	2.06	2.33	2.33
Current Share price (s)	6.48	6.48	6.48	6.48
Volatility (sig)	47.66%	43.10%	42.72%	42.72%
Dividend Yield (y)	1.29%	1.29%	1.29%	1.29%
Risk free rate (r)	0.93%	1.64%	1.64%	1.64%

Plan assumptions with extension :

	Plan 2004	Plan 2005	Plan 2006	Plan 2007
Strike Price at grant (x)	6.360	6.370	13.672	19.970
Expected option life (t)	4.28	5.06	5.33	5.34
Current Share price (s)	6.48	6.48	6.48	6.48
Volatility (sig)	39.24%	38.51%	38.10%	38.09%
Dividend Yield (y)	1.29%	1.29%	1.29%	1.29%
Risk free rate (r)	2.79%	3.19%	3.19%	3.19%

4 SEGMENT INFORMATION

The application of IFRS8 “Operating segment” for annual periods on or after January 1, 2009 did not have any effect on the “segment information” included in the interim condensed consolidated financial statements. The Management of the Group determined that the operating segments are the same as the business segments previously identified under IAS14 “Segment reporting”.

For management purposes, the Group is organized on a worldwide basis into two main operating segments: (1) Equipments and (2) Pharmaceuticals (i.e. businesses related to the radiopharmaceuticals and bio-assays).

The table below provides details of the income statement for each segment. All inter-segment sales are contracted at arms’ length.

Six month ended June 30, 2009	EQUIPMENTS (EUR '000)	PHARMACEUTICALS (EUR '000)	GROUP (EUR '000)
Net sales	78 524	103 670	182 194
Inter-segment sales	-233	-1 156	-1 389
External sales	78 291	102 514	180 805
Segment result	8 973	-1 615	7 358
Unallocated expenses			-755
Financial income/(expenses)			-2 603
Share of profit/(loss) of companies consolidated using equity method			267
Profit before tax			4 267
Tax (expense)/income			-1 048
Profit for the period from discontinued operations			
Non-controlling Interests			-183
PROFIT FOR THE PERIOD			3 036

Six month ended June 30, 2008	EQUIPMENTS (EUR '000)	PHARMACEUTICALS (EUR '000)	GROUP (EUR '000)
Net sales	83 880	49 887	133 767
Inter-segment sales	-646		-646
External sales	83 234	49 887	133 121
Segment result	5 171	188	5 359
Unallocated expenses			-852
Financial income/(expenses)			136
Share of profit/(loss) of companies consolidated using equity method			-1 894
Profit before tax			2 749
Tax (expense)/income			2 126
Profit for the period from discontinued operations			0
Non-controlling Interests			-43
PROFIT FOR THE PERIOD			4 832

5 EARNINGS PER SHARE

5.1 Basic

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The weighted average number of ordinary shares excludes shares purchased by the Company and held as treasury shares.

<u>BASIC EPS</u>	June 30, 2009	June 30, 2008
Weighted average number of ordinary shares in issue	26 596 236	25 970 577
Profit attributable to equity holders of the Company (€'000)	3 036	4 832
Basic earnings per share from continuing and discontinued operations (€per share)	0.11	0.19
Profit from continuing operations attributable to equity holders of the Company (€'000)	3 036	4 832
Weighted average number of ordinary shares in issue	26 596 236	25 970 577
Basic earnings per share from continuing operations (€per share)	0.11	0.19
Profit from discontinued operations attributable to equity holders of the Company (€'000)	0	0
Weighted average number of ordinary shares in issue	26 596 236	25 970 577
Basic earnings per share from discontinued operations (€per share)	0.00	0.00

5.2 Diluted

Diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: share options.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

<u>DILUTED EPS</u>	June 30, 2009	June 30, 2008
Weighted average number of ordinary shares in issue	26 596 236	25 970 577
Weighted average number of shares under option	992 657	1 876 164
Average share price over period	6.35	15.73
Dilution effect from weighted number of shares under option	429 864	1 074 745
Weighted average number of ordinary shares for diluted earnings per share	27 026 100	27 045 322
Profit attributable to equity holders of the Company (€'000)	3 036	4 832
Diluted earnings per share from continuing and discontinued operations (€per share)	0.11	0.18
Profit from continuing operations attributable to equity holders of the Company (€'000)	3 036	4 832
Diluted earnings per share from continuing operations (€per share)	0.11	0.18

6 OTHER SELECTED DISCLOSURES

6.1 Seasonality or cyclicity of interim operations

IBA's business is not affected by seasonality or cyclical effects.

6.2 Cash and cash equivalent

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

	June 30, 2009	June 30, 2008
	(EUR '000)	(EUR '000)
Cash at bank and in hand	11 091	13 746
Short-term bank deposits	4 851	72 856
	15 942	86 602

6.3 Capital expenditure and commitments

<i>Six month ended 30 June 2009</i>	Property, plant and equipment (EUR '000)	Intangible (EUR '000)	Goodwill (EUR '000)
Opening net book amount	78 693	37 768	29 936
Additions	8 949	976	0
Disposals	-57	0	0
Transfer	-52	52	0
CTA	1 757	25	-10
Change in consolidation scope	0	0	0
Depreciation/amortization and impairment	-7 410	-2 581	0
Closing net book amount	81 880	36 240	29 926

6.4 Movements in borrowings

	June 30, 2009	December 31, 2008
	(EUR '000)	(EUR '000)
Current	10 203	11 885
Non-current	16 732	24 252
Total	26 935	36 137

	30 June 2009	31 December 2008
	(EUR '000)	(EUR '000)
Opening amount	36 137	26 182
New borrowing	10 272	11 164
Repayments of borrowings	-19 887	-7 936
Transfers	0	0
Entry in consolidation scope	0	6 751
Exit from consolidation scope	0	0
Increase/(decrease) bank short term loans	104	-536
Currency translation difference	309	512
Closing amount	26 935	36 137

6.5 Inventories and Construction contracts

	June 30, 2009	December 31, 2008
	(EUR '000)	(EUR '000)
Raw material and supplies	30 155	27 278
Finished products	6 874	8 568
Work in progress	25 288	24 032
Contracts in progress (in excess of billing)	40 126	31 882
Write-off on inventories	-5 876	-6 001
Inventories and contracts in progress	96 567	85 759

<u>Contracts in progress (in excess of billing)</u>	30 June 2009	31 December 2008
	(EUR '000)	(EUR '000)
Costs to date and recognized profit	232 336	160 490
Less: progress billings	-192 210	-128 608
Contracts in progress (in excess of billing)	40 126	31 882

Gross amount due to customers for contract work	32 232	26 759
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6.6. Other Payables and Accruals

	June 30, 2009 (EUR '000)	December 31, 2008 (EUR '000)
Non-trade payables	2 106	1 567
Advances Billing (in excess of CIP)	32 232	26 759
Social Debt	18 032	18 818
Accrued expenses	36 931	42 323
Accrued interest expenses	43	94
Deferred revenue	2 574	2 157
Deferred income	1 017	1 019
Other current liabilities	11 696	7 967
Other payables and accruals	104 631	100 704

6.7 Hedge of net investments in foreign operations

The loans between the following subsidiaries are designated as a hedge of the net investments in foreign operations:

- IBA S.A. towards IBA USA Inc. : \$2.33 million
- IBA Dosimetry A.B. towards IBA SA : €3.1 million
- IBA S.A. towards IBA molecular North America Inc : €3.4 million
- IBA S.A. towards IBA Molecular UK limited : €1.8 million and £2.6 million
- IBA Pharma S.A. towards IBA Molecular UK limited : €1.95 million
- IBA Molecular Holding S.A. towards IBA Molecular UK limited : €1.2 million

During the six-month period ended June 30, 2009 an after tax gain of €2.35 million on the retranslation of those borrowings was transferred to equity to offset any gains or losses on translation of the net investments in the subsidiaries.

6.8 Other operating expenses and income

The other operating expenses 2009 represent a net charge of €4.4 million which includes the valuation of the stock option plans offered to IBA employees for €0.7 million, the amortization of assets revalued to fair value further to the acquisition of CIS Bio International SAS in 2008 (€2.5 million), the depreciation of decommissioning assets related to the Radiopharmaceuticals activity for €0.7 million and other expenses for €0.5 million.

The other operating income 2009 reached €4.7 million and was constituted of an earn-out of €2.1 million resulting from the sales in 2007 of a subsidiary of CIS Bio International SAS., the reversal of litigation and restructuring provisions for €1.8 million and other income for €0.8 million.

The other operating expenses for the first semester 2008 amounted to €2.95 million which included the valuation of the stock option plans offered to IBA employees for €1.05 million, the amortization of assets revalued to fair value further to the acquisition of CIS Bio International SAS in June 2008 (€1 million) and the integration of activities bought from Schering AG for €0.9 million.

The other operating income for the first semester 2008 reached €2.1M and included the reversal of write off on assets for €1.95 million and other income for €0.15 million.

6.9 Ordinary shares, share premium and treasury shares

	Number of Ordinary shares	Capital stock (EUR '000)	Capital surplus (EUR '000)	Treasury shares (EUR '000)	Total (EUR '000)
Closing balance at 31 December 2008	26 563 097	37 285	124 358	-7 563	154 080
Share options exercised	13 100	18	30		48
Capital increase	121 838	172	327		499
Purchase of treasury shares				-1 263	-1 263
Closing balance at 30 June 2009	26 698 035	37 475	124 715	-8 826	153 364

6.10 Contingencies

The Group is currently involved in certain legal proceedings. 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 pending at the end of 2008 as well as the principal cases pending at June 30, 2009 are presented in this note.

Litigation settled at June 30, 2009 mentioned in the 2008 annual report.

Tax litigation in Sweden

The Company was involved in a tax dispute with the Swedish National Tax Board. The case involved interest paid by the Group from Belgium to a Group company in Sweden from 1999 to 2001. Tax was withheld in Belgium, and the income was released to the taxable income of the Swedish subsidiary.

The case has been settled in IBA Group's favor during the first semester of 2009. Therefore, the provision accrued for by the past amounting to SEK 12.9 million (€1.2 million) has been reversed.

Action for damages against IBA Molecular North America Inc

In 2005, IBA Molecular North America took over three FDG production facilities from the Pharmalogic Company. One of its facilities was involved in a suit for damages. A Pharmalogic driver had used his vehicle without authorization outside working hours. He committed a theft, and while fleeing, caused an accident with a police vehicle and injured a police officer. The case went to jury trial. On February 19, 2008, the court found Pharmalogic negligent in hiring the driver and entrusting him with a vehicle. Rather surprisingly, this negligence was deemed a substantial cause of the injury to the police officer, and damages of USD 3 million were awarded for which Pharmalogic is responsible. Pharmalogic was ordered to pay this amount.

In 2008, acting on a post trial motion, the Court reduced the amount of damages to USD 2.3 million. IBA was able to obtain compensation from Pharmalogic's previous insurers for the amount between USD 0 and USD 500 000 and the amount above USD 1.5 million.

Post June 09 closing, the parties negotiated a settlement of the litigation subject to payment of a lump sum in principal, interests and costs of USD 1 200 000, IBA bearing a maximum exposure of USD 700 000.

On the 24th of July 2009, the case was officially settled.

The provision of USD 1 million set aside in 2008 was reduced to USD 0.7 million at 30th of June 09.

IBA is continuing its efforts to obtain further compensation from Pharmalogic's previous insurers.

Developments in litigation pending at June 30, 2009 mentioned in the 2008 annual report.

Litigations with Bayer Schering Pharma AG

IBA and Schering AG (now Bayer Schering Pharma AG) disagreed on the amount of the net cash flow position when the sale of CIS Bio International was made. Bayer Schering Pharma AG demanded a payment of EUR 0.3 million. The dispute was submitted for arbitration to KPMG France, who sided with IBA. Despite this decision, Bayer Schering Pharma AG is still demanding payment of this amount. However, there are no proceedings pending.

Additionally, in connection with the takeover of the Japanese operations, the parties are involved in a dispute in which Bayer Schering Pharma AG maintains that IBA and IRE have not complied with their "reasonable best effort" obligation to ensure the transfer of the employees concerned by the takeover. As a counterclaim within the arbitration below, Bayer Schering Pharma AG demands a payment of YEN 180 076 111 and EUR 200 000 as a redundancy payment for the concerned employees.

IBA considers having made their "reasonable best effort" and maintains that if only 20 of the 38 concerned employees have joined IBA, it is due to elements attributable exclusively to Bayer Schering Pharma AG.

In the context of the acquisition of CIS Bio International S.A.S., the parties agreed that Bayer Schering Pharma AG would pay an additional EUR 4 million in the event that CISBIO obtained the INB (Basic Nuclear Facility) designation before December 31, 2008. This amount was intended to help CISBIO to set aside the reserves required by law of all INB-designated facilities to cover any costs for decommissioning their facilities. A French decree of December 15, 2008 conferred INB status on CISBIO, and Bayer Schering Pharma AG was asked for the EUR 4 million.

Bayer Schering Pharma AG refused to pay on the pretext that the law allows the use of means other than cash to establish the guarantee and that its contractual commitment applied only in the case of a mandatory cash reserve. IBA believes that Bayer Schering Pharma AG has no basis for its position and has instituted arbitration proceedings for payment through AFA (Association Française d'Arbitrage, French Arbitration Association).

Litigation 2009

No new legal proceedings have been initiated in the course of the first semester 2009.

6.11 Income tax

	June 30, 2009 (EUR '000)	June 30, 2008 (EUR '000)
Current taxes	1 011	874
Deferred Taxes	37	-3 000
TOTAL	1 048	-2 126

The tax expenses for the 1st half of 2009 and for the corresponding period of 2008 differ from the amounts that would arise from the simple calculation of the pre-tax profit multiplied by the parent company's local applicable rate (33.99%). This is due to the following facts:

- IBA is present in 10 different countries with different tax rates applicable that differ from the Belgian tax rate.
- The reported figures result from the consolidation of 32 entities, some reporting taxable profit and others reporting tax losses.
- In the past, IBA accumulated significant tax losses that have not all been recognized as DTA.
- IBA has recognized in the first half of 2008 and 2009 additional deferred tax assets for a portion of these accumulated losses; adjustment of the amounts recognized as deferred tax assets due to change in circumstance has generated a positive P&L impacts of €1.0 million in the accounts reported for the first half of 2009 and €3.0 million in the first half of 2008. In the meantime, IBA has also utilized deferred tax assets for €1.0 million for the first half of 2009.

6.12 Dividends paid and proposed

The dividend of 0.08 cents per share proposed at the Ordinary General Meeting of May 13, 2009 was approved.

7. Interim Management report

PHARMACEUTICALS

- IBA's Pharmaceuticals segment develops radiopharmaceutical products used for medical diagnosis in oncology (primarily), neurology, and cardiology, as well as to treat cancer. This segment includes its bioassays division, which is developing a line of biomarkers for in vitro diagnosis and an HTRF®¹ technology for the in vitro screening of new drugs in the pharmaceutical industry.

	1H 2009 (EUR'000)	1H 2008 (EUR'000)	Change (EUR'000)	Change (%)
Net Sales	102 514	49 887	52 627	105.5%
- Radiopharmaceuticals	84 319	46 705	37 614	80.5%
- Cisbio Bioassays	18 195	3 182	15 013	--
REBITDA	6 030	5 080	950	18.7%
% of Sales	5.9%	10.2%		
REBIT	-1 450	197	-1 647	-836.0%
% of Sales	-1.4%	0.4%		

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

REBIT: Recurring earnings before interest and taxes.

- Figures for sales growth strongly reflect the acquisition of Cisbio. It will be recalled that the first half of 2008 included only one month of figures for Cisbio, compared to six months in 2009. Assuming a constant scope of consolidation, the growth rate would have been 6 percent, not 105.5 percent.
 - While sales and profitability in the Pharmaceuticals segment were affected by the economically depressed U.S. market, they did better than had been expected under current economic conditions.
 - In Europe, the shortage of SPECT radioisotopes, triggered in 2008 by the shutdown of reactors needed to produce these radioisotopes, was managed so as to limit the impact. IBA distributed the limited quantity of available product among its customers and supplemented the now scarce technetium with alternative products in order to lessen the shortage's impact on patients.
- When combined with increased amortization and depreciation, these factors (lower sales volume in the US and shortage of technetium) resulted in a decline in the division's recurring operating profit, even though recurring operating profit before amortization and depreciation rose 18.7 percent.
- In the strategic arena, two agreements signed in the first six months of 2009 give IBA customers access to a network of 50 PET² radiopharmaceutical production and distribution facilities on three continents.
 - In February 2009, a cooperation agreement was signed with Eczacibasi-Monrol Nuclear Products AS to develop the market for PET and SPECT radiopharmaceuticals in the Balkans, the Middle East, North Africa, and Central and Eastern Europe.
 - In May 2009, a partnership was signed with Amsterdam-based BV Cyclotron VU for the production and distribution of fluorine-18 - (18-F) labeled radiopharmaceuticals for positron emission tomography.
- Also of note: Cisbio's Bioassays division received the 2009 Frost & Sullivan award for technological innovation of the year.

EQUIPMENT

¹ Homogeneous time-resolved fluorescence

² Positron emission tomography

- This business segment is comprised of the following areas:
 - **Proton therapy.** Offers turnkey solutions using proton beams to target cancer therapy more precisely with fewer side effects.
 - **Particle accelerators.** Markets a line of cyclotrons used to produce PET or SPECT radioisotopes, as well as a line of industrial accelerators for sterilization and ionization (Rhodotron® and Dynamitron® E-beam and X-ray accelerators).
 - **Dosimetry.** Markets measurement and quality assurance instruments for radiotherapy and medical imaging enabling caregivers to verify that their equipment is delivering precise doses to the intended target.

	1H 2009 (EUR'000)	1H 2008 (EUR'000)	Change (EUR'000)	Change (%)
Net Sales	78 291	83 234	-4 943	-5.9%
- Proton Therapy	35 957	37 333	-1 376	-3.7%
- Dosimetry	19 099	19 621	-522	-2.7%
- Accelerators & Others	23 235	26 280	-3 045	-11.6%
REBITDA	8 878	6 706	2 172	32.4%
<i>% of Sales</i>	<i>11.3%</i>	<i>8.1%</i>		
REBIT	7 734	5 162	2 572	49.8%
<i>% of Sales</i>	<i>9.9%</i>	<i>6.2%</i>		

- Despite an overall revenue decline of 5.9 percent compared to the first half of 2008, profitability in the Equipment segment increased, from 6.2 percent of sales to 9.9 percent. This improvement was due to the following:
 - Renegotiation of sales contracts
 - Improvement in overall gross revenues as a result of lower production costs, enhanced manufacturing processes, and accumulation of experience across projects (particularly in Proton therapy)
- Proton therapy:
 - In May 2009, IBA signed a contract to install a large proton therapy facility in Prague, Czech Republic. This contract also included an after-sale service and long-term maintenance agreement. The first patient should be treated in 2012.
 - The proton therapy facility installed at the ProCure Proton Therapy Center in Oklahoma City, Oklahoma, opened its doors in early July, just 27 months after construction startup—a world first. (It generally takes three years to build a complete facility.) IBA is the first company to demonstrate that, with enough experience, it is possible to reduce fabrication and installation times considerably, to the benefit of both customer and patients.
 - At present, IBA is building and equipping eight proton therapy facilities simultaneously—four in the United States and three in Europe—with seven at the on-site installation stage.
- Accelerators:
 - In contrast with the first half of 2008, which set records, only a few orders for cyclotrons and industrial accelerators were logged the first six months of 2009, owing to customer difficulties in obtaining bank financing. However, there were encouraging signs of improvement in this situation in July and August.
 - At this year's Society of Nuclear Medicine Annual Meeting, held in June in Toronto, Canada, IBA unveiled its new Cyclone® 11. The Cyclone® 11 is a self-shielded cyclotron with a proton beam energy of 11 MeV (million electron volts). It combines the advantage of a small footprint with the

technology of high energy cyclotron systems. Leveraging its expertise, IBA can now offer the most advanced functionality to R&D and production departments operating in a hospital environment.

- Dosimetry:
 - Dosimetry sales for the first half of 2009 slipped 2.7 percent compared to the same period in 2008. This deterioration was due to a slowdown in hospital equipment spending over the past two or three quarters.
 - Nevertheless, this period saw the successful launch of several new IBA products, including new versions of the Compass® and the MatriXX^{Evolution} adapted for rotational radiotherapy devices.

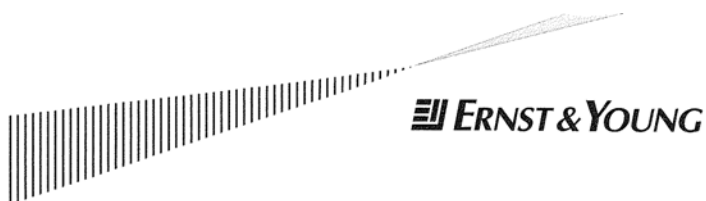
EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- On July 17, 2009, IBA announced that it had been selected by Italy's ATreP ([Agenzia Provinciale Per la Protonterapia](#)) to install a proton therapy facility for the province of Trento. This will be the first proton therapy facility with an isocentric rotating gantry to be installed in Italy in the context of a public-private partnership. The ATreP proton therapy facility will be built in the area chosen for Trento's future new hospital and should begin treating patients using an isocentric rotating gantry in early 2013.
- On August 3, 2009, Cardinal Health announced that it had bought out Biotech, an operator of PET cyclotrons and nuclear pharmacies that joined the IBA network in 2008. As a result of this transaction, the IBA network went from 53 to 50 sites.

8. STATEMENT OF DIRECTORS

- This set of condensed financial statements has been prepared by Pierre Mottet (CEO) and Jean-Marc Bothy (CFO). To the best of their knowledge it has been written in compliance with actual accounting standards and gives a true picture of the assets, of the consolidated figures and the interim statement gives a clear overview of major events and main transactions between entities over the first half of the year as well as their impact on the set of condensed financial statements and a description of major risks and uncertainties for the balance of the fiscal year.

Auditor's report on the IFRS interim condensed consolidated financial statements



Ernst & Young
Réviseurs d'Entreprises
Bedrijfsrevisoren
De Kleetlaan 2
B - 1831 Diegem

Tel: +32 (0)2 774 91 11
Fax: +32 (0)2 774 90 90
www.ey.com/be

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 2009 and for the six months then ended

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ion Beam Applications SA (the "Company") as at 30 June 2009 containing a statement of financial position as at 30 June 2009, a statements of comprehensive income, a statement of changes in equity and a statement of cash flows for the six-month period then ended, and explanatory notes. 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 ("revue limitée/beperkt nazicht" as defined by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. 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 auditing standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" 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 are not prepared, in all material respects, in accordance with IAS 34 as adopted for use in the European Union.

Diegem, August 28, 2009

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

A handwritten signature in black ink, appearing to read 'Blockx'.

Martine Blockx
Partner

10MB00007

Société civile ayant emprunté la forme d'une société coopérative
à responsabilité limitée
Burgerlijke vennootschap die de rechtsvorm van een coöperatieve
vennootschap met beperkte aansprakelijkheid heeft aangenomen
RPM Bruxelles - RPR Brussel - T.V.A. - B.T.W. BE 0446.334.711
Banque - Fortis - Bank 210-0905900-69