ION BEAM APPLICATIONS

("IBA")

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2015

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, 2015 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 26, 2015. 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 mandate of Saint-Denis SA was renewed as an internal director at the Ordinary General Meeting of shareholders of May 13, 2015, his term will expire at the Ordinary General Meeting of shareholders in 2019 which will approve the 2018 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Professor Mary Gospodarowicz, Katleen Vandeweyer Comm. V. represented by Mrs. Katleen Vandeweyer, Jeroen Cammeraat, Median SCP represented by Mrs. Sybille van den Hove, 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. 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 renewed external director during the Ordinary General Meeting of shareholders held on May 13, 2015, his term will expire at the Ordinary General Meeting of shareholders of 2019 which will approve the 2018 financial statements. Median SCP was appointed external director during the Ordinary General Meeting of shareholders held on May 13, 2015, its term will expire at the Ordinary General Meeting of shareholders of 2016 which will approve the 2015 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, 2015

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, 2014 (EUR '000)	June 30, 2015 (EUR '000)
ASSETS			
Goodwill	6.3	3 821	3 821
Other intangible assets	6.3	9 178	8 540
Property, plant and equipment	6.3	8 663	8 873
Investments accounted for using the equity method		37 072	37 669
Other investments		407	33
Deferred tax assets	3.1	23 018	22 726
Long-term financial assets		1	592
Other long-term assets	6.4	20 539	13 406
Non-current assets		**102 699**	**95 660**
Inventories and contracts in progress	6.6	91 731	91 610
Trade receivables		54 799	67 821
Other receivables	6.7	20 270	23 048
Short-term financial assets		381	302
Cash and cash equivalents	6.2	37 176	49 930
Assets held for sale	2.3	0	0
Current assets		**204 357**	**232 711**
TOTAL ASSETS		**307 056**	**328 371**
EQUITY AND LIABILITIES			
Capital stock	6.10	39 852	40 727
Capital surplus	6.10	32 431	36 492
Treasury shares		-8 612	-8 502
Reserves		20 786	19 639
Currency translation difference		-3 725	-3 171
Retained earnings		26 794	36 406
Reserves for assets held for sale		0	0
Capital and reserves		**107 526**	**121 591**
Non-controlling interests		**0**	0
EQUITY		**107 526**	**121 591**
Long-term borrowings	6.5	26 679	24 077
Long-term financial liabilities		882	1 577
Deferred tax liabilities		854	697
Long-term provisions	6.11	9 607	3 495
Other long-term liabilities		3 066	2 974
Non-current liabilities		**41 088**	**32 820**
Short-term provisions	6.11	7 160	6 292
Short-term borrowings	6.5	5 196	5 202
Short-term financial liabilities		1 759	3 728
Trade payables		36 145	28 797
Current income tax liabilities		186	134
Other payables	6.8	107 996	129 807
Liabilities directly related to assets held for sale		0	0
Current liabilities		**158 442**	**173 960**
TOTAL LIABILITIES		**199 530**	**206 780**
TOTAL EQUITY AND LIABILITIES		**307 056**	**328 371**

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2015

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, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Sales		69 007	86 565
Services		29 152	34 432
Cost of sales and services (-)		-55 118	-67 655
Gross profit		**43 041**	**53 342**
Selling and marketing expenses		9 374	11 842
General and administrative expenses		14 600	15 600
Research and development expenses		9 422	13 286
Other operating expenses	6.9	1 407	5 512
Other operating (income)	6.9	-1 162	-5 792
Financial expenses		2 725	3 146
Financial (income)		-1 853	-5 710
Share of (profit)/loss of companies consolidated using the equity method		4 689	-1 072
Profit/(loss) before taxes		**3 839**	**16 530**
Tax (income)/expenses	6.13 & 3.1	81	2 039
Profit/(loss) for the period from continuing operations		**3 758**	**14 491**
Profit/(loss) for the period from discontinued operations		3 683	-41
Profit/(loss) for the period		**7 441**	**14 450**
Attributable to :			
Equity holders of the parent		7 441	14 450
Non-controlling interests		0	0
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	5.1	0.276	0.517
- Diluted	5.2	0.269	0.491
Earnings per share from continuing (EUR per share)			
- Basic	5.1	0.139	0.518
- Diluted	5.2	0.136	0.492
Earnings per share from discontinued operations (EUR per share)			
- Basic	5.1	0.137	-0.001
- Diluted	5.2	0.133	-0.001

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2015

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, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Profit/(loss) for the period	**7 441**	**14 450**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	9	554
Exchange differences on translation of foreign operations	*9*	*554*
- Reserves movements of investments accounted for using the equity method	1 582	-139
Currency translation difference	*51*	*0*
Cash flow hedges	*0*	*0*
Other [1]	*1 531*	*-139*
- Exchange difference related to permanent financing	32	0
- Net (loss)/gain on available for sale financial assets	0	0
- Net movement on cash flow hedges	596	-1 338
- Gain on sales of treasury shares	0	120
- Other	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**9 660**	**13 647**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	0	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	**0**	**0**
Total comprehensive income for the period	**9 660**	**13 647**

[1] Amounts are mainly composed of the decommissioning reserve of the period at Rose Holding SARL.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Attributable to equity holders of the parent											TOTAL
(EUR '000)	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 01/01/14	**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	0
Employee stock options and share-based	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**
Balance at 01/01/15	**39 852**	**32 431**	**-8 612**	**-2 891**	**14 167**	**4 335**	**175**	**5 000**	**-3 725**	**26 794**	**0**	**107 526**
Net profit/(loss) recognized directly in equity	0	0	0	-1 338	0	-139	0	0	554	120	0	-803
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	14 450	0	14 450
Comprehensive income for the period	**0**	**0**	**0**	**-1 338**	**0**	**-139**	**0**	**0**	**554**	**14 570**	**0**	**13 647**
Dividends	0	0	0	0	0	0	0	0	0	-4 999	0	-4 999
Employee stock options and share-based	0	0	110	0	330	0	0	0	0	0	0	440
Increase/ (decrease) in capital stock/ capital surplus	875	4 061	0	0	0	0	0	0	0	0	0	4 936
Other changes	0	0		0	0	0	0	0	0	41	0	41
Balance at 30/06/15	**40 727**	**36 492**	**-8 502**	**-4 229**	**14 497**	**4 196**	**175**	**5 000**	**-3 171**	**36 406**	**0**	**121 591**

In 2014 the Group equity was strengthened through a new financing arrangement with the S.R.I.W. A reverse convertible bond was put in place allowing the Group to ask the conversion of this bond into ordinary shares at any time before December 31, 2015. If the conversion has not taken place at December 31, 2015, the reverse convertible bond will be reclassified as bank debt borrowing.

In 2014 the change in other reserve for EUR 1.16 million were 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, 2015

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, 2014 (EUR '000)	June 30, 2015 (EUR '000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**7 441**	**14 450**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.3	1 024	924
Amortization and impairment of intangible assets	6.3	925	1 012
Write-off on receivables		513	53
Changes in fair values of financial assets (gains)/losses		278	816
Changes in provisions		-1 086	-4 988
Deferred taxes	6.11	-997	346
Share of results of associates and joint ventures accounted for using the equity method		4 620	-1 102
(Profit)/loss on disposal of assets held for sale		0	0
Other non-cash items		-3 762	1 079
Net cash flow changes before changes in working capital		**8 956**	**12 590**
Trade receivables, other receivables, and deferrals		5 151	-9 821
Inventories and contracts in progress		-8 209	20 933
Trade payables, other payables, and accruals		7 485	-7 231
Other short-term assets and liabilities		781	963
Changes in working capital		**5 208**	**4 844**
Income tax paid / received, net		0	-388
Interest paid/ Interest received		1 079	558
Net cash (used in)/generated from operations		**15 243**	**17 604**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment continuing activities	6.3	-1 213	-1 080
Acquisitions of property, plant and equipment discontinued activities		0	0
Acquisitions of intangibles assets continuing activities	6.3	-636	-472
Acquisitions of intangibles assets discontinued activities		0	0
Disposals of assets		5	12
Acquisitions of subsidiaries, net of acquired cash		0	0
Acquisitions of third party and equity-accounted investments		-21	0
Disposals of subsidiaries and equity-accounted companies, and other investments net of cash disposed		5 738	20
Acquisitions of non-current financial assets and loan granted		0	0
Other investing cash-flows		0	-1
Net cash (used in)/generated from investing activities		**3 873**	**-1 521**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.5	0	0
S.R.I.W. reverse convertible bond		5 000	0
Repayment of borrowings	6.5	-12 599	-2 596
Net interest (paid)/received		-1 080	-549
Capital increase (or proceeds from issuance of ordinary shares)		6 259	4 936
(Purchase)/sales of treasury shares		0	230
Dividends paid		-11	-4 999
Other financing cash flows		-240	-308
Net cash (used in)/generated from financing activities		**-2 671**	**-3 286**
Net cash and cash equivalents at the beginning of the period		**29 090**	**37 176**
Change in net cash and cash equivalents		16 445	12 797
Exchange gains/(losses) on cash and cash equivalents		-35	-43
Net cash and cash equivalents at the end of the period		**45 500**	**49 930**

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, 2015. 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, 2014.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015.

New standards and amendments that require restatement of previous financial statements include the following:

- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013), effective 1 January 2015

Amendments to IAS 19 Employee Benefits: Defined Benefit Plans: Employee Contributions

These narrow-scope amendments apply to contributions from employees or third parties when accounting for defined benefit plans. These amendments aim to clarify and simplify the accounting for contributions that are independent of the number of years of service. Such contributions should be recognized as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendments become effective for financial years beginning on or after 1 February 2015. This amendment has no impact on the financial statement of the Group.

Improvements to IFRSs 2010-2012 Cycle (Issued December 2013)

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations. These improvements aim to clarify:

- IFRS 2: The definition of vesting conditions.
- IFRS 3: Accounting for contingent consideration in a business combination
- IFRS 8: Aggregation of operating segments and Reconciliation of the total of a reportable segment's assets to the entity's assets
- IAS 16 and IAS 38: Revaluation method – proportionate restatement of accumulated depreciation
- IAS 24: Key management personnel

The improvements become effective for financial years beginning on or after 1 February 2015. Those improvements have no impact on the financial statement of the Group.

Improvements to IFRSs 2011-2013 Cycle (Issued December 2013)

The IASB issued the 2011-2013 cycle improvements to its standards and interpretations. These improvement clarify**:**

- IFRS 3: A scope exemption for the formation of a 'joint venture'.
- IFRS 13: Measurement of the fair value of a group of financial assets and financial liabilities on a net basis

- IAS 40: Determines whether the acquisition of an investment property is a business combination requires judgement of the specific requirements of IFRS 3

The improvements become effective for financial years beginning on or after 1 January 2015. Those improvements have no impact on the financial statement of the Group.

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, 2014	Average rate for the 6 months period at June 30, 2014	Closing rate at December 31, 2014	Average annual rate 2014	Closing rate at June 30, 2015	Average rate for the 6 months period at June 30, 2015
USD	1.3658	1.3708	1.2141	1.3292	1.1189	1.1171
SEK	9.1762	8.9523	9.3930	9.0947	9.2150	9.3423
CNY	8.4722	8.4159	7.5358	8.1653	6.9366	6.8293
INR	82.2023	83.1113	76.7190	80.9122	71.1873	70.0886
JPY	138.440	140.455	145.230	140.3775	137.010	134.2967
CAD	1.4589	1.5030	1.4063	1.4666	1.3839	1.3783
RUB	46.3779	47.9488	72.3370	50.8407	62.3550	64.5882

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 20 companies and associated companies in 10 countries. Of these, 16 are fully consolidated and 4 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, 2014
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 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*	No	France	100%	-
IBA Dosimetry GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck. Germany*	No	Germany	100%	-
IBA Dosimetry America Inc. 3150 Stage Post Drive Suite. 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 Normandie Hadronthérapie SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	100%	-
Particle Engineering Solutions, LLC *1st Magistralny tupik, 5A* *123290 Moscow, Russia*	No	Russia	60%	-
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%	-
Striba GmbH (1) Waidmarkt 11, 50676 Köln, Germany	No	Germany	100%	+50%

(1) On June 26, 2015, IBA acquired 50% additional stakes in Striba GMBH to Strabag GMBH for EUR 1. Since that date, the Company is consolidated in full in place to be consolidated as equity accounted company.

2.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2014
CONTINUING OPERATIONS			
Sceti Medical Labo KK	Japan	39.80%	-
Rose Holding SARL	Luxembourg	40.00%	-
Cyclhad SAS	France	33.33%	-
DISCONTINUING OPERATIONS			
PharmaLogic Pet Services of Montreal Cie	Canada	48.00%	-

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

2.3.1 ACQUISITIONS OF COMPANIES

On June 26, 2015, IBA acquired 50% additional stakes in Striba GMBH to Strabag GMBH for EUR 1. Since that date, the Company is consolidated in full in place to be consolidated as equity accounted company.

As the financial statements of Striba GMBH were not finalized at the date of publication of this report, IBA is not able to determine the net acquired assets and goodwill arising from the purchase of those stakes.

The net acquired assets and goodwill arising from the purchase of the stakes in Striba GMBH will be presented in IBA 2015 annual financial statements.

2.3.2 DISPOSAL OF COMPANIES

No disposal of company was completed during the 6 first months of 2015.

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, 2015, the Group has accumulated net operating losses available to offset future taxable profits mainly in Belgium, China and Russia for a total of EUR 81million and temporary differences amounting to EUR 14 million. The Company recorded deferred tax assets amounting to EUR 17.4 million with the view to use the tax losses carried forward and EUR 5.3 million as temporary differences as at June 30, 2015. 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, 2015 income statement was negatively impacted by the utilization of deferred tax assets in the United States for EUR 0.38 million, the decrease of deferred tax liabilities in Germany for EUR 0.16 million and the decrease of deferred tax assets based on new estimates of the potential future utilization of tax losses carried forward for EUR 0.13 million.

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 December 31, 2014, the provisions still included in the financials of IBA stand at EUR 6.1 million. They were primarily for obligations in connection with a radiopharmaceutical production facility belonging to the mother company IBA SA in Fleurus.

In 2015, the Fleurus site was sold for EUR 1 including the transfer to the acquirer of the site decommissioning obligations. A provision of EUR 0.5 million is still included in the financials of IBA to cover the contractual obligations of IBA to dispose of radioactive waste following this sales agreement.

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 2015, the total assets are higher by EUR 0.76 million compared to the provision amounting to EUR 46.4 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 LONG TERM INCENTIVE PLAN

In 2014, the Company has implemented a new long-term incentive plan, aimed at supporting its multi-year profitability targets, the alignment of plan participants with shareholder interests and longer-term shareholder value creation, as well as creating a suitable retention effect. The plan is two-tier, combining a cash-based incentive with a grant of warrants.

The cash-based incentive is linked to a profit measure cumulated over the period 2014 to 2017, above a predefined threshold. Vesting occurs in full at the end of 2017, subject to performance and service criteria's being met on that date. The target payout varies between 30% and 100% of annual fixed remuneration, except for the Chief Executive Officer, for whom it is 200%. At June 30, 2015, the Board of Directors estimates that the Group is not in the condition to meet the objectives and therefore did not accrued a provision.

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 sale price will be reached by the investment fund on exit. In this framework, the market value used to determine the value of the by- product associated to it has been based on a model of discounted future cash flows and of multiples. In 2015, a discount rate of 10.5% was used (same discount rate as in 2014).

A probability of an exit has been evaluated as follow: 0% in 2015, 10% in 2016, 20% in 2017, 17.5% in 2018, 17.5% in 2019, 17.5% in 2020 and 17.5% in 2021.

The contingent loan on the Company's balance sheet which would be realized in the event of a complete exit from the business through sale of the 40% stake retained amount to EUR 20.45 million. If the multiple expected by the partner were not to 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''.

Combined with the assets consolidated under equity method (EUR 14.85 million) the total expected asset to be recovered from the sale of IBA 40% into Rose Holding SARL is evaluated at EUR 35.3 million.

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.

Up to June 2015 IBA received a repayment in principal of EUR 1.4 million.
Up to December 2014, the loan valuation was based on the latest strategic plan provided by Cisbio Bioassays' management, which allowed to calculate the part of EBIT above the threshold for the period of 7 years as set out in the agreement and this amount was reassessed on the basis of the discount method for expected future cash flows.

In May 2015, a proposal for the anticipate repayment of this contingent loan for a fix amount of EUR 5.75 million was signed between Chromos GA SAS and IBA. This proposal is subject to the refinancing of this anticipated repayment by banks.

The repayment date cannot exceed October 31, 2015.
At June 2015, the total amount of this loan is presented under the heading ''other receivables" for the amount included in the proposal of May 2015.

- 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 has been 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, 2014		June 30, 2015	
(EUR '000)	Category	Net carrying value	Fair value	Net carrying value	Fair value
FINANCIAL ASSETS					
Trade receivables	Loans and receivables	54 799	54 799	67 821	67 821
Long-term receivables on contracts in progress	Loans and receivables	925	925	902	902
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	19 614	19 614	12 504	12 504
Non-trade receivables and advance payments	Loans and receivables	10 046	10 046	8 043	8 043
Other short-term receivables	Loans and receivables	10 224	10 224	15 005	15 005
Other investments	Available for sale	407	407	33	33
Cash and cash equivalents	Loans and receivables	37 176	37 176	49 930	49 930
Hedging derivative products	Hedge accounting	2	2	786	786
Derivative products – other	FVPL2	380	380	108	108
TOTAL		**133 573**	**133 573**	**155 132**	**155 132**
FINANCIAL LIABILITIES					
Bank borrowings	FLAC	31 250	31 250	28 750	28 750
Financial lease liabilities	FLAC	625	625	529	529
Trade payables	FLAC	36 145	36 145	28 797	28 797
Hedging derivative products	Hedge accounting	2 361	2 361	4 930	4 930
Derivative products – other	FVPL2	280	280	375	375
Other long-term liabilities	FLAC	3 066	3 066	2 974	2 974
Amounts due to customers for contracts in progress	FLAC	81 237	81 237	102 114	102 114
Social debts	FLAC	11 344	11 344	12 466	12 466
Other short-term liabilities	FLAC	15 415	15 415	15 227	15 227
Short-term tax liabilities	FLAC	186	186	134	134
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**181 909**	**181 909**	**196 296**	**196 296**

At December 31, 2014 and June 30, 2015, the net carrying value of these financial assets and liabilities did not differ significantly from their fair value.

The headings “Hedging derivative products” and “Derivative products – other” in assets and liabilities include the fair value of forward exchange contracts and currency swaps.

The Group may acquire non-controlling interests from third companies, depending on the evolution of its strategy. These interests are shown in the “available for sale” category.

FLAC: Financial liabilities measured at amortized cost.
FVPL1: Fair value through profit or loss (held for trading).
FVPL2: Fair value through profit or loss (derivative- based asset whose value was inseparable from the underlying notional value).

3.9 CATEGORIES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In conformity with IAS 39 all derivatives are recognized at fair value in the balance sheet.

The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. 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 fair value of these instruments generally reflects the estimated amount that IBA would receive on the settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the balance sheet date, and thereby takes into account any unrealized gains or losses on open contracts.

As required by IFRS 13 Fair value measurement, the following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

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, 2015.

New financial instruments were acquired and are classified in levels 2.

(EUR '000)	Level 1	Level 2	Level 3	June 30, 2015
- Forward foreign exchange contracts		786		786
- Foreign exchange rate swaps		0		0
Hedge-accounted financial assets		**786**		**786**
- Forward foreign exchange contracts		56		56
- Foreign exchange rate swaps		52		52
- Other financial assets at fair value through the income statement			26 538	26 538
Financial assets at fair value through the income statement		**108**	**26 538**	**26 646**
- Forward foreign exchange contracts		3 961		3 961
- Foreign exchange rate swaps		969		969
Hedge-accounted financial liabilities		**4 930**		**4 930**
- Forward foreign exchange contracts		319		319
- Foreign exchange rate swaps		56		56
Financial liabilities at fair value through the income statement		**375**		**375**

At June 30, 2015, other assets at fair value through the income statement 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 levels 2 and 3 of the fair value hierarchy:

(EUR '000)	Contingent loan Rose Holding SARL	Vendor loan Chromos GA SAS	Other investments	TOTAL
At January 1, 2015	**19 449**	**6 363**	**407**	**26 219**
Credited/(charged) to the income statement	996	0	-354	642
Additions	0	0	0	0
Disposals	0	0	-20	-20
Payment	0	-303	0	-303
Equity movements	0	0	0	0
At June 30, 2015	**20 445**	**6 060**	**33**	**26 538**

As at June 30, 2015, if the probabilities of an exit taken in consideration in the valuation of the Rose Holding SARL contingent loan of the 2016 increases by 5% and the 2021 decreases by 5%, the value of the contingent loan will increase by EUR 1.17 million.

As at June 30, 2015, if the discount rate taken in consideration in the valuation of the Rose Holding SARL contingent loan decreases by 1% from 10.5% to 9.5%, the value of the contingent loan will increase by EUR 0.75 million.

4. OPERATING SEGMENTS

On the basis of its internal financial reports to the Board of Directors and given the Group's primary source of risk and profitability, IBA has identified two levels of operating information:

- Business segment-based information (Level 1);
- Geographical segment-based information (Level 2). Not presented in the interim condensed consolidated financial statements.

4.1 BUSINESS 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 have 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) Protontherapy and other accelerators and (2) Dosimetry.

- **Protontherapy and other accelerators**: This segment constitutes the technological basis of the Group's many businesses and encompasses development, fabrication, and services associated with medical and industrial particle accelerators and proton therapy systems.
- **Dosimetry**: this segment 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 segment results, assets and liabilities include the items directly related to a segment, as well as those that may be allocated on a reasonable basis. The non-allocated assets mainly include deferred tax assets and some assets of companies that have a cross-segment role.

The segment investment expenses include the total cost of investments incurred during the period of acquisition of tangible and intangible assets investments, except goodwill.

The followings tables provide details of the income statement, assets, liabilities and other information for each segment. Any intersegment sales are contracted at arm's length.

Six months ended June 30, 2015	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Sales	63 163	23 402	86 565
Services	31 048	3 384	34 432
External sales	**94 211**	**26 786**	**120 997**
REBIT	**7 778**	**4 836**	**12 614**
Other operating (expenses)/income	816	-288	528
Segment results	**8 594**	**4 548**	**13 142**
Unallocated (expenses)/income (1)			-248
Financial (expenses)/income (2)			2 564
Share of profit/(loss) of companies consolidated using the equity method			1 072
Result before taxes			**16 530**
Tax (expenses)/income (2)			-2 039
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS			14 491
Profit/(loss) for the period from discontinued operations			-41
Profit/(loss) for the period			**14 450**

Six months ended June 30, 2015	Protonherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	51 700	6 291	57 991
Current assets	214 193	18 518	232 711
Segment assets	**265 893**	**24 809**	**290 702**
Investments accounted for using the equity method			37 669
Unallocated assets			0
TOTAL ASSETS	**265 893**	**24 809**	**328 371**
Non-current liabilities	31 948	872	32 820
Current liabilities	165 015	8 945	173 960
Segment liabilities	**196 963**	**9 817**	**206 780**
Unallocated liabilities			0
TOTAL LIABILITIES	**196 963**	**9 817**	**206 780**

Six months ended June 30, 2015			
Capital expenditure	1 388	164	
Depreciation and impairment of property, plant and equipment	709	215	
Depreciation of intangible assets and goodwill	928	84	
Salary expenses	38 724	7 774	
Non-cash expenses/(income)	-5 368	402	
Headcount at year-end	903	208	

(1) Unallocated expenses consist mainly of expenses for stock option plans, stock plans.
(2) Cash and taxes are handled at the Group level and are therefore presented under unallocated (expense)/income.

Six months ended June 30, 2014	Protontherapy and other accelerators EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Sales	49 500	19 507	69 007
Services	26 207	2 945	29 152
External sales	**75 707**	**22 452**	**98 159**
REBIT	**7 038**	**2 607**	**9 645**
Other operating (expenses)/Income	-575	-275	-850
Segment results	**6 463**	**2 332**	**8 795**
Unallocated (expenses)/income (1)			605
Financial (expenses)/income (2)			-872
Share of profit/(loss) of companies consolidated using the equity method			-4 689
Result before taxes			**3 839**
Tax (expenses)/income (2)			-81
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS			**3 758**
Profit/(loss) for the period from discontinued operations			3 683
Profit/(loss) for the period			**7 441**

Year ended December 31, 2014	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	59 267	6 361	65 628
Current assets	186 796	17 561	204 357
Segment assets	**246 063**	**23 922**	**269 985**
Investments accounted for using the equity method			37 071
Unallocated assets			0
TOTAL ASSETS	**246 063**	**23 922**	**307 056**
Non-current liabilities	40 063	1 025	41 088
Current liabilities	150 517	7 925	158 442
Segment liabilities	**190 580**	**8 950**	**199 530**
Unallocated liabilities			0
TOTAL LIABILITIES	**190 580**	**8 950**	**199 530**
Six months ended June 30, 2014			
Capital expenditure	1 715	134	
Depreciation and impairment of property, plant and equipment	804	220	
Depreciation of intangible assets and goodwill	858	67	
Salary expenses	32 024	7 454	
Non-cash expenses/(income)	-394	184	
Headcount at year-end	843	203	

(1) Unallocated expenses consist mainly of expenses for stock option plans, stock plans.
(2) Cash and taxes are handled at the Group level and are therefore presented under unallocated (expense)/income.

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, 2014	June 30, 2015
Earnings attributable to parent equity holders (EUR '000)	7 441	14 450
Weighted average number of ordinary shares	26 982 318	27 954 969
Basic earnings per share from continuing and discontinued operations (EUR per share)	**0.276**	**0.517**
Earnings from continuing operations attributable to parent equity holders (EUR '000)	3 758	14 491
Weighted average number of ordinary shares	26 982 318	27 954 969
Basic earnings per share from continuing operations (EUR per share)	**0.139**	**0.518**
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	3 683	-41
Weighted average number of ordinary shares	26 982 318	27 954 969
Basic earnings per share from discontinued operations (EUR per share)	**0.137**	**-0.001**

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 & SRIW 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 SRIW reverse convertible have been included on a weighted basis.

DILUTED EARNINGS PER SHARE	June 30, 2014	June 30, 2015
Weighted average number of ordinary shares	26 982 318	27 954 969
Average share price over period	9.30	20.59
Weighted average diluted shares	650 026	1 552 139
Weighted average number of ordinary shares for diluted earnings per share	27 632 344	29 507 108
Earnings attributable to parent equity holders (EUR '000)	7 441	14 450
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**0.269**	**0.491**
Earnings from continuing operations attributable to parent equity holders (EUR '000)	3 758	14 491
Diluted earnings per share from continuing operations (EUR per share)	**0.136**	**0.492**
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	3 683	-41
Diluted earnings per share from discontinued operations (EUR per share)	**0.133**	**-0.001**

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, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Bank balances and cash	23 273	40 883
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	22 010	9 047
	45 283	**49 930**
Cash and cash equivalents attributable to assets held for sale	217	0
	45 500	**49 930**

6.3 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2015	Property, plant and equipment (EUR '000)	Intangible (EUR '000)	Goodwill (EUR '000)
Net carrying amount at opening	**8 663**	**9 178**	**3 821**
Additions continuing activities	1 080	472	0
Disposals	0	-109	0
Transfers	0	0	0
Currency translation difference	54	11	0
Revaluation	0	0	0
Assets reclassified to held for sale	0	0	0
Depreciation/amortisation and impairment	-924	-1 012	0
Net carrying amount at closing	**8 873**	**8 540**	**3 821**

No impairment losses are recognized on property, plant and equipment or intangible assets in the 2015 interim financial statement.

6.4 OTHER LONG-TERM ASSETS

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Long-term receivables on contracts in progress	925	902
Research tax credit	6 694	6 513
Other assets	12 920	5 991
TOTAL	**20 539**	**13 406**

As at June 30, 2015, “Other assets” consists primarily of EUR 2.6 million in receivables with associated companies, a loan to third party investment for EUR 3.0 million and long term deposits for EUR 0.4 million.

The vendor loan reimbursable over a maximum of seven years ending on October 31, 2020 based on an allocation of 60% of the Bioassays’ EBIT above a certain threshold of EUR 3.1 million and the discounted Earn-out related to the disposal of Pharmalogic Montreal assets concluded in March 2014 were transferred to short-term in 2015.

As at December 31, 2014, “Other assets” consists primarily of EUR 2.5 million in receivables with associated companies, a loan to third party investment for EUR 3.8 million, a vendor loan reimbursable over a maximum of seven years ending on October 31, 2020 based on an allocation of 60% of the Bioassays’ EBIT above a certain threshold of EUR 3.1 million for 5.2 million and a discounted Earn-out related to the disposal of Pharmalogic Montreal assets concluded in March 2014 for EUR 1.2 million.

6.5 MOVEMENT ON BANK BORROWINGS

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Current	5 000	5 000
Non-current	26 250	23 750
Total	**31 250**	**28 750**
Opening amount	**46 250**	**31 250**
New borrowings	0	0
Repayment of borrowings	-15 000	-2 500
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	**31 250**	**28 750**

At June, 2015, the Group had borrowed EUR 30 million on the EIB bank borrowing and made repayments for a total EUR 11.25 million (of which EUR 2.5 million in 2015). The loan granted by EIB is subject to several covenants.

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. The Group had made repayments for EUR 10 million in 2014.

In 2014, IBA strengthened the availability of financing by obtaining a long-term subordinated facility bond of EUR 9 million from the SFPI. As at June 30, 2015, the Group had not drawn up on it.

IBA also has 3 credit lines of EUR 10 million with three banks.

At June 30, 2015, the Group has at its disposal credit lines and credit facilities up to EUR 67.8 million of which 42.44% are used to date.

Utilized credit facilities are as follows:

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
FLOATING RATE		
– expiring within one year	5 000	5 000
– expiring beyond one year	16 250	13 750
TOTAL FLOATING RATE	**21 250**	**18 750**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	10 000	10 000
TOTAL FIXED RATE	**10 000**	**10 000**
TOTAL	**31 250**	**28 750**

Unutilized credit facilities are as follows:

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
FLOATING RATE		
– expiring within one year	30 000	30 000
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**30 000**	**30 000**
FIXED RATE		
– expiring within one year	9 000	9 000
– expiring beyond one year	0	0
TOTAL FIXED RATE	**9 000**	**9 000**
TOTAL	**39 000**	**39 000**

6.6 INVENTORIES AND CONTRACTS IN PROGRESS

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Raw materials and supplies	50 085	51 223
Finished products	3 671	4 060
Work in progress	2 441	2 897
Contracts in progress (in excess of billing)	42 798	40 911
Write-off of inventories	-7 264	-7 481
Inventories and contracts in progress	**91 731**	**91 610**

Contracts in progress	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Costs to date and recognized revenue	391 140	419 242
Less : progress billings	-348 342	-378 331
Contracts in progress	**42 798**	**40 911**
Net amounts due to customers for contracts in progress	81 237	102 114

6.7 OTHER RECEIVABLES

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Non-trade receivables	10 046	8 043
Prepaid Expenses -Third Party	1 101	1 406
Accrued Income – Third Party	769	559
Current income tax receivable	3 211	2 138
Other current assets	5 143	10 902
Other receivables	**20 270**	**23 048**

The increase in other current assets is mainly due to the reclassification from long term to short term of the vendor loan Chromos GA SAS (see note 3.7).

6.8 OTHER PAYABLES AND ACCRUALS

	December 31, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Non-trade payables	867	1 472
Net mounts due to customers for contracts in progress	81 237	102 114
Social debts	11 344	12 466
Accrued charges	3 419	2 524
Accrued interest charges	231	253
Deferred income	6 321	6 217
Capital grants	735	720
Other	3 842	4 041
Other payables and accruals	**107 996**	**129 807**

6.9 OTHER OPERATING INCOME AND EXPENSES

The other operating expenses of EUR 5.5 million in 2015 includes the valuation of stock option plans offered to IBA employees for EUR 0.3 million, special onetime bonus granted to IBA employees excluding management for EUR 2.0 million, write-off on third party investments for EUR 0.4 million, commitments on Protontherapy and other accelerators projects for EUR 0.6 million, reassessment of the prospects of collection of long term receivables related to Protontherapy projects for EUR 1.7 million, amortization on fixed assets for EUR 0.1 million and other expenses for EUR 0.4 million.

The other operating income of EUR 5.8 million in 2015 includes the reversal of the decommissioning provision for the Fleurus site for EUR 5.6 million (see notes 3.2 and 6.11) and other income for EUR 0.2 million.

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.

6.10 ORDINARY SHARES, SHARE PREMIUM AND TREASURY SHARES

	Number of	Capital stock	Capital surplus	Treasure shares	Total

	ordinary shares	(EUR)	(EUR)	(EUR)	(EUR)
Balance at December 31, 2014	**28 393 804**	**39 851 781**	**32 431 369**	**-8 612 421**	**63 670 729**
Stock options exercised	623 626	875 352	4 060 646	110 351	5 046 349
Capital increase	0	0	0	0	0
Balance at June 30, 2015	**29 017 430**	**40 727 133**	**36 492 015**	**-8 502 070**	**68 717 078**

6.11 PROVISIONS

	Environment (EUR '000)	Warranties (EUR '000)	Litigation (EUR '000)	Employee benefits (EUR '000)	Other (EUR '000)	Total (EUR '000)
At January 1, 2015	**6 199**	**3 285**	**0**	**135**	**7 148**	**16 767**
Additions (+)	0	830	0	26	589	1 445
Write-backs (-)	-5 558	-875	0	0	0	-6 433
Utilizations (-)	0	-788	0	-36	-1 250	-2 074
Actuarial (gains)/losses	0	0	0	0	0	0
Reclassifications	0	-8	0	0	0	-8
Currency translation difference	0	3	0	0	87	90
Total movement	**-5 558**	**-838**	**0**	**-10**	**-574**	**-6 980**
At June 30, 2015	**641**	**2 447**	**0**	**125**	**6 574**	**9 787**

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

- New provisions amounting to EUR 0.59 million for commitments on a protontherapy project.
- Use of provisions amounting to EUR -0.1 million for completion of works and amounting to EUR -1.15 million for contractual commitments under the agreement of the disposal of IBA Molecular business.

Movement on “environment provisions” can be detailed as follows:

- Reversal of provisions amounting to EUR -5.6 million reflecting the impact on the provision of the sale of Fleurus site (see note 3.2).

6.12 LITIGATION

The Group is currently not involved in significant litigations. The potential risks connected with these proceedings are deemed to be insignificant or, where potential damages are quantifiable, adequately covered by provisions.

6.13 INCOME TAX

	June 30, 2014 (EUR '000)	June 30, 2015 (EUR '000)
Current taxes	1 079	1 693
Deferred taxes (income)/expense	-998	346
Total	**81**	**2 039**

6.14 PAID AND PROPOSED DIVIDENDS

The dividend of 0.17 cents per share proposed at the Ordinary General Meeting of May 13, 2015 was approved.

Due to the necessary continued investments in technological advances in proton therapy to maintain leadership in the space, IBA is planning a dividend payout ratio of 20% in 2015 based on 2014 results, but it is the Company's intention that if market conditions prevail, the dividend should gradually reach a payout ratio of 30% in the future.

6.15 RELATED PARTY TRANSACTIONS

6.15.1 CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted companies is provided in Note 5.

6.15.2 TRANSACTIONS WITH AFFILIATED COMPANIES

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

	June 30, 2014 (EUR '000)	June 30, 2015 (EUR '000)
ASSETS		
Receivables		
Long-term receivables	2 600	2 628
Trade and other receivables	1 938	1 297
Impairment of receivables	-588	-588
TOTAL RECEIVABLES	**3 950**	**3 337**
LIABILITIES		
Payables		
Trade and other payables	596	116
TOTAL PAYABLES	**596**	**116**
INCOME STATEMENT		
Sales	3 725	1 211
Costs	-477	-304
Financial income	124	12
Financial expense	0	0
Other operating income	901	59
Other operating expense	0	0
TOTAL INCOME STATEMENT	**4 273**	**978**

The table above does not list an off-balance sheet commitment allocated for an amount of EUR 0.2 million in June 2015 (EUR 0.6 million in June 2014) in favor of Bio Molecular SDN.

6.15.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at June 30, 2015

	Number of shares	%
Belgian Anchorage SCRL	6 204 668	21.38%
IBA Investments SCRL	610 852	2.11%
IBA SA	63 529	0.22%
UCL ASBL	426 885	1.47%
Sopartec SA	344 531	1.19%
Institut des Radioéléments FUP	1 423 271	4.90%
Société Régionale d'Investissement de Wallonie (S.R.I.W.)	704 491	2.43%
Société Fédérale de Participation et d'investissement (S.F.P.I.)	86 805	0.30%
Public	19 152 398	66.00%
TOTAL	**29 017 430**	**100.00%**

The transactions completed with the shareholders are the following:

	June 30, 2014 (EUR '000)	June 30, 2015 (EUR '000)
ASSETS		
Receivables		
Long-term receivables	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**0**
LIABILITIES		
Payables		
Bank borrowings	10 000	10 000
Trade and other payables	167	197
TOTAL PAYABLES	**10 167**	**10 197**
INCOME STATEMENT		
Sales	0	0
Costs	0	0
Financial income	0	0
Financial expense	-503	-168
Other operating income	0	0
Other operating expense	0	0
TOTAL INCOME STATEMENT	**-503**	**-168**

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at June 30, 2015.

7. INTERIM MANAGEMENT REPORT

7.1 FIGURES AND SIGNIFICANT EVENTS:

	H1 2014 (EUR '000)	H1 2015 (EUR '000)	Change (EUR '000)	Change %
Sales & Services	98 159	120 997	22 838	23.3%
REBITDA	**12 251**	**14 605**	**2 354**	**19.2%**
% of Sales	*12.5%*	*12.1%*		
REBIT	**9 645**	**12 614**	**2 969**	**30.8%**
% of Sales	*9.8%*	*10.4%*		
Net Profit	**7 441**	**14 450**	**7 009**	**94.2%**
% of Sales	*7.6%*	*11.9%*		

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

Business Highlights

- Strong Proton Therapy and Other Accelerators order intake in H1, up 86% to EUR 110 million from the same period in 2014, comprising three *Proteus®ONE* and three *Proteus®PLUS* systems and six accelerators
- Record period-end backlog for Proton Therapy and Other Accelerators of EUR 303.2 million, up 56% YoY, 25% of which is *Proteus®ONE* orders, demonstrating the growing importance of single room compact solutions where IBA has a unique competitive advantage
- Steadily growing Proton Therapy Services backlog to be recognized over time, now amounting to EUR 506.6 million, up 24% YoY due to the strong capture rate with new equipment orders
- Dosimetry continues to show strongly improved performance with revenues growing 19.3% to EUR 26.8 million compared to EUR 22.5 million in the same period last year and backlog remaining strong at EUR 17.8 million
- Philips collaboration bearing fruit with three *Proteus®ONE* orders signed in the UK with Proton Partners International
- Strategic alliance signed with Toshiba Corporation for *Proteus®ONE* in Japan and advancing carbon therapy in the rest of the world

Financial Highlights

- Total Group revenue of EUR 121.0 million for the first six months of 2015, up 23.3% (H1 2014: EUR 98.2 million)
- REBIT up 30.8% to EUR 12.6 million with margin at 10.4%, in line with guidance
- Reported net profit of EUR 14.4 million, up by 94.2% YoY with margin increase to 11.9% from 7.6%
- 2015 top line guidance increased from “above 10%” to 15-20% revenue growth for the year

7.2 OPERATING REVIEW

PROTON THERAPY AND OTHER ACCELERATORS

	H1 2014 (EUR '000)	H1 2015 (EUR '000)	Change (EUR '000)	Change %
Net Sales	**75 707**	**94 211**	**18 504**	**24.4%**
- Protontherapy	55 070	68 603	13 533	24.6%
- Other accelerators	20 637	25 608	4 971	24.1%
REBITDA	**9 173**	**9 105**	**-68**	**-0.7%**
% of Sales	*12.1%*	*9.7%*		
REBIT	**7 038**	**7 778**	**740**	**10.5%**
% of Sales	*9.3%*	*8.3%*		

Total net sales were up 24.4% in the first half to EUR 94.2 million, driven by strong growth in Proton Therapy (PT) including double digit growth for both service and equipment sales. Service revenues contributed approximately 33% of segment revenues, which is slightly reduced from the same period last year, due to the strength of contributions from PT and Other Accelerators equipment revenue recognition, which increased by 28.2% to EUR 63.2 million.

REBITDA for the business segment narrowed slightly by -0.7% to EUR 9.1 million due to the scaling up of operations in order to handle the demand for the delivery of the record backlog and the expectation of a continued strong order intake. This slightly lower number also reflects the Company's continued investment in R&D in order to maintain its position as the technology leader in its chosen markets, which in the first half of 2014 was covered by several non-linearly spread grants. Current spend is in line with the R&D spend of the second half of 2014.

Proton Therapy

Major Commercial Wins

IBA has had a strong first half performance with several major commercial wins. With the sale of six proton therapy systems in the first half of 2015, IBA has had record sales and has strengthened its position as the most experienced and fastest proton therapy provider in the market. The six PT systems sold by IBA in this period are spread over customer sites in the US, Europe and Asia and include:

The **Miami Cancer Institute at Baptist Health South Florida** will be equipped with IBA's *Proteus®PLUS* three-gantry room configuration, including next generation Pencil Beam Scanning capability.

The **University Medical Center Groningen** is establishing the first proton therapy center in The Netherlands, in Groningen. It will be equipped with a *Proteus®PLUS* two-gantry room configuration, including the next generation Pencil Beam Scanning and Cone Beam CT (CBCT) capabilities.

IBA has also signed an extension to the collaboration agreement with **Guangdong Hengju Medical Technologies Co. Limited** for two additional gantry treatment rooms. In December 2014, IBA signed its first collaboration agreement with Hengju to jointly install the first proton therapy system in South China.

Three IBA compact proton therapy solutions will be installed in the United Kingdom. **Proton Partners International** (PPI), a private limited company, has signed a contract with IBA for *Proteus®ONE* systems to be installed in three private clinics. These UK projects are the result of the agreement between IBA and Philips signed in September 2014.

Proton Therapy Technology

IBA completed the installation of the *Proteus®ONE* compact proton therapy system at the Willis-Knighton Cancer Center team in Shreveport, Louisiana, US, in a record 11 months: the fastest installation of a PT center globally. After nine months of operations it is now averaging 15 minutes per patient for most indications, even with multiple fields, resulting in a daily volume of 20 patients per eight hour day. IBA expects volumes to further increase based upon the even faster treatment times and expanded applications enabled by Advanced Image Guidance with Cone beam CT (CBCT), allowing precision therapy to be administered at a faster rate.

In addition, IBA has further advanced radiation therapy technology by installing the first compact proton therapy system in the world to treat clinically with Pencil Beam Scanning (PBS). PBS allows the treatment of more common indications of cancers such as the brain and prostate, and it is now progressing to other applications such as breast, head & neck, esophageal, lung, spine, pediatric malignancies and various pelvis indications.

IBA also announced, in May, the release of an exclusive feature that reduces the power consumption of its 230 MeV isochronous cyclotron (*Cyclone®230*) by more than 30%. This unique feature resulting from IBA's sustainability program helps reduce the overall cost of proton therapy, making it ever more accessible to patients worldwide.

Partnerships to Shape the Future of Proton Therapy

IBA has built strategic partnerships with blue-chip global partners **Philips** and **Toshiba Corporation** in order to further strengthen its global position in proton therapy. These relationships are already translating into sales, as demonstrated by the sale of the Apollo Proton Therapy Center in India (in 2013) and the three compact systems to Proton Partners International in the UK, as well as the signing of an exclusive alliance to enhance access to proton therapy in India.
In addition to sales and marketing, IBA anticipates that the relationship with **Philips** will, among other developments, lead to gantry embedded CBCT of the highest image quality possible, and a version of Philips' next generation Treatment Planning System that is fully compatible with IBA's proton therapy systems. This agreement marks an important step towards the adaptive treatment of cancer and a personalized treatment approach.

IBA and **Toshiba Corporation** are working together to expand access to advanced particle therapy worldwide. Toshiba Medical Systems Corporation will become the distributor in Japan for Proteus®ONE, IBA's compact single room proton therapy solution, and IBA will become the agent for Toshiba's Carbon Therapy Solutions outside of Japan.

Other Accelerators

In the first six months of the year, IBA has won six important Other Accelerator contracts across Asia, Europe, North America, Russia, and the Middle East, including IntegraLab® solutions which combine equipment and services for the establishment of radiopharmaceutical production centers.

DOSIMETRY

	H1 2014 (EUR '000)	H1 2015 (EUR '000)	Change (EUR '000)	Change %
Net Sales	**22 452**	**26 786**	**4 334**	**19.3%**
REBITDA	**3 078**	**5 500**	**2 422**	**78.7%**
% of Sales	*13.7%*	*20.5%*		
REBIT	**2 607**	**4 836**	**2 229**	**85.5%**
% of Sales	*11.6%*	*18.1%*		

Dosimetry has rebounded significantly with sales increasing by 19.3% to EUR 26.8 million compared to the first half of 2014. Comparing the periods like for like has seen a conversion rate of contract wins improve to 103% from 90%. This improved performance is as a result of order intake for the first half improving 4.6% to EUR 26.0 million in the Americas and emerging markets. The division now has a new record backlog of EUR 17.8 million from EUR 16.8 million in 2014, giving IBA confidence in continued strong performance in the second half of the year.

Post period-end in July, IBA Dosimetry announced that the first patient case in the United States has been successfully quality-controlled using myQA® Global QA Platform at the LewisGale Regional Center in Pulaski, Virginia. This is the first platform-based plan verification of its kind that offers distinct advantages such as having the software installed on a database. In contrast to local installation, this means data can be accessed anywhere, anytime, connecting staff and treatment locations.

Financial Review

IBA reported a 23.3% uplift in revenues to EUR 121.0 million during the first half of 2015 (H1 2014: EUR 98.2 million). Strong growth was seen in both service and equipment delivery revenues.

Recurring operating profits before interest and taxes (REBIT) continued to improve compared with the first half of 2014, despite high R&D expenses in the first half of 2015, compared to the same period in 2014, and have also benefited from the strong improvement in the Dosimetry segment profitability.

Gross margin improved from 43.8% in the first half of 2014 to 44.1% in the first half of 2015.

Within operational expenses, sales and marketing expenses grew 26.3% in the first half of 2015 versus the same period in 2014, reflecting efforts to achieve the record order intake in Proton Therapy. General and administrative expenses modestly increased by 6.8% compared to the double digit top line growth disclosed for the period. Research and Development expenses increased by 41% compared to the same period last year, benefiting from a high level of grants, which IBA does not expect to be replicated every half year. It must also be stressed that no R&D expenses have been capitalized over the last few years and all expenses are “as incurred”, creating some volatility in the P&L but also avoiding balance sheet risk.

As a consequence, the Company’s REBIT grew by 30.8% in H1 2015 from EUR 9.6 million in H1 2014 to EUR 12.6 million. REBIT margins improved from 9.8% in the first half of 2014 to 10.4% in the comparative period this year.

The net other operating income of EUR 0.3 million includes the fluctuating valuation of stock options, special one-time bonuses granted to IBA employees excluding management, and other write-off and commitments on Proton Therapy and Other Accelerators projects and other assets, and reversal of the decommissioning provision following the disposal of assets and other incomes.

The strength of the USD has allowed FX gains on excess dollars to materialize during the first half of the year, more than offsetting the decreasing interest expenses on declining gross debts of the Company. Net financial income amounts to EUR 2.6 million for the first half of 2015 compared to an expense of EUR 0.9 million last year.

The share of (profit)/loss of equity-accounted companies represents a profit of EUR 1.1 million for the first half of 2015 compared to a loss of EUR 4.7 million last year that was not recurring.

The uplift in REBIT, the financial gains from FX, the equity-accounting of the Joint Venture in IBA Molecular and the other operating income, have led to an increase in profit before tax to EUR 16.5 million, up from EUR 3.8 million in the same period last year.

Tax charges have been partially neutralized by the evolution of the deferred tax assets and as a consequence, net profits from continuing operations are EUR 14.5 million, up from EUR 3.8 million last year. Taking into account the gain from the disposal of the assets of PharmaLogic recorded last year for EUR 3.7 million (with no impact on this year), the net profit for the period is EUR 14.4 million, up from EUR 7.4 million in the first half of 2014.

Cash flow from operations grew from EUR 15.2 million at the end of June 2014 to EUR 17.6 million at the end of June 2015, due to higher profitability and a positive variation of working capital. Cash flow from investments that was positive at EUR 3.9 million last year due to the revenue dividends collected from the disposal of the assets of Pharmalogic in Canada, is negative EUR 1.5 million for the first half of 2015, demonstrating a well-controlled limited amount of capital expenditure and other investments.

The cash flow from financing is negative EUR 3.3 million, representing the balance between a EUR 4.9 million capital increase (from exercising of stock option plans), EUR 5.0 million of dividend payment and EUR 3.2 million contractual repayments on debt with the European Investment Bank and other financing cash flows.

IBA had a positive net cash position at the end of H1 2015 of EUR 20.7 million, almost double the EUR 10.8 million at the end of H1 2014.

Guidance

IBA reiterates its guidance given at the time of the Company’s 2014 Full Year Results in March 2015. From 2015 to 2018, IBA expects to achieve average revenue growth greater than 10% per annum. Owing to strong performance in the first half of 2015, IBA now expects top line growth of 15-20% for the full year in 2015.

The Company confirms it expects its operating margin to stabilize at 10% in 2015 and then grow at 1% per annum until 2018. Net debt is expected to stay limited over the course of the years to come.

IBA had a dividend pay-out ratio of 20% in 2015, based on 2014 results. As market conditions have remained strong, the dividend target pay-out ratio is now confirmed to be 30%. The Company confirms it expects its operating margin to stabilize at 10% in

2015 and then grow at 1% per annum until 2018. Net debt is expected to stay limited over the course of the years to come.

IBA had a dividend pay-out ratio of 20% in 2015, based on 2014 results. As market conditions have remained strong, the dividend target pay-out ratio is now expected to be 30%.

7.3 SUBSEQUENT EVENT

In August, post-period end, Illinois Health and Science (IHS), a non-profit healthcare system, signed a definitive agreement with IBA Molecular (IBAM), a joint-venture jointly owned by IBA and SK Capital Partners, to acquire IBA Molecular North America, Inc. (IBAM NA), the US subsidiary of IBA Molecular. The acquisition includes all of IBAM NA's cyclotron sites and its research and development facilities.

The proceeds are being used to repay the outstanding debt at IBAM and to make a distribution to IBAM's shareholders (IBA S.A. owns 40% of IBAM). The transaction is not expected to have a significant impact on IBA's 2015 P&L but will generate cash proceeds of approximately EUR 10 million for IBA during the third quarter of 2015.

On Aug. 26, 2015, IBA has been notified that it has been selected by the University Hospitals in Leuven (UZ Leuven) as its preferred vendor to establish a proton therapy center in Leuven, Belgium, a project together with the Université Catholique de Louvain (UCL) and other Belgian universities. IBA emerged as the best supplier following a comprehensive European public tender conducted by UZ Leuven. IBA and UZ Leuven should sign a firm contract in the coming weeks after the standstill period of 15 calendar days before final awarding.

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 2015 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 2015 General Meeting, the following changes occurred in the management of the Company:

- The mandate of Saint-Denis SA as internal director was renewed,
- The mandate of Jeroen Cammeraat as external director was renewed,
- Median SCP was appointed external director.

AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2015

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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 2015 and for the 6 months period then ended

Introduction

We have reviewed the accompanying interim 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 2015 and the related interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in shareholder's equity and interim consolidated statement of cash flows for the 6 months 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) 328,371 and a consolidated profit for the 6 months period then ended of € (thousand) 14,450. 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.

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Report of the statutory auditor dated 26 August 2015 on the Interim Condensed Consolidated Financial Statements of Ion Beam Applications SA for the 6 months period ended 30 June 2015 (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements is not prepared, in all material respects, in accordance with IAS 34 as adopted for use in the European Union.

Diegem, 26 August 2015

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

Vincent Etienne
Partner*
* Acting on behalf of a BVBA/SPRL

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