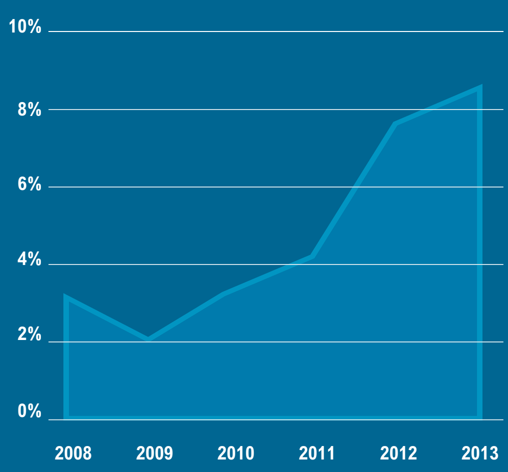
IBA

ANNUAL REPORT 2013

www.iba-worldwide.com

KEY FIGURES
2013

MARGIN TRENDS



- IBA is a high-technology medical company which concentrates its activities on proton therapy, radiopharmacy, particle accelerators for the industry and dosimetry.
- IBA is the worldwide leader on the proton therapy market.
- Quoted on the pan-European stock exchange Euronext.
- 1 000 employees worldwide.
- IBA operates in two segments: “Proton therapy and Particle accelerators” and “Dosimetry”.

SALES TRENDS BY ACTIVITY*

	2009 (EUR 000)	2010 (EUR 000)	2011 (EUR 000)	2012 (EUR 000)	2013 (EUR 000)	CAGR[1] (%)
TURNOVER	**155 574**	**169 988**	**203 165**	**221 106**	**212 512**	**8.1%**
Proton therapy	70 689	82 884	121 157	133 213	121 202	14.4%
Other Accelerators	45 070	39 086	38 896	38 991	45 387	0.2%
Dosimetry	39 815	48 018	43 112	48 902	45 923	3.6%

(1) Compound annual growth rate.

SALES TRENDS BY GEOGRAPHICAL SECTOR (%)*

	2009	2010	2011	2012	2013
USA	52	33	34	38	35
ROW	48	67	66	62	65

**The figures do not include any pharmaceutical activity.*

OUR MISSION: SAVING LIVES

At IBA we dare to develop innovative solutions pushing back the limits of technology. We share ideas and know-how with our customers and our partners to bring new solutions for the diagnosis and treatment of cancer. We care about the well-being of patients, our employees and our shareholders as it is together that we complete our mission to: Protect, Enhance and Save Lives.

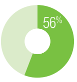
CONTENTS

IBA AT A GLANCE

IBA is the worldwide technology leader in advanced cancer radiation therapy and diagnostic technologies. The Company's special expertise lies in the development of innovative proton therapy technologies, supplying the oncological world with equipment of unequalled precision.

TODAY, IBA FOCUSES ON THREE MAIN ACTIVITIES

PROTON THERAPY



2013 ACTIVITY TURNOVER
121 202 (EUR 000)

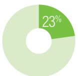
Proton therapy is considered to be the most advanced treatment in the fight against cancer, thanks to the precision with which it is possible to target the tumor and its reduced side effects. Protons deposit the majority of their energy within a precisely controlled zone, directly in the center of the tumor without damaging healthy surrounding tissues.

Proton therapy is particularly appropriate to treat eye and brain cancers, tumors close to the brain stem and spinal cord, as well as prostate, liver, breast and pediatric cancers.

Today, more than half of proton therapy clinical facilities worldwide are IBA systems. At the end of 2013, this includes 16 proton therapy centers in operation and 10 additional centers under development.

The IBA product offer ranges from complete solutions with *Proteus*®***PLUS*** with several treatment rooms to *Proteus*®***ONE***[(1)], a single-room solution. With *Proteus*®***ONE***, proton therapy is more accessible than ever.

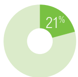
DOSIMETRY



2013 ACTIVITY TURNOVER
45 923 (EUR 000)

IBA offers a full range of monitoring equipment and software enabling hospitals to perform the necessary checks and calibration procedures of radiation therapy and radiology. Precision is everything in the delivery of radiation. Delivering exactly the prescribed dose to a precisely defined area in the patient's body is absolutely crucial. Treatment success and safety depend on it.

PARTICLE ACCELERATORS



2013 ACTIVITY TURNOVER
45 387 (EUR 000)

To date, IBA has installed more than 400 accelerators worldwide. The majority of them are used for the production of radioisotopes for the detection of cancer. The IBA Radiopharma Solutions team helps nuclear medicine departments to design, install and maximize the functional efficiency of a radiopharmacy for the production of radiopharmaceuticals, mainly PET (Positron Emission Tomography).

In addition to its medical activity, IBA leverages its scientific expertise in radiation to develop its industrial sterilization and ionization activities.

*(1) Proteus®**ONE** is the brand name of a new configuration of the Proteus® 235, including some new developments subject to review by competent authorities (FDA, European Notified Bodies, et al.) before marketing.*

Proteus®***PLUS***

HIGHLIGHTS 2013

Proton Therapy

→ **January 21st, 2013**
IBA signs contract with Apollo Hospitals to install the first proton therapy center in India. With this contract, IBA will be at the forefront of delivering the latest innovative cancer therapy to the Asia region.

→ **June 2nd, 2013**
IBA gathers more than 60 radiation therapy leaders in its factory in Belgium to discover the first *Proteus*®***ONE*** proton therapy system.

→ **July 1st, 2013**
IBA signs contract to install *Proteus*®***ONE*** in Taiwan. This contract demonstrates IBA's continued success in Asia.

→ **October 9th, 2013**
IBA is selected by the Henryk Niewodniczanski Institute of Nuclear Physics of the Polish Academy of Sciences (IFJ) to supply the new extension of the IFJ Proton Therapy Center, in Krakow, Poland.

→ **November 27th, 2013**
IBA receives FDA clearance for its new Imaging Suite, a solid foundation for the development of future Image-Guided Proton Therapy (IGPT) solutions.

→ Major milestones were achieved in 2013 in the development of IBA's compact proton therapy system, *Proteus*®***ONE***:

- IBA submitted all necessary documentation on IBA's compact proton therapy gantry to the U.S. Food and Drug Administration (FDA) for marketing authorization.
- The compact gantry beam line was shipped to Willis-Knighton Cancer Center (WKCC) in Shreveport, Louisiana.
- IBA also accelerated and extracted a proton beam from its compact Synchrocyclotron, to levels suitable for being used by Pencil Beam Scanning (PBS) technologies.

→ During 2013, IBA equipped several proton therapy centers with its unique PBS technology which enables millimeter precision in cancer treatment.

→ Throughout 2013 IBA continued to demonstrate its capacity to accelerate the pace at which newly constructed proton therapy centers are ready to treat patients. The installation of proton therapy rooms were completed in Trento (Italy), Seattle (USA) and Knoxville (USA) in 2013.

Particle Accelerators

→ 2013 was a record year of sales for IBA RadioPharma Solutions division. IBA won important contracts in all regions, which strengthened IBA's position as the leader in medium- and high-energy cyclotrons.

2013
a record sales year for RadioPharma Solutions.

IBA market share
66%
of proton therapy rooms in operations.

HIGHLIGHTS 2013

→ **November 4th, 2013**
IBA signs a contract with Zevacor Molecular to install the first commercial 70 MeV Cyclotron dedicated to the production of radiopharmaceuticals in the United States, allowing it to provide the year-round production of isotopes used in the diagnosis of cardiovascular diseases and other critical illnesses.

→ In 2013 IBA signed major contracts for the supply of Rhodotron® and Dynamitron® accelerators in Asia and Brazil.

Dosimetry

→ IBA Dosimetry introduced several product improvements at major tradeshows (American Association of Physicists in Medicine (AAPM) and American Society for Radiation Oncology (ASTRO) annual meetings), that were well received by the market, including:

- An extended version of the successful MatriXX to address patient treatment verification of new treatment technologies (high dose rate).
- A new release of Compass (3.0) that enables even faster and more accurate patient treatment verification in 3D anatomy.
- The replacement software for 2D patient verification has new functionalities that increase efficiency through an improved workflow and graphical user interface management.
- A new product extension to the VISICOIL product line, designed for safer and easier implantation in interventional radiology. This new product supports radiation oncologists in highly precise patient setup and dose delivery during radiation therapy.

Operating highlights

→ **June 4th, 2013**
IBA makes further good progress towards reaching a final settlement with Westdeutsches Protonen-therapiezentrum Essen GmbH (WPE). The final contract was signed in March 2014.

→ **November 13th, 2013**
The Company announces receipt of payment from the ATreP (Agenzia Provinciale Per la Protonterapia) center in Trento, Italy, in repayment of the loan facility signed in 2009.

→ **November 18th, 2013**
IBA completes the sale of its Cisbio Bioassays business unit to an Argos Soditic fund.

→ **December 11th, 2013**
IBA reaches agreement with SK Capital Partners to settle all outstanding disputes between the two parties under the Share Purchase Agreement, which was closed in early April 2012.

GLOBAL STRATEGY

Left
Pierre Mottet,
Chairman

Right
Olivier Legrain,
CEO

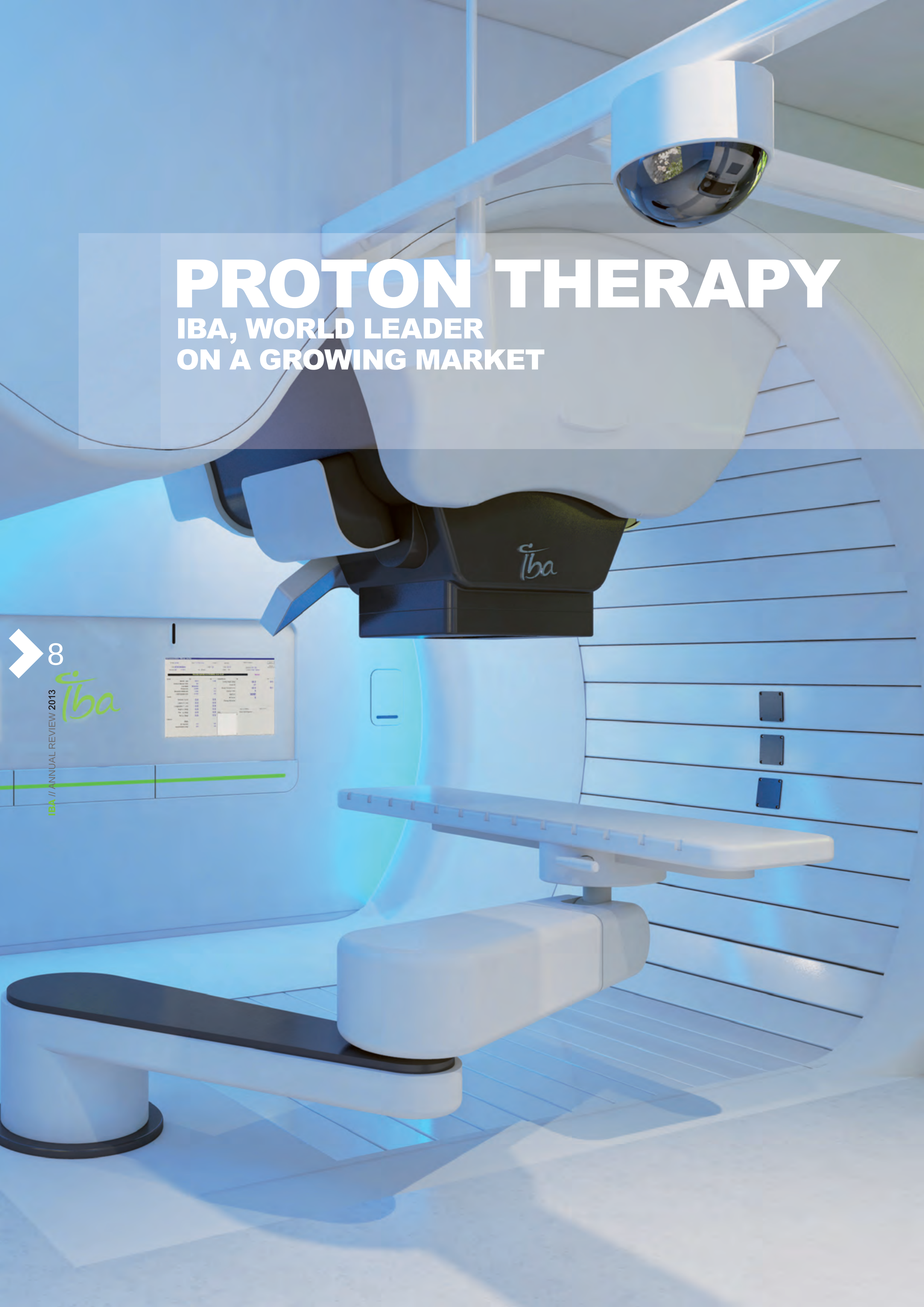
2014 the harvest year.

→ **2013** was the year the company repositioned to focus on its core businesses: proton therapy, dosimetry and particle accelerators. This repositioning allows IBA to position itself for the future and consolidate its leadership on the growing proton therapy market. IBA has also assured its leadership in the dosimetry field and ended a record year for sales of accelerators for radiopharmacies and industrial applications, mainly to emerging countries. Operating margins rose strongly, mainly from productivity and efficiency programs put in place, and from higher service-based revenues.

→ **2014** should be the year of harvest. We look forward to starting treatment of the first patient on our new compact proton therapy solution *Proteus®ONE*, and seeing a growing number of hospitals worldwide adopting proton therapy. IBA will reap the benefits of an increasing number of long-term service contracts as well as a strong order backlog. The Company should reach 10% of operating profit at the end of 2014.

PROTON THERAPY

IBA, WORLD LEADER ON A GROWING MARKET



"At the Willis-Knighton Cancer Center in Shreveport, Louisiana, we wanted to offer the latest form of proton therapy, the pencil beam scanning, while taking advantage of advances in image guidance and remaining within the budget of our hospital system. IBA has continually demonstrated innovation in the field of proton therapy and they were chosen for their unique ability to meet our department needs."

Lane R Rosen MD, Director of Radiation Oncology, Willis-Knighton Cancer Center.

Unfortunately, we are witnessing an unavoidable increase in the number of cancer cases in the world. We expect to see the share of cancers treated by radiotherapy double in the next 10 years. In parallel, the share of indications for which proton therapy is recommended is going to increase significantly. IBA therefore anticipates a strong worldwide increase in demand for proton therapy rooms in the years to come.

IBA MAKES PROTON THERAPY MORE ACCESSIBLE

This trend should become mainstream with *Proteus*®***ONE***, the compact single-room solution which is smaller, more affordable, easier to install, easier to operate and ultimately easier to finance. With *Proteus*®***ONE***, proton therapy becomes accessible for more patients worldwide.

Interest in *Proteus*®***ONE*** is growing: IBA has already sold three *Proteus*®***ONE*** systems in Shreveport (USA), Nice (France) and Taiwan (China). In June 2013, at IBA's annual proton therapy users conference, 60 radiation therapy leaders from 15 countries gathered in Belgium for an exclusive in-factory demonstration of *Proteus*®***ONE***. This visit and the high-level expertise of the participants attending, underlines the significant interest that the worldwide radiation therapy community takes in proton therapy.

From a technology standpoint, major milestones were achieved in the development of *Proteus*®***ONE*** in 2013. IBA submitted all necessary documentation on IBA's compact proton therapy gantry to the U.S. Food and Drug Administration (FDA) for marketing authorization. IBA also accelerated and extracted a proton beam from its compact Synchrocyclotron, to the levels suitable for use in Pencil Beam Scanning (PBS) technologies.

GROWING RECOGNITION OF THE CLINICAL ADVANTAGES OF PROTON THERAPY

Another factor which will accelerate the movement towards proton therapy is the growing number of clinical studies that establish the superiority of this treatment mode in an increasing number of cancer indications. While proton therapy today represents less than 1% of radiotherapy treatments, studies – such as the report by the Nederlands Gezondheidsraad[(2)] (Netherlands Health Council) – estimate that more than 17% of patients treated by radiotherapy would benefit from being treated by this technique.

Specifically, IBA works together with clinical partners on clinical studies and on the development and distribution of protocols for new indications such as lung, breast and pancreatic cancers. IBA also helps distribute educational and didactic information to doctors and patients through the support of foundations, educational platforms and other patient associations. In 2013, in cooperation with academic partners, IBA built training and clinical certification bodies.

Growing evidence of the clinical advantages of proton therapy is leading to increasing levels of international governmental support for investment in this kind of technology throughout the world. For instance, the governments of the United Kingdom and the Netherlands recognize the medical value of this treatment modality and intend to invest substantial amounts in PT equipment.

(2) Health Council of the Netherlands. Proton radiotherapy. Horizon scanning report. The Hague: Health Council of the Netherlands, 2009; publication no. 2009/17E. ISBN 978-90-5549-786-7 http://www.gezondheidsraad.nl

PROTON THERAPY

IBA CONTINUES TO STRENGTHEN ITS LEADING MARKET POSITION

Proton therapy is IBA's principal source of growth for the future, particularly since the Company also enjoys the position of uncontested world market leader. More than half of the worldwide proton therapy market is equipped by IBA. Over 25 000 patients have been treated on IBA equipment – more than on all major competitive installations combined!

In 2013, IBA continued to demonstrate its capacity to accelerate the pace at which newly constructed proton therapy centers are ready to treat patients, thereby reducing the technological and financial risk for stakeholders. As demonstrated by the ProCure Proton Therapy Center in Seattle, IBA is able to install a clinically functioning cyclotron, beam line and first state-of-the-art treatment room at the accelerated pace of just 12 months from the delivery of the building; an unrivalled time period.

IBA DEPLOYS TECHNOLOGICAL SOLUTIONS WITH HIGH CLINICAL ADDED VALUE

In 2013, IBA continued to demonstrate its leadership in new technology deployment. Almost all proton therapy centers currently built by IBA are about to be equipped with IBA's unique IMPT technology, Pencil Beam Scanning (PBS). Ten centers benefit already from PBS technology and 12 additional centers will be equipped in the coming months. PBS technology enables millimeter precision allowing the proton dose to be delivered with very high levels of conformity and dose uniformity, even in complex-shaped tumors.

In order to optimize treatment precision, IBA develops with its partners innovative solutions for image-guided proton therapy. In November 2013, IBA received marketing authorization from the U.S. Food and Drug Administration (FDA) for its imaging software.

This new imaging software will allow to develop future specific Image-Guided Proton Therapy (IGPT) solutions. The final goal of these techniques is to obtain a very precise view of the tumor location and its immediate environment in real time, so as to fully leverage the precision of proton beam therapy.

**adaPT Insight is the brandname of a series of software I2C used by IBA in its proton therapy solutions. (I2C: FDA 510(k) K132847).*

WHAT IS PROTON THERAPY?

Proton therapy is a form of radiotherapy considered by many specialists to be the technology of the future in cancer treatment, due to the precision with which it is possible to target the tumor. The particular physical properties of the proton beam enable it to:

- → reduce the radiation dose delivered in healthy tissue surrounding the tumor;
- → reduce the risk of secondary cancers and growth anomalies linked to the radiation of healthy tissue;
- → offer patients a better quality of life during and after treatment by significantly reducing side effects.

At the end of 2013 IBA confirmed its position as leader with a 50% share of market and the sale of 74 treatment rooms – of which 53 are in operation – to 26 institutions. The Company has over time developed unique operational excellence in the installation of proton therapy centers

PRINCIPAL PRODUCTS

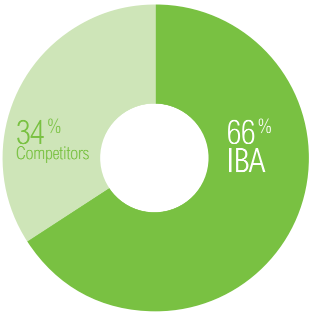
*Proteus®**ONE*** consists of a single proton therapy treatment room. This compact solution is an IBA initiative aimed at making proton treatment more affordable.

*Proteus®**PLUS*** offers customers the possibility to configure their center in function of their needs and to choose between four types of treatment rooms and four modes of beam distribution.

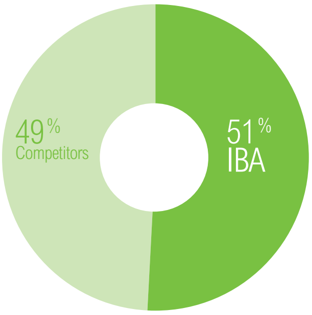
> We took a long time going through the process and analyzing the landscape of vendors in proton therapy and we are very excited about a partnership with IBA. We do believe IBA brings the best technology to the table. We believe they have the most important experience in the world with proton therapy. Based on their experience, we think they are the most likely group of vendors to come through with bringing facility on time and on budget.
>
> *James Metz, M.D. University of Pennsylvania School of Medicine.*

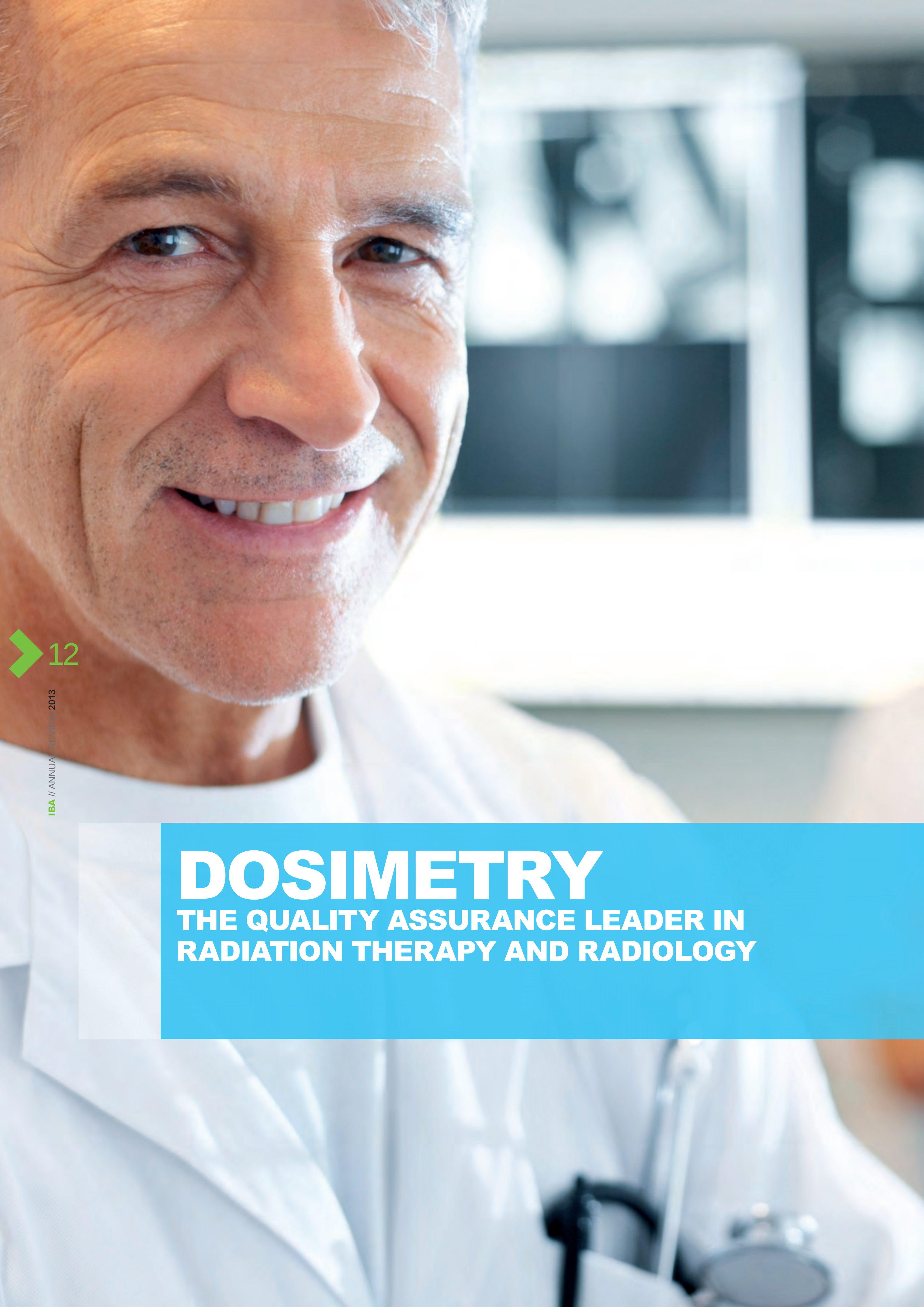
MARKET SHARE

ROOMS IN OPERATION



ROOMS SOLD





DOSIMETRY
THE QUALITY ASSURANCE LEADER IN RADIATION THERAPY AND RADIOLOGY

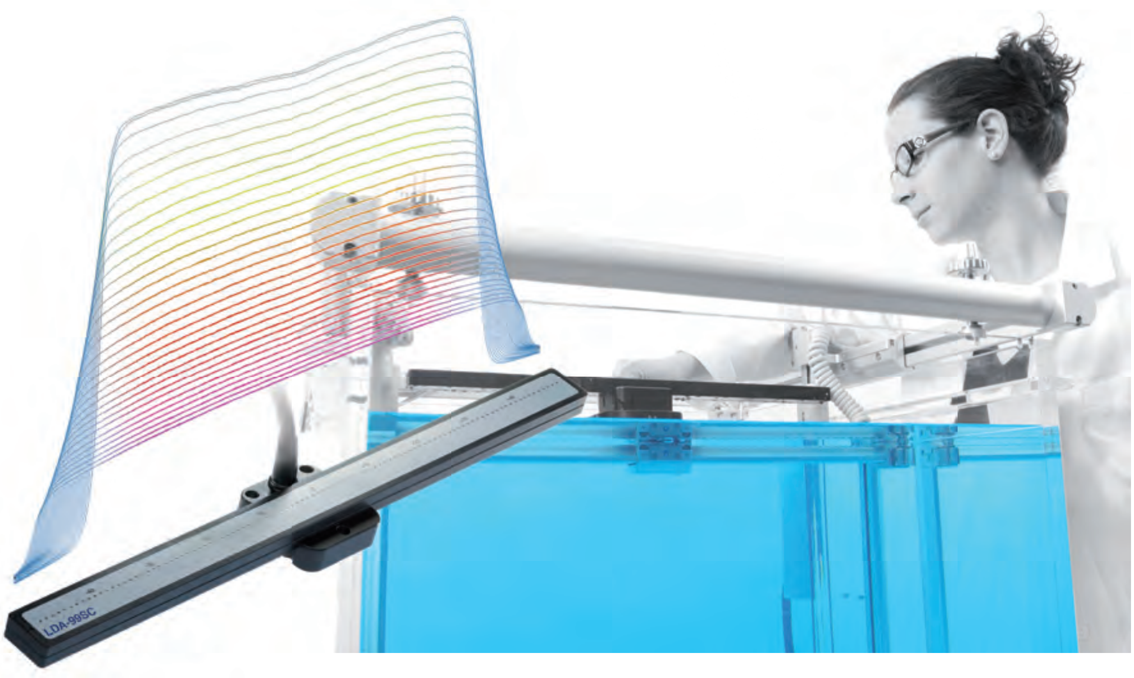
> The process of commissioning and testing three different treatment planning systems is very demanding(...). The IBA Dosimetry offers solutions that meet our needs. They provide a very solid calculation algorithm, require very simple input data and the commissioning process is very fast and easy to use.
>
> *Alberto Perez Medical Physicist, Hospital Universitario Virgen de la Victoria Málaga, Spain.*

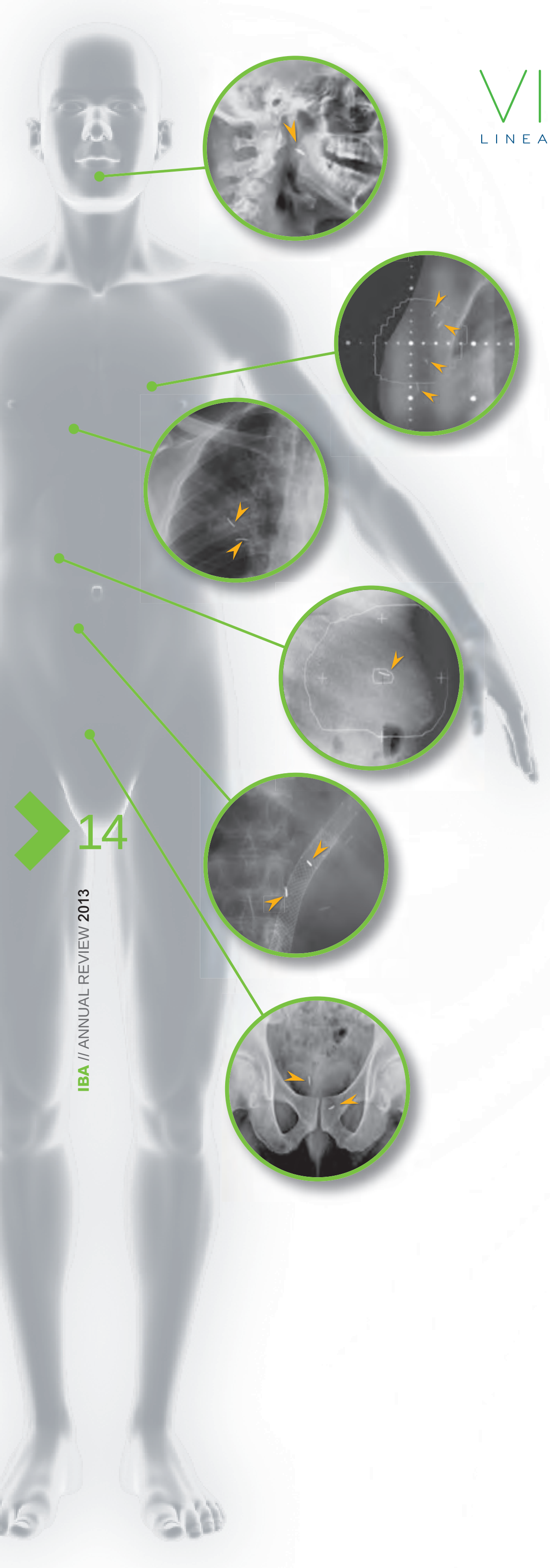
There are two main applications of the use of radiation for patients: during diagnosis aided by medical imaging (such as X-ray or computer tomography) and in cancer therapy (radiation therapy). In both applications, radiation is used to improve the outcome for the patient. However, radiation has to be applied wisely and carefully in order to both maximize the quality of the diagnosis and therapy, as well as minimize the associated risks. In medical imaging, the goal is generally to decrease to a minimum the imaging doses to the patient whilst maintaining good image quality. In radiation therapy, the goal is to focus high doses of cancer cell-killing radiation with pinpoint accuracy on the tumor mass whilst sparing the healthy tissues.

CONTINUOUS GROWTH

With over 10 000 users worldwide, IBA Dosimetry is the market leader in providing healthcare professionals with high-end quality assurance solutions to measure and analyze the imaging and treatment doses received by patients. With the healthcare market's increasing awareness of higher patient safety, the dosimetry and Quality Assurance (QA) segment will grow further, with single digit annual growth rates in developed markets and double digit growth in emerging markets. The accelerating trend of merging radiation therapy machines with imaging devices provides further synergies for IBA Dosimetry.

During 2013, the IBA Dosimetry International Competence Center (ICC) offered a variety of advanced dosimetry training programs at the highest level, enabling users to utilize high-end dosimetry equipment more efficiently and effectively maximize the safe and efficient use of their investments to the benefit of their patients.





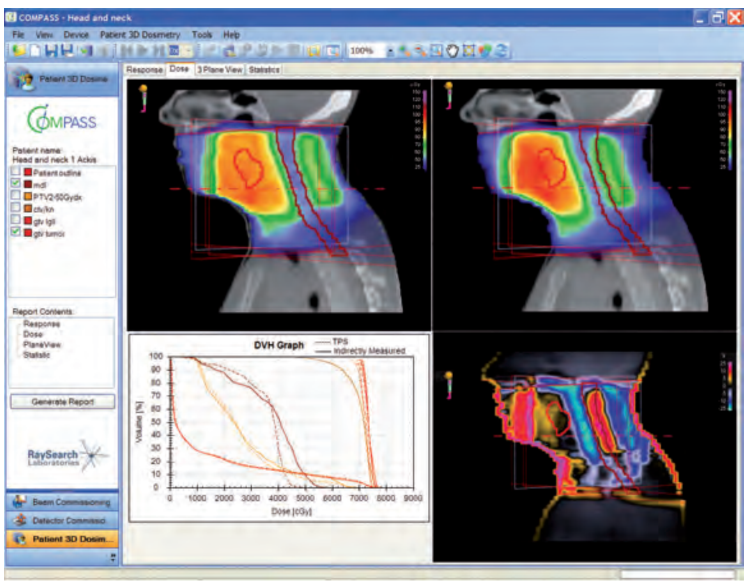
VISICOIL™
LINEAR FIDUCIAL MARKER

CONTINUOUS INNOVATION

In 2013, IBA Dosimetry introduced several product improvements:

- An extended version of the successful MatriXX to address patient treatment verification of new treatment technologies (high dose rate).
- A new release of Compass (3.0) that enables even faster and more accurate patient treatment verification in 3D anatomy.
- The replacement software for 2D patient verification has new functionalities that increase efficiency through an improved workflow and graphical user interface management.
- A new product extension to the VISICOIL product line, designed for safer and easier implantation in interventional radiology. This new product supports radiation oncologists in highly precise patient setup and dose delivery during radiation therapy.

COMPASS



> The safety provided by the IBA Dosimetry solutions COMPASS (…) has made it an indispensable tool in our clinical routine for patient plan verification.
>
> *Alberto Perez Medical Physicist,*
> *Hospital Universitario Virgen de la Victoria, Málaga, Spain.*

WHAT IS DOSIMETRY?

→ IBA Dosimetry offers a full range of innovative high-quality solutions and services that maximize efficiency and minimize risks in radiation therapy, medical imaging quality assurance and calibration procedures for patient safety.

PRINCIPAL PRODUCTS

COMPASS® is the first and most advanced solution that overcomes traditional phantom-based QA. In contrast, ***COMPASS®*** visualizes the exact dose distribution inside the patient body, enabling healthcare professionals to make clinical decisions on the safety and efficiency of a treatment even before the dose is delivered.

MagicMaX is the optimized solution for advanced beam verification and quality assurance in all x-ray imaging modalities; Radiography, Fluoroscopy, Dental, Mammography.

Visicoil is a coil marker implanted into the patient's tumor volume to enable pinpoint treatment dose targeting based on image guided patient setup (IGRT / IGPT). It minimizes imaging artifacts for more accurate delineation of the target volume and more precise dose delivery.

RADIOPHARMACY
A WORLDWIDE UNIQUE KNOW-HOW

> Thanks to IntegraLab's team, our PET center is fully GMP compliant for multiple production of FDG, F-Dopa, NaF and others. We also benefited from IBA's experience to obtain our FDG market authorization.
>
> *Dr. Geert Gommans*
> *Manager Department Nuclear Medicine/ Cyclotron MCA Alkmaar, The Netherlands.*

IBA has developed in-depth experience in setting up medical radiopharmaceutical production centers. Based on this longstanding expertise, the IBA RadioPharma Solutions team helps nuclear medicine departments in hospitals and radiopharmaceutical distribution centers to design, build and operate a radiopharmacy. Acquiring a cyclotron is indeed only the first step in the complex project of acquiring a fully-functional radiopharmacy capability, one that requires all components and auxiliary equipment to be integrated into a consistent and efficient radiopharmacy center.

AN EXCEPTIONAL YEAR FOR IBA RADIOPHARMA SOLUTIONS

2013 was a record year of sales for IBA RadioPharma Solutions division. IBA won important contracts in all regions (Asia, Europe, North America, Russia and the Middle East) confirming IBA's position as the leader in medium- and high-energy cyclotrons. Most of the cyclotrons sold were part of IBA's unique IntegraLab solution that combines equipment and services for setting up a radiopharmaceuticals production center. Moreover, IBA sold its Cyclone® 70 in the United States which will assure the year-round production of isotopes used in the diagnosis of cardiovascular diseases and other critical illnesses. IBA is the only company with the internal expertise required to successfully install a 70 MeV high energy cyclotron.

IBA RadioPharma Solutions has already installed 200 cyclotrons and 330 chemistry modules in the world. Over the last 5 years, IBA sold approximately 40% of the Mid Energy cyclotrons market. Growth perspectives for IBA in this segment are very positive in view of the increased demand for Positron Emission Tomography (PET) radiopharmaceuticals throughout the world, particularly in emerging countries.

IBA also continues to develop its leadership and differentiation through constant innovation. In 2013 the company marketed IntegraLab®ONE (a ready-to-run integrated radiopharmacy center), and continues to develop new molecules that can be produced on the Company's Synthera® chemistry module.

WHAT IS THE RADIOPHARMACY?

IBA RadioPharma Solutions supports hospitals and radiopharmaceutical distribution centers with their in-house radioisotopes production by providing them global solutions, from project design to the facility management. In addition to high-quality technology production equipment (cyclotrons, targetry systems, synthesizers, control systems,...), IBA has developed in-depth experience in setting up (c)GMP radiopharmaceuticals production centers.

PRINCIPAL PRODUCTS

IntegraLab® is a fully-integrated solution combining equipment and services for the establishment of radiopharmaceutical production centers. Amongst other services, IntegraLab® includes the building design, completion of full regulatory compliance, and the selection, integration, supply and installation of suitable high-technology equipment to match the customer's radioisotope production goals.

Synthera® is a multi-purpose automated synthesizer for the production of ^{18}F-FDG, other ^{18}F-labeled compounds (FCH, FLT, NaF) and radiopharmaceuticals. Synthera® is designed to accommodate a wide range of radiochemistries.

INDUSTRIAL ACCELERATORS

E-BEAM AND X-RAY STERILIZATION FOR MEDICAL DEVICES

> Purchasing the first Rhodotron® was a real challenge. It has been my best decision ever. IBA keeps on upgrading it whenever new developments are available.
>
> *Hans Hartmann,*
> *Managing Director de SynergyHealth.*

The IBA Industrial division exploits electron beams and focuses on two markets: the sterilization of single-use medical products and the improvement of the physical properties of polymers (crosslinking). IBA Industrial achieved excellent sales in 2013, particularly in Asian markets.

In the sterilization market, IBA launched Rhodotron DUO in 2013, a new configuration that allows its customers to sterilize medical devices either by X-ray treatment or by electron beam treatment. Rhodotron DUO aims to facilitate access to X-ray sterilization which is the technology of the future. In view of the unique characteristics of the Rhodotron, IBA Industrial has developed a strategy of differentiation both on a product level and in terms of its positioning as a systems integrator. Today IBA supplies more than 60% of installed power in the electron-beam sterilization equipment market and plans to break into other sterilization markets such as gamma ray and ethylene oxide sterilization. These new markets are now accessible thanks to an innovation patented in 2012 which enables Rhodotron® to cover a wider power range than competitors.

The polymer crosslinking market currently shows strong growth. For example, a growing number of automobile manufacturers are moving towards cables treated by electron beams that are both more compact and offer superior performance. IBA has captured a major share of this growth due to a global products and services offer.

WHAT ARE ACCELERATORS FOR THE INDUSTRY?

→ IBA Industrial, the world leader in electron accelerators, offers a unique range of E-beam and X-ray equipment and customized irradiation solutions aimed at many different applications, such as medical devices sterilization, polymer enhancement (crosslinking and degradation) or food pasteurization.

PRINCIPAL PRODUCTS

Rhodotron® and ***Dynamitron®*** set the industry standards for accelerators for medical device sterilization and polymer ionization.

HUMAN RESOURCES

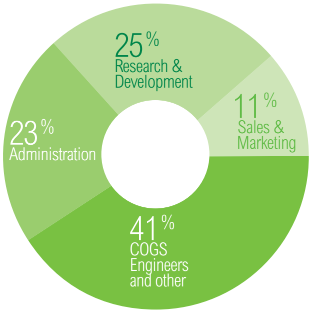
MEN AND WOMEN, KEY TO IBA SUCCESS

Technologies may change, but talent stays! The IBA workforce is the Company's primary resource and its principal competitive advantage. No other company in this sector of activities has such a high level of competence and experience, or such energy deployed in the fight against cancer. If today IBA is able to install a proton therapy room in a record time, it is because its people understand our advanced technologies perfectly. This understanding comes from professional teamwork, continuous training and experience accumulated over time. It is this expertise of IBA teams which makes the difference and enables us to supply customers with unrivalled technologies.

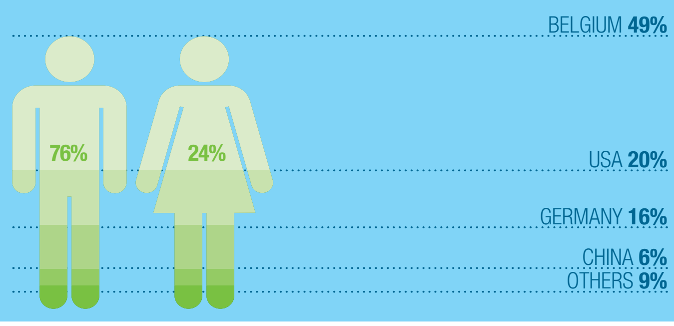
A STRONG ETHIC OF COOPERATION, PRODUCING CONTINUOUS INNOVATION

The IBA corporate culture facilitates employee's autonomy and a strong spirit of cooperation. Our true added value today lies in this multicultural collectivity composed of multiple and complementary expertises. This is why we offer our

EMPLOYEE ACTIVITY PROFILE



IBA EMPLOYEES WORLDWIDE



> Our experience with IBA has been excellent. The quality of the equipment has been wonderful. The people that they've had on board have been experts in their field, and they've done a wonderful job on maintaining our system and providing for a smooth operation.
>
> *Stuart Klein, MHA Executive Director. University of Florida Proton Therapy Institute.*

employees the possibility to be trained continuously as well as opportunities to evolve in the Company. This is also through the global structure and the synergies between our activities that our personnel is developing a spirit of collaboration for continuous innovation.

EMPLOYEES COMMITTED TO THE IBA MISSION

Another characteristic of IBA is the very high level of loyalty of its personnel. Many professionals join IBA and stay because they identify strongly with the Company's mission: the fight against cancer. The ability to feel passionate about one's work, with its technological challenges serving human needs, is the foundation of IBA workforce loyalty. Everyone in the Company shares the mission and develops their competencies to contribute towards it.

The year 2013 was pivotal as the Company completed the organizational changes initiated in 2012. This reorganization has enabled the Group to create a better alignment of its resources and a better understanding of its objectives.

FRÉDÉRIC NOLF

Group Vice-President Human Resources

POSITIVE WORKING ATMOSPHERE

IBA has introduced a range of initiatives to develop the wellbeing of its employees, such as healthcare programs and support for personnel sports activities. For several years, the Company has also provided training sessions on cancer through conferences, specialized brochures and the support of activities dedicated to the fight against cancer.
In addition IBA was awarded the title of "Best Woman Friendly Company" by the association of Belgian engineers. This is a warm recognition of IBA's focus on a mutually-respectful working atmosphere.

MANAGEMENT REPORT

Approved by the Board of Directors at its meeting of March 25, 2014.

HIGHLIGHTS OF THE YEAR

The main events of the 2013 financial year, further details of which are contained in the Management report, were as follows:

- Increasing profitability driven by gains from efficiency programs and growing importance of customer service activities, accounting for 26% of Proton Therapy and Other Accelerators revenue.
- The combination of Dosimetry and Service revenues (together representing 'non-project revenues') grew to 42% of total Group revenues in 2013.
- Backlog for PT and Other accelerators at year end of EUR 183.8 million (2012: EUR 243.9 million), with a substantial pipeline under discussion.
- Final contract signed with Westdeutsches Protonentherapiezentrum Essen GmbH (WPE) settling all outstanding disputes, under which IBA has secured a long-term operations and maintenance contract under standard commercial terms.
- Other legacies addressed:
    - Trento loan (EUR 30 million) fully reimbursed in third quarter
    - Sale of Cisbio Bioassays business to Argos Soditic completed in November
    - Agreement reached with SK Capital Partners in December to settle outstanding disputes regarding IBA Molecular
    - Sale of the assets in PharmaLogic completed
- Continuing significant interest in IBA's smaller, more affordable proton therapy system, Proteus® *ONE**.
- Increasing deployment of Pencil Beam Scanning (PBS) to the installed base, enabling millimeter precision when treating cancer.
- Guidance for 2014 confirmed: 5-10% top line growth with 10% operating profit.

The key figures in terms of financial results are as follows:

- Top line impacted by FX and slowdown in US radiotherapy market for Dosimetry, as well as low conversion rate of PT projects, but largely mitigated by an increase of more than 47% in PT services to the growing installed base.
- Operating margins rose to 8.6%, in line with reaching target EBIT margin of 10% in 2014.
- Reported net profit before technical recycling of currency translation adjustment to income statement further to liquidation of a dormant Swedish entity (IAS 21.48 - neutral on equity variation year on year) reached EUR 6.1 million, despite costs of settlement with IBA Molecular majority shareholder.
- The recycling of the Currency Translation Adjustment results in a reclassification from the category "cumulative translation difference" to "retained earnings" via the Income Statement for an amount of EUR 7.1 million and therefore the company reports a technical net loss of EUR 1.1 million. This reclassification has no influence on the total equity of the Company which has been reinforced during the year from EUR 57.7 million to EUR 67.2 million at year end.
- Net debt of EUR 18.1 million at year end versus EUR 58.0 million in June 2013, mostly following receipt of repayment of Trento loan facility and sale of Bioassays.

**Proteus® ONE is the brand name of a new configuration of the Proteus® 235, including some new developments subject to review by Competent Authorities (FDA, European Notified Bodies, et al.) before marketing.*

REVIEW OF IBA ACTIVITY SECTORS

Following completion of the partial sale of the Radiopharmaceuticals business in 2012 and the decision to sell the Cisbio Bioassays business, the PHARMA segment as constituted in previous years no longer exists. As only the EQUIPMENT segment remains, covering Proton therapy, Particle accelerators and Dosimetry, the Board of Directors has decided that reporting will now be based on 2 new segments: the "Proton therapy and Particle accelerators" segment on the one hand and the "Dosimetry" segment on the other.

THE PROTON THERAPY AND PARTICLE ACCELERATORS SEGMENT COVERS:

Proton therapy

which offers turnkey solutions for a more precise treatment of cancer, with fewer side effects, through the use of proton beams.

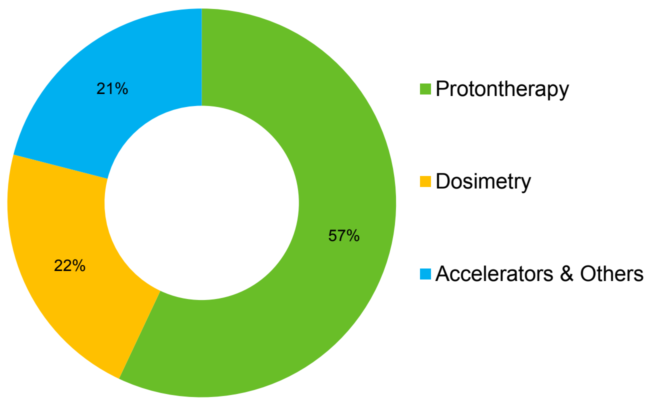
Particle accelerators

which offer a line of cyclotrons used for the production of PET or SPECT radioisotopes and a line of industrial accelerators for sterilization and ionization (E-beam and Rhodotron® and Dynamitron® types of X-ray).

THE DOSIMETRY SEGMENT

Dosimetry offers measurement and quality assurance instruments for radiotherapy and medical imaging, enabling healthcare professionals to verify that equipment administers the planned dose to the targeted area.

BREAKDOWN OF CONSOLIDATED TURNOVER BY ACTIVITY



PROTON THERAPY AND PARTICLE ACCELERATORS

	FY 2012 (EUR 000)	FY 2013 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**172 204**	**166 589**	**-5 615**	**-3.3%**
- Proton therapy	133 213	121 202	-12 011	-9.0%
- Other accelerators	38 991	45 387	6 396	16.4%
REBITDA	**12 402**	**15 320**	**2 918**	**23.5%**
% of Sales	*7.2%*	*9.2%*		
REBIT	**9 148**	**11 644**	**2 496**	**27.3%**
% of Sales	*5.3%*	*7.0%*		

Service revenues in the Proton Therapy and Other Accelerators division grew from 20% to 26% of total segment revenues mostly driven by the increase in the installed base.

Through the growing importance of the service revenues and the gains from the efficiency programs, we were able to generate strong growth in REBIT (up 27.3%) despite the lower level of Group revenues.

Proton Therapy

During 2013, we experienced a low conversion rate of the proton therapy (PT) order book, primarily due to customer production planning. This became evident during the first half of the year (PT sales down 14.4% in first half of the year), and whilst there was significant improvement during second half of the year, we were able only to partially catch up and thus we ended the year with negative growth of 9%.

Proton therapy remains a very exciting growth market. Regrettably, the number of cancer cases around the world continues to rise and our expectation is that the number of these cases treated by radiotherapy will double over the next ten years. We also expect that the share of indications for which proton therapy is recommended will increase significantly in the coming years and that there will be a commensurately strong increase in demand for proton therapy rooms.

This trend should become mainstream with Proteus®*ONE*, the compact single-room solution which is smaller, more affordable, easier to install, easier to operate and ultimately easier to finance. With Proteus®*ONE*, proton therapy becomes possible for more patients worldwide.

Interest for Proteus®*ONE* continued to grow in 2013. IBA has already sold three Proteus®*ONE* systems: in Shreveport (USA), Nice (France) and Taiwan (China). In June 2013, at IBA's annual proton therapy users conference, 60 radiation therapy leaders from 15 countries gathered in Belgium for an exclusive in-factory demonstration of Proteus®*ONE*. This visit, together with the quality of the participants attending, underlines the significant interest that the worldwide radiation therapy community is now taking in proton therapy.

From a technology standpoint, major milestones were achieved in the development of Proteus®*ONE* in 2013. IBA submitted all necessary documentation on its compact proton therapy gantry to the US Food and Drug Administration (FDA) for marketing authorization and shipped and tested it at the Willis-Knighton Cancer Center in Louisiana. In addition, IBA has also accelerated and extracted a proton beam from its compact Synchrocyclotron, to levels suitable for use in Pencil Beam Scanning (PBS) technologies.

Another factor that is expected to accelerate the adoption of proton therapy is the growing number of clinical studies which are establishing the superiority of this treatment mode in an increasing number of cancer indications. While proton therapy today represents less than 1% of radiotherapy treatments, studies – such as the report by the Nederlands Gezondheidsraad (Netherlands Health Council) – estimate that more than 17% of patients treated by radiotherapy would benefit from being treated by this technique.

IBA assists its clinical partners in the setting up of these clinical studies, developing and distributing protocols for new indications such as lung, breast and pancreatic cancer. IBA also helps distribute educational information to doctors and patients through the support of foundations, educational platforms and other patient associations. In co-operation with academic partners such as U-Penn, IBA has built training and clinical certification academies in 2013.

The growing knowledge of the clinical advantages of proton therapy has led to increasing levels of international governmental investment in this technology. By way of example, the governments of the United Kingdom and the Netherlands have stated that they recognize the medical value of this treatment modality and that they intend to invest substantial amounts in PT equipment. As a consequence, several public tenders have been launched in these two countries in the course of 2013 that should materialize in business opportunities in the coming years.

Proton therapy is IBA's principal source of growth for the future and it is a market in which the Company is the uncontested global leader. More than half of the worldwide proton therapy market in use today has been manufactured by IBA and over 25,000 patients around the world have been treated on IBA equipment, more than on all major competitor installations combined.

During 2013, IBA continued to demonstrate its capacity to accelerate the pace at which newly constructed proton therapy centers are ready to treat patients, thereby reducing the technological and financial risk for the stakeholders. In the first half of the year, IBA was able to install a clinically functioning cyclotron, beam line and the first state-of-the art treatment room at the ProCure Proton Therapy Center in Seattle and in the Provision Center for Proton Therapy in Knoxville, USA at an accelerated pace of just twelve months from the delivery of the building, an unrivalled time delivery period.

IBA also demonstrated its leadership in new technology deployment during 2013. Almost all proton therapy centers currently built by IBA are about to be equipped with the Company's unique IMPT technology, Pencil Beam Scanning (PBS). Ten centers benefit already from the PBS technology and seven further centers will be equipped in the coming months. PBS technology enables millimeter precision allowing for the proton dose to be delivered with very high levels of conformity and dose uniformity, even in complex-shaped tumors.

In order to optimize treatment precision, IBA develops innovative solutions with its partners for image- and dose-guided proton therapy. In November 2013, IBA received marketing authorization from the US Food and Drug Administration (FDA) for its imaging software. This new solution will enable the development of future specific image-guided proton therapy (IGPT) solutions. The final goal of these techniques is to have, in real time, a very precise view of the tumor location and its immediate environment in order to fully leverage the precision of proton beam therapy.

To maintain its technological market leadership, IBA has continued to invest in research and development.

Other Accelerators

The Other Accelerators division delivered excellent growth during 2013, with revenues rising by 16.4% over the year. We also saw high order intake during the year which gives good visibility for a promising 2014.

Radiopharmacy Equipment

IBA has developed in-depth experience in setting up medical radiopharmaceutical production centers around the world. Based on this longstanding expertise, the IBA Radiopharma Solutions team helps nuclear medicine departments in hospitals and radiopharmaceutical distribution centers to design, build and operate a radiopharmacy. Acquiring a cyclotron is only the first step in the complex project of acquiring a fully functional radiopharmacy capability, one that requires all components and auxiliary equipment to be integrated into a consistent and efficient radiopharmacy center.

Due to its unique in-house expertise in the radiopharmaceutical market, 2013 has been a record sales year for IBA Radiopharma Solutions division. IBA has won important contracts in all regions, confirming its position as the global leader in medium and high energy cyclotrons. For example, IBA sold its Cyclone® 70 in the United States enabling the provision of year-round production of isotopes used in the diagnosis of cardiovascular diseases and other critical illnesses. IBA is the only company that proved its ability to provide the expertise and success with a 70 MeV high energy Cyclotron.

IBA RadioPharma Solutions has already installed 200 cyclotrons and 330 chemistry modules in the world. Over the last 5 years, IBA sold approximately 40% of the Mid Energy cyclotrons market. IBA expects to grow in this segment, with increased demand for Positron Emission Tomography (PET) radiopharmaceuticals throughout the world, particularly in emerging countries.

IBA also continues to develop its leadership and differentiation in the market through constant innovation. During 2013, the Company developed IntegraLab® *ONE*, a ready-to-run integrated radiopharmacy center, and open its chemistry module Synthera® to new molecules.

Industrial Accelerators

IBA's Industrial Accelerators division supplies electron beams and focuses on two markets: the sterilization of single-use medical products and the improvement of the physical properties of polymers (crosslinking). IBA Industrial is the leader with more than 50% market share over the last 5 years.

In the sterilization market, IBA launched a new configuration in 2013, the Rhodotron DUO, which allows customers to sterilize medical devices either by X-ray or by electron beam treatment.

Due to the unique characteristics of the Rhodotron DUO, IBA has developed a strategy of differentiation, both on a product level and in terms of integrator services. Today, IBA supplies more than 90% of installed power in the electron-beam sterilization equipment market and plans to break into other sterilization markets such as gamma ray and ethylene oxide sterilization. These new markets are now accessible thanks to an innovation patented in 2012 which enables Rhodotron® to cover a wider power range not achievable by any of IBA's competitors.

Multiple opportunities also exist for the IBA industrial accelerators technology outside the medical devices market. In the US, for example, a growing number of automobile manufacturers are moving towards cables treated by electron beams that are both more compact and offer superior performance. IBA has captured a major share of this growth due to a global services offer and the recent development of its easy-e-beam accelerator which meets the specific needs of the automobile industry.

DOSIMETRY

	FY 2012 (EUR 000)	FY 2013 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**48 902**	**45 923**	**-2 979**	**-6.1%**
- Dosimetry	48 902	45 923	-2 979	
REBITDA	**8 023**	**7 423**	**-600**	**-7.5%**
% of Sales	*16.4%*	*16.2%*		
REBIT	**7 668**	**6 715**	**-953**	**-12.4%**
% of Sales	*15.7%*	*14.6%*		

Uncertainties in the US medical devices market and weakness in the US dollar to EUR exchange rate led to a decline in Dosimetry revenues (-6.1%) during 2013. However, we noticed signs of a rebound in the order intake in the fourth quarter and the backlog increased to EUR 12.7 million (+EUR 2.8 million vs 2012).

REBITDA stayed almost stable compared to last year in percentage terms despite lower revenues.

With over 10 000 users worldwide, IBA Dosimetry is the market leader in providing healthcare professionals with high-end quality assurance solutions to measure and analyze the imaging and radiation treatment doses received by patients.

There are two main applications of the use of radiation for patients: during diagnosis aided by medical imaging (such as X-ray or computer tomography) and in cancer therapy (radiotherapy). In both applications, radiation is used to improve the outcome for the patient. However, radiation has to be applied wisely and carefully in order to both maximize the quality of the diagnosis and therapy, as well as minimize the associated risks. In medical imaging, the goal is generally to decrease to a minimum the imaging doses to the patient whilst maintaining good image quality. In radiotherapy, the goal is to focus high doses of cancer cell-killing radiation with pinpoint accuracy on the tumor mass whilst sparing the healthy tissues.

With the healthcare market's increasing awareness of the need for patient safety, the Dosimetry and Quality Assurance (QA) segments are expected to experience good growth in the coming years, with single digit annual growth rates anticipated in developed markets and double digit growth in emerging markets. The accelerating trend of merging radiation therapy machines with imaging devices provides further synergies for IBA Dosimetry.

During 2013, the IBA Dosimetry International Competence Center (ICC) offered a variety of advanced dosimetry training programs, enabling users to maximize the safe and efficient use of their investments to the benefit of their patients.

IBA Dosimetry also introduced a number of product improvements:

- An extended version of the successful MatriXX to address patient treatment verification of new treatment technologies (high dose rate).
- A new release of Compass (3.0) that enables even faster and more accurate patient treatment verification in 3D anatomy.
- The replacement software for 2D patient verification has new functionalities that increase efficiency through an improved workflow and graphical user interface management.
- A new product extension to the VISICOIL product line, designed for safer and easier implantation in interventional radiology. This new product subsequently supports radiation oncologists in highly precise patient set-up and dose delivery during radiation therapy.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

INCOME STATEMENT

IBA reported a 3.9% decrease in revenues to EUR 212.5 million during 2013 (2012: EUR 221.1 million), driven by FX and a slowdown in the US radiotherapy market for Dosimetry, as well as low conversion rate of PT projects. However, this was mitigated by an increase of more than 47% in PT service-based revenues provided to the growing installed base.

Some changes in the allocation of costs between COGS and OPEX relating to the implementation of a new accounting and operational information system (integrated ERP) have altered the comparison between 2013 and 2012. A total of EUR 3.7 million has shifted from COGS to OPEX G&A, which explains the increase of EUR 3.1 million in G&A from 2012 to 2013 despite the cost reduction plan implemented in the Company. Adjusted for this impact, G&A would have decreased by 1.9%.

Recurring operating profits before interest and taxes (REBIT) continued to improve compared with 2012, due to the growth in service revenues (+27.6%) and benefits from the implementation of the Company's productivity and efficiency programme. The Company's REBIT increased 9.2% in 2013 from EUR 16.8 million in 2012 to EUR 18.4 million in 2013 despite the decrease of 3.9% in revenues.

Non-recurring events, mostly relating to the Essen project litigation, SK Capital transaction, sale of Bioassays and restructuring expenses, have led to a net profit of EUR 6.1 million, before the impact of the recycling of CTA into the income statement further to the liquidation of IBA Mediflash Holding.

The recycling of the CTA results in a reclassification from the category "cumulative translation difference" to "retained earnings" via the Income Statement following the closing down of the dormant holding company in Sweden for an amount of EUR 7.1 million. This reclassification has no influence on the total equity of the Company which increased during the year from EUR 57.7 million to EUR 67.2 million at year end.

The Board of Directors intends to recommend to the General Assembly that no dividend be paid in respect of 2013 in order to contribute to reinforce the equity of the group that will be needed to face the growth expected in Proton therapy in the coming years.

Operating cash flow during 2013 amounted to EUR 6.8 million. This was a substantial improvement versus the negative EUR 30.7 million in 2012, mainly due to the payment received from the PT customer in Trento to cover the reimbursement of the supplier's credit facility. Cash flow from investing was positive at EUR 5.9 million, due to the net EUR 13.1 million received for the sale of Bioassays in the second half of 2013.

Net debt at the year-end was EUR 18.1 million, down from EUR 58.0 million at mid-year. During the year, IBA repaid in full its EUR 31.5 million bank loan related to the Trento project (installation of the first PT treatment room) in Italy and repaid EUR 2.5 million of its loan to the EIB. In first semester 2013, the SRIW (investment fund of the Walloon Region) also increased by EUR 10 million its subordinated loan on top of the already outstanding EUR 10 million since 2012.

CONSOLIDATED BALANCE SHEET AND FINANCIAL STRUCTURE

The balance sheet items relating to businesses intended for sale are aggregated in the consolidated balance sheet at the end of 2012 and 2013 in the lines assets held for sale and liabilities directly associated with assets held for sale. These are mainly assets and liabilities relating to the Cisbio Bioassays business and PharmaLogic in 2012 and PharmaLogic in 2013.

Non-current assets decreased by EUR 1.3 million during the 2013 financial year, essentially due to the combined effects of:

- the increase of deferred tax assets and investments accounted for using the equity method;

- the decrease of tangible fixed assets and the other long-term receivables.

Goodwill at the end of 2013 (EUR 3.8 million) remained practically unchanged and related to the Dosimetry business.

Intangible fixed assets (EUR 9.1 million) and tangible fixed assets (EUR 7.7 million) decreased by a total of EUR 2.4 million. The change during the year is mainly attributable to the sale of the building in Long Island.

Companies accounted for using the equity method and other investments increased by EUR 4.5 million, thanks to the revaluation of the contingent loan with Rose Holding SARL, the investment vehicle established under the SK agreement, and totaling EUR 36.2 million at the end of 2013. It is to be noted that the assets associated with the development of new PET (Positron Emission Tomography) molecules were totally impaired.

Deferred tax assets increased by EUR 4.4 million and represent recoverable losses on future earnings, essentially on the entity IBA SA and American entities, amounting to EUR 15.9 million and temporary difference on the American and Chinese entities, amounting to EUR 2.1 million.

Other long-term assets decreased by EUR 7.9 million to EUR 18.3 million. This change is essentially attributable to the write off of a long-term receivable amounting to EUR 8.9 million associated with the agreement with SK Capital Partners, the transfer to short term of a subordinated bond of EUR 4.7 million, payment of interest to be received on the Trento proton therapy project of 4.9 million, the recognition of deferred remuneration elements related to the sale of the Cisbio Bioassays business amounting to EUR 6.3 million and the recognition of a loan to a third party investment for EUR 3.8 million.

Current assets amount to EUR 188.4 million at the end of 2013. The large decrease of EUR 103.2 million compared with 2012 results from EUR 33.2 million from completion of the sale of the Cisbio Bioassays business and EUR 70 million from other decreases.

Out of the decrease of EUR 11.2 million in inventories and orders in progress, EUR 17.1 million was attributable to projects in the course of manufacture compensated by the increase of EUR 6.1million of raw materials, finished product and consumables.

Trade receivables decreased by EUR 7.9 million, EUR 2.9 million of which was attributable to the payments received from receivables on hospitals in Spain and Italy that were sold to the Group under the partial sale of the Radiopharmaceutical business and EUR 5.0 million related to the regular business of the Group.

The decrease of EUR 38.7 million in other receivables related mainly to the reclassification from other short-term liabilities of down payments received on a proton therapy contract and for which the related receivable has not been derecognized for EUR 36.0 million.

At the end of 2013, available-for-sale assets amount to EUR 3.2 million and concern PharmaLogic and IBA Radioisotopes France SAS. The EUR 35.3 million at the end of 2012 related primarily to Cisbio Bioassays business, IBA Radioisotopes France SAS and to the company PharmaLogic.

Non-current liabilities decreased by EUR 7.0 million compared with the end of 2012 to EUR 53 million at the end of 2013. This change is mainly attributable to the following factors:

- Long-term debts increased by EUR 5.1 million, essentially due to the granting by SRIW of a EUR 10 million subordinated loan on top of the already outstanding EUR 10 million granted in 2012 and the reclassification to short- term debt of the EIB loan amounting to EUR 5.0 million corresponding to the amortization payable at less than one year. At the end of 2013, long-term debts amounted to EUR 41.9 million, comprising EUR 21.3 million relating to the loan from the European Investment Bank, EUR 20 million for the SRIW loan and the balance of EUR 0.6 million made up of long-term debts relating to financial leases.
- Long-term provisions decreased by EUR 9.7 million, mainly due to reclassification to short-term provisions and reversal of decommissioning provisions for the site of Gent.
- The decrease of EUR 0.6 million in other long-term debts results from the transfer to short-term debt of the majority of the debts resulting from recoverable loans granted by the Walloon Region

to finance research and development, especially into proton therapy, which are repayable based on a percentage of annual revenues.

Current liabilities decreased by EUR 107.1 million to EUR 161.5 million. The following elements are to be noted:

- Short-term provisions, which amounted to EUR 21.2 million at the end of 2013, decreased by EUR 25.7 million, mainly due to flows on provisions related to the dispute with the proton therapy client WPE ("Essen" project) described later in this report and on provisions related to the settlement for outstanding claims and counterclaims regarding IBA Molecular. .
- Short-term debts of EUR 5.2 million at the end of 2013 include the short-term portion of the loan from the European Investment Bank for EUR 5 million and the short-term portion of financial lease obligations for EUR 0.2 million.
- Other short-term debts at the end of 2013 amount to EUR 102.6 million which represent a decrease of EUR 25.1 million compared to 2012. This decrease is mainly explained by the decrease of down payments received on a proton therapy contract for EUR 36.0 million partially compensated by the increase of contractual advance payments received for proton therapy orders for EUR 10.8 million.
- Available-for-sale liabilities at the end of 2013 amount to EUR 0.3 million and are related to IBA Radioisotopes France SAS. The EUR 11.5 million at the end of 2012 was mainly related to Cisbio Bioassays business and IBA Radioisotopes France SAS.

The Group's cash and cash equivalents decreased by EUR 13.6 million in 2013, mainly due to EUR 15 million cash-out related to SK obligation, EUR 11.7 million cash-out for working capital adjustments related to proton therapy partially offset by the cash-in of EUR 13.1 million from the sale of Cisbio Bioassays business.

Net debt at year end was EUR 18.1 million, down compared to EUR 28.0 million at the end of the previous year. In addition, during the second half of the year, IBA repaid the long-term loan (fabrication credit) related to the financing of a proton therapy project and continued to repay the long-term loan from the European Investment Bank.

RESEARCH AND DEVELOPMENT

Research and development expenses related to the Group's businesses amounted to EUR 24.4 million in 2013 less EUR -1.35 million of research tax credit for which provisions were made and EUR 1.43 million relating to the development of new molecules in collaboration with SK Capital and recognized in the "share of the (profit)/loss of entities accounted for by the equity method".

Corrected for these amounts, actual research and development expenses amounted to EUR 25.83 million (12% of sales).

At IBA, research and development expenses are recognized directly in the income statement. These significant investments enable the Company to remain among the world leaders in all the markets in which it operates.

CAPITAL STOCK INCREASES AND RIGHTS ISSUES

In the course of 2013, the Board of Directors carried out one capital increase with waiver of the shareholders' preemptive right in the framework of the authorized capital.

In April 2013, IBA offered 125 000 shares for subscription to Group staff members. As recorded by notarial deed on July 11, 2013, of the 125 000 new shares offered for subscription, 10 231 were subscribed at a price of EUR 5.04 per share. The shares offered for subscription were registered IBA shares (with no VVPR strips) and enjoyment granted as from 2013. They were offered at a subscription price equal to the average market price for 30 days prior to the offer, less a discount of 16.67%. The shares may not be sold for three years as from the end of the subscription period.

In 2013, no stock options were granted nor offered for subscription.

REPURCHASE OF OWN SHARES (ART. 624 C)

IBA SA did not repurchase any of its stock in 2013. At December 31, 2013, IBA SA held 75 637 of its own shares.

IBA SA STATUTORY ACCOUNTS AND APPROPRIATION OF NET PROFIT (LOSS)

Sales and services by Ion Beam Applications SA for the 2013 financial year went down from EUR 212.0 million in 2012 to EUR 196.0 million, i.e. a decrease of 8.0%. This decrease in revenues is due in particular to the percentage of completion on contracts in progress.

Income from operations, which showed a loss of EUR 1 million in 2012, went up to a profit of 27 million, despite the decrease of sales. This is due to improved operational margins but also due to the fact that Belgian accounting policies were modified in order to amortize research and development costs over 3 years, whereas they were previously amortized over 1 year. This had a positive impact of nearly EUR 13 million on 2013 income from operations.

The Company posted a profit before tax of EUR 23.3 million, compared to a loss of EUR 25 million in 2012. The 2012 loss was mainly due to the impacts of the sale of the Pharma business and additional charges related to the continuation of operations on the proton therapy site in Essen, Germany pending full resolution of the dispute between the Company and its client WPE. In addition to the impacts described above, the current year profit was improved drastically (EUR 11.4 million) by the impacts of the liquidation of the IBA's Swedish subsidiary Mediflash Holding AB and the resulting acquisition revalued at fair value of the shares in IBA's fully owned subsidiary Dosimetry GmbH.

In accordance with article 96.6 of the Company Code, the Board of Directors is of the opinion that despite the losses carried forward for the past two financial years, the financial statements have been prepared based on the going concern principle. These past losses are attributable to non-recurring losses on a protontherapy contract and to the sale by IBA of its majority share in the pharmaceutical business.

The operational perspectives of IBA remain positive and in addition, the Board of Directors is of the opinion that IBA will honor its bank covenants in 2014.

At the end of 2013, the Company had six branches in Prague, Czech Republic; Orsay, France; Krakow, Poland; Trento, Italy; Seoul, South Korea; and Uppsala, Sweden. The branches were established as part of the Proton therapy business.

CONFLICTS OF INTEREST

BOARD MEETING OF MAY 7, 2013,

being called on to decide on approval of the employee share plan offering IBA shares for subscription to staff members of IBA SA and its Belgian subsidiaries, triggered application of the procedure governing directors' conflict of interests as defined in article 523 of the Belgian Companies Act. This conflict of interests concerns the managing directors in their capacity as beneficiaries of the said plan. "The directors affected by the conflict of interests decide not to participate in the deliberations relating to the proposals on the agenda, nor to take part in the vote. After deliberation, the Board unanimously approves the terms of the employee share plan offering IBA shares for subscription to staff members of IBA SA and its Belgian subsidiaries and the terms of the special Board report drawn up pursuant to article 596 of the Belgian Companies Code. The Board decision was then notified to the managing directors."

COMPETENCE AND INDEPENDENCE OF MEMBERS OF THE AUDIT COMMITTEE

In accordance with article 96, paragraph 9, of the Belgian Companies Code, IBA Board of Directors reports that Yves Windelincx, Chairman of the Audit Committee and Board member since 2010, was formerly the CEO and executive committee chairman of Ducroire, a group specializing in export credit insurance. As such, he participated in many Audit Committees and was responsible for analyzing and managing the insurance and financing of large, high-risk projects. Mr. Windelincx is an outside director of various other companies, including Besix until June 2013, Desmet Engineers and Contractors, Balteau, Concordia, and the Foreign Trade Agency. He is also the chairman of the Audit Committee of one of these companies. Mr. Windelincx no longer has executive responsibilities at any company.

In accordance with article 96, paragraph 9, of the Belgian Companies Code, IBA Board of Directors reports as well that Ms Kathleen Vandeweyer, member of the Audit Committee and Board member since 2013, is CFO of Worldline SA/NV, an Atos company. As such, she participates in many Audit Committees and is responsible for the overall financial management of Worldline, including the establishing of statutory accounts, tax management, treasury management and financial controlling of operations. Mrs. Vandeweyer has no executive responsibility at any other company.

SIGNIFICANT ACQUISITIONS AND DIVESTMENTS IN 2013

On November 18, 2013, IBA announces the closing of the sale of 100% of its business Cisbio Bioassays. This closing has led to a payment to IBA of EUR 16.3 million. In addition, the contract includes an earn out of EUR 1 million based on Cisbio Bioassays' full year 2013 consolidated results, an earn out of EUR 1.4 million if and when certain long term receivables are collected (expected in 2015) and a vendor loan of EUR 7.5 million repayable over a maximum of seven years based on an allocation of 60% of the EBIT above a certain threshold. The vendor loan will accrue interest at market conditions. Any unpaid balance after seven years is lost.

PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY

Besides the risks to which all industrial companies are exposed, a list of significant risk factors specific to IBA's activities is described below. This list does not claim to be exhaustive.

AUTHORIZATIONS

Some IBA products and devices cannot be marketed without regulatory approval or registration as medical devices or pharmaceutical products. Such authorization is necessary in each country where IBA wishes to market a product or device. At the end of 2013 IBA was authorized to market its particle therapy devices in the United States (FDA), the European Union (LRQA), Australia (TGA), China (SDA), Russia (Gost-R) and South Korea (KFDA). Authorizations may always be revoked. Moreover, as IBA's equipment evolves technologically, further authorizations are required. This is particularly the case for *Proteus*®***ONE*** currently under development.

TECHNOLOGY RISKS

The Company continues to invest heavily in research and development and cannot overlook the possibility that one of its prototypes or new molecules may not be commercially viable or may become obsolete during its development because of competing technological development.

REIMBURSEMENT OF HEALTHCARE

The subsidization by healthcare reimbursement institutions of costs for diagnostics by PET (Positron Emission Tomography) scans or SPECT (Single Photon Emission Computed Tomography) scans – or for the treatment of certain diseases for which equipment made by IBA is directly or indirectly involved – is subject to review. The healthcare reimbursement policies of these organizations will in turn influence the volume of orders that IBA obtains. These subsidies from reimbursement institutions differ greatly from one country to another.

INSURANCE COVERAGE FOR DELIVERED PRODUCTS AND THOSE IN THE PIPELINE

The use of products made by IBA may expose the Company to certain liability lawsuits. IBA maintains insurance to protect itself in the event of damages arising from a product liability lawsuit or from the use of its products. In a country such as the United States, where the slightest incident may result in major lawsuits, there is always a risk that a patient who is dissatisfied with services received by products delivered by IBA may initiate legal action against it. The Company cannot guarantee that its insurance coverage will always be sufficient to protect it from such risks or that it will always be possible to obtain coverage for such risks.

FOREIGN EXCHANGE RISKS

The Company is exposed to foreign exchange risks when it signs certain contracts in foreign currencies or when it invests abroad. To the fullest extent possible, the Company employs the financial instruments necessary to limit its exposure to these risks. The Company's financial risk management objectives and policy, as well as its policies on price, liquidity and cash flow risk are described in greater detail in the notes to the consolidated financial statements in this report.

ASSET DEPRECIATION RISKS

IBA invests in companies whose business sector is complementary to its own. In most cases, these are recently established companies in innovative sectors. IBA cannot guarantee that all of these investments will be profitable in the future or that some projects will not be purely and simply terminated. In certain cases, IBA also invests its surplus cash in very liquid and highly rated financial instruments but cannot however, predict sudden changes in these ratings or market modifications leading to the loss of this liquidity.

DECOMMISSIONING RISK

IBA has one facility with a working cyclotron. In this context, it is committed to providing the means to reinstate the site on which it conducts its operations. Under the sale of its Radiopharmaceutical business, IBA has also retained liability for 5 years if the funds ring- fenced to cover the decommissioning of the facilities at Saclay in France prove to be less than the discounted provision over a period running to 2021 or 2042 depending on the case. The risks result on the one hand from a possible change in the interest rate used in the discount calculation (TEC30) and on the hand from the yield that will be obtained on the assets entrusted to an independent asset management company.

DEPENDENCE ON CERTAIN MEMBERS OF STAFF

Since IBA was established, the number of highly qualified persons employed by the Company has significantly increased. However, it is possible that the defection of certain key employees possessing specific expertise could, for a short time, affect one of the Company's activities.

DEPENDENCY ON A SPECIFIC CUSTOMER OR A LIMITED NUMBER OF ORDERS

In general, IBA's customers are diversified and located on several continents. The Company depends each year on a number of orders, particularly for its proton therapy systems that are executed over several financial years. The receipt of one additional order or one less order, or changes in an order that were not anticipated at the beginning of the year, are characteristics of this field of business which can have a significant impact over several accounting periods. On the other hand, the lead time for fulfilling orders gives the Company a good view of its level of activity several months in advance.

INTELLECTUAL PROPERTY (PATENTS)

The Company holds intellectual property rights. Some of these rights are generated by employee or production process knowhow and are not protected by patents. The Company has filed patents but it cannot guarantee that these patents are broad enough to protect the Company's intellectual property rights and prevent its competitors from gaining access to similar technologies. The Company cannot guarantee that the defection of certain employees will not have a negative impact on its intellectual property rights.

COMPETITION AND RISK OF RAPID PRODUCT OBSOLESCENCE

Currently, IBA has no direct competitor covering all the markets in which it is present. However in certain markets, it is competing against some of the world's largest corporations. These corporations have highly developed sales and marketing networks and more importantly, extensive financial resources beyond comparison with those of IBA. Furthermore, there is always the possibility that a new technology – notably a revolutionary therapy in the treatment of cancer that would render a part of IBA's current product line obsolete – could be developed.

The development and marketing of a new therapy does nevertheless require a relatively long period of time.

PENALTIES AND WARRANTIES

Some contracts may contain warranties or penalties which generally represent only a few percent of the amount of the contract in the case of conventional sales contracts. However these amounts may be significantly higher in public-private partnerships in as much as the penalties must cover the associated financing. Such clauses are applicable only to a limited number of contracts, essentially those relating to proton therapy projects. The possibility that a customer may one day exercise such a warranty or penalty clause cannot be excluded.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

In first quarter 2014, IBA has signed final contracts concluding the Essen project litigation with Westdeutsches Protonentherapiezentrum Essen GmbH (WPE). With the signing of these contracts, WPE completed the acquisition of the proton therapy center in Essen from STRIBA Protonentherapiezentrum GmbH (STRIBA), the 50/50 joint venture between IBA and STRABAG (Strabag Projecktentwicklung GmbH), the contracted supplier of the center. As the transfer of the center has now been finalized, IBA no longer has exposure to any further disputes based on the old contractual structure and provisions. In addition, a long-term operations and maintenance contract has been signed between IBA and WPE, as well as agreed compensation for past operations and maintenance services rendered by IBA in 2013. The PT center in Essen treated its first patient in May 2013.

On March 17th, IBA announced the closing of an agreement for the sale to a private equity firm of the assets of PharmaLogic PET Services of Montreal Company, a Canadian company in which IBA owns a substantial but minority interest. Approximately 85% of the price has been paid to PharmaLogic at closing and the rest will be released after a two year period. Payments will then be distributed as dividends to PharmaLogic's shareholders, including IBA which expects a net total cash inflow in dividend from this sale of about EUR 7.7 million. The transaction has no impact on 2013 accounts, but should positively impact IBA's 2014 net results by approximately EUR 3.5 million.

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GENERAL OUTLOOK FOR 2014

IBA anticipates growth in Group revenues in 2014 of 5 to 10% in line with medium term guidance, based on an order intake of EUR 63.7 million in 2013, a backlog at year end of EUR 183.8 million, and a significant pipeline of projects under discussion. Service revenues are expected to grow from EUR 43 million in 2013 to approximately EUR 61 million in 2014. The combination of Dosimetry and Service revenues (together representing 'non-project revenues') reached 42% of total Group revenues in 2013. This category of revenues is expected to reach about half of Group revenues in 2014.

Another factor that gives the Company comfort on its ability to achieve its guidance is the fact that, in the Proton Therapy and Other Accelerators division, over 90% of the guided number is supported by revenues derived from the combination of the existing equipment and service backlog at the 2013 year end.

The Company expects to reach the targeted 10% operating margin for the full year 2014, supported by the productivity and efficiency initiatives rolled out across the organization and the growing importance of services to the installed base. IBA expects to report positive net profits during 2014.

Net debt is expected to continue to reduce significantly in 2014 with the settlement of the Essen litigation and the disposal of the Canadian assets held for sale (PharmaLogic).

Over the medium term, IBA is confident it can achieve an annual compound revenue growth of 5% to 10% and deliver an operating profit margin of at least 10% allowing the Company to report net profit and to resume a dividend distribution policy.

CORPORATE GOVERNANCE STATEMENT

The philosophy, structure, and general principles of IBA corporate governance are presented in the Company's Corporate Charter ("Charter"). The Charter is available on the Company's website www.iba-worldwide.com.

The Company has adopted the 2009 Belgian Code of Corporate Governance as its reference Code and is in compliance therewith, including composition of the Audit Committee.

CHARACTERISTICS OF INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

The principal characteristics of the internal control systems and risk management practices set up by IBA as part of the process of providing financial information are as follows.

CONTROL ENVIRONMENT

After the Group has established its annual objectives, these are transferred to operational divisions, departments and each staff member. The annual evaluation procedure ensures that these objectives are followed.

The organization of the accounting and finance department contributes to this process. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) jointly agree department objectives and the CFO is then responsible for dividing these between the various levels of hierarchy.

The human resources department, working with Management, has established a library of functions detailing descriptions of the functions required in the organization of IBA Group activities. Individual responsibilities for maintaining accounts and financial information are identified in this process.

The accounting policies applied across the Group are defined in an accounting manual. This manual, which is available on the Company intranet, is followed by Company subsidiaries during their periodic accounting activities. The process of preparing consolidated financial information is supported by a collection of instructions aimed at guiding subsidiaries in the preparation of their local accounts.

RISK MANAGEMENT PROCESS

Financial statements are consolidated on a monthly basis. This procedure enables any new accounting issues to be highlighted quickly.

For this purpose, the finance department works closely with the legal department, as well as with external auditors, in order to ensure adequate adaptation to changes in legislation and the evolution of accounting standards.

These efforts are made in order to meet Company objectives concerning the provision of financial information in total compliance with Company law, deadlines and quality standards.

The control of risks which could affect the procedure of establishing financial information is informal. The identification and evaluation of these risks are undertaken by Company management in its daily activities.

Senior management has introduced a range of control and analysis tools in order to identify, evaluate and track financial and operational risks. Amongst these are:

- A monthly management dashboard (versus budget, versus previous year);
- A five-year strategic plan and annual budget;
- Treasury forecast tables;
- Project status reports;
- Procedures for establishing technical documents;
- Request forms for investment and recruitment approvals;
- A table of firm and current orders for the Equipment sector;
- The introduction of a signature matrix for all Group commitments to third parties;
- The introduction of double-signature bank authorizations to prevent the handling of accounts by a single individual;
- The nomination of a Chief Compliance Officer responsible for compliance with various

procedures as well as the code of business practice applicable throughout the Group. All employees are required to report to this person any incidents or events likely to represent a risk to the Company.

The responsibilities of each member of staff in the area of risk management are established during the allocation of tasks to be performed for the preparation of the various analysis tools.

The Board of Directors and the Audit Committee fulfill their responsibility for monitoring risk management essentially by reviewing the analysis tools introduced by senior management, such as:

- The monthly management dashboard;
- Monitoring of investments and risk analysis;
- Analysis of research and development achievements and performance;
- Approval of the strategic plan and budgets for the following period;
- Review of the treasury situation.

CONTROL ACTIVITIES

The close control of risks to which the Company is exposed is undertaken by financial controllers and an independent financial analyst from the operational divisions. These two functions help to identify new accounting issues, apply suitable accounting procedures and ensure the safeguarding of assets. Through their work they also remain vigilant for any situation that could resemble internal or external fraud. A program of complementary tests and specific actions is conducted if a risk situation is identified.

Controls of procedures for closing of local accounts, approval of payments, invoicing, stock management and other regular activities are organized locally. Procedures for establishing financial statements are controlled by local financial management and the management controller of the division to which the entity belongs. This is a cross structure between staff from operational divisions and financial managers of the legal entities.

Certain operations are centralized on a Group level. Members of senior management are directly involved in the ratification and approval of these operations, thus providing control on the completion of accounting and financial information related to:

- Research and development activity;
- Investment and divestment in intangible, tangible and financial assets, based on an approval matrix;
- Long-term contracts and partnership contracts;
- Treasury, financing and financial instruments;
- Supervision of signatory powers and delegation of local authority;
- Capital operations;
- Provisions and commitments.

Control activities are completed by the fact that the procedures for establishing the financial statements of the Group are applicable in all the units within the scope of consolidation. The results of audits conducted by local external auditors are shared directly with the Group's financial department.

INFORMATION AND COMMUNICATION

The availability and relevance of accounting and financial information are assured by the analysis tools described above and by the information technology and data processing environment.

Although the current IT environment is heterogeneous, the computing systems are sufficiently secured by:

- A right-of-access procedure to data and programs;
- An anti-virus protection system;
- A protection system for networking;
- A data safeguard and preservation system;
- Availability and continuity of service measures.

A portal centralizes incidents, requests for information and other requests that staff may have concerning IT services.

The IT department works with consultants based on specific requirements. Work with these service providers is defined by contract. Security measures are tested periodically in order to ensure their effectiveness. The maintenance of the IT systems is an integral part of the IT department's mission.

Accounting and financial information is communicated to Management on a monthly basis in the form of reports from the management controllers and consolidated financial statements. This information is provided directly to division presidents and financial management. The annual accounts, budget, strategic plan and follow-up on investments and treasury are presented to the Audit Committee before being submitted to the Board of Directors. Furthermore, the Board of Directors is regularly informed about the financial state of the Group via monthly management dashboards.

The communication of financial information to the market is managed by the communication, finance and legal departments of the organization. Shareholder concentration in the Belgian market allows this process to be centralized with a limited number of people, with the CFO playing a leading role. A schedule summarizing the periodic requirements for the communication of financial information is available at Group level, with details of the nature and date of each requirement. A procedure stipulates the persons responsible for preparing, approving and communicating this financial information to the market, based on whether the information is restricted or not, and commercial or financial in nature.

MANAGEMENT

Evaluation of the internal control system takes place primarily when the management bodies review the financial statements and analyses prepared by the Finance Department, as well as during the follow-up on the effectiveness of internal control and risk management systems by the Audit Committee.

The analysis tools referred to above are established in line with the accounting principles validated by the Audit Committee and Board of Directors. They are adapted in function of the evolution of the Group's activities and environment as necessary. The pertinence of the information and proper application of accounting principles are reviewed by the Finance Department during the preparation of these accounting principles and by management bodies during their successive reviews.

The CEO and CFO present and comment the financial statements to the Audit Committee and Board of Directors every quarter or more frequently if necessary. The Audit Committee receives a summary of the control reviews conducted internally, underlining identified weaknesses. It also receives any comments made by external auditors on the accounting decisions and evaluation rules used in the preparation of financial statements, as well as their proposed action in relation to internal control.

LEGISLATION GOVERNING TAKEOVER BIDS AND TRANSPARENCY

DISCLOSURES REQUIRED UNDER TRANSPARENCY LEGISLATION

In accordance with the law of May 2, 2007 on the disclosure of significant holdings in issuers whose securities are traded on a regulated market and its implementing royal decree of February 14, 2008, and on the basis of article 34 of the articles of incorporation of IBA SA, IBA SA shareholders are required to report their holdings to the Financial Services and Markets Authority (FSMA) and to IBA SA whenever these holdings reach a threshold of 3%, 5%, or multiples of 5%.

In this framework, IBA SA

- did not receive any reports of this nature in 2013
- received the following notifications in January 2014

1. The agreement on the holding, acquisition or sale of shares with voting rights entered into between Belgian Anchorage SCRL, UCL ASBL, Sopartec SA and IRE FUP on February 6, 1996 was terminated with effect as from December 2, 2013, therefore bringing the holding of the said parties below the 35% threshold. At the date of this notification, (i) UCL ASBL, Sopartec SA, and IRE FUP had not modified their shareholdings in IBA SA, and (ii) after termination of the above agreement, both UCL ASBL and Sopartec SA (affiliated companies) on the one hand, and IRE FUP on the other, remain above the transparency thresholds of 3% and 5% respectively.

Entity	Number of shares with voting rights as at november 5, 2008 (last transparency notification)	Number of shares with voting rights as at January 9, 2014	% of shares with voting rights as at january 9, 2014 (denominator = 27 635 439)
a. Belgian Anchorage SCRL (BA) Clos des Salanganes 5 1150 Bruxelles	7 773 132	7 700 132	27.86%
b. IBA SA Chemin du Cyclotron 3 1348 Louvain-la-Neuve Not a party to the agreement but affiliated with BA	0	75 637	0.27%
c. IBA Investments SCRL Chemin du Cyclotron 3 1348 Louvain-la-Neuve Not a party to the agreement but affiliated with BA	393 692	610 852	2.21%
Sub total a, b, c	**8 166 824**	**8 386 621**	**30.35%**
d. UCL ASBL Place de l'Université 1 1348 Louvain-la-Neuve	426 885	426 885	1.54%
e. Sopartec SA Place de l'Université 1 1348 Louvain-la-Neuve (affiliated with UCL ASBL)	529 925	529 925	1.92%
Sub total d, e	**956 810**	**956 810**	**3.46%**
f. Institut des Radioéléments FUP Zoning Industriel, Avenue de l'Espérance 1 6220 Fleurus	1 423 271	1 423 271	5.15%

2. On January 10, 2014, Belgian Anchorage SCRL sold 140 000 shares with voting rights, therefore bringing the holding of Belgian Anchorage SCRL and its affiliates IBA SA and IBA Investments SCRL below the 30% threshold.

Entity	Number of shares with voting rights as at January 9,2014	Number of shares with voting rights as at January 20, 2014	% of shares with voting rights as at January 20, 2014 (denominator = 27 635 439)
a. Belgian Anchorage SCRL (BA) Clos des Salanganes 5 1150 Bruxelles	7 700 132	7 560 132	27.36%
b. IBA SA Chemin du Cyclotron 3 1348 Louvain-la-Neuve	75 637	75 637	0.27%
c. IBA Investments SCRL Chemin du Cyclotron 3 1348 Louvain-la-Neuve	610 852	610 852	2.21%
Sub total a, b, c	**8 386 621**	**8 246 621**	**29.84%**

LEGISLATION GOVERNING TAKEOVER BIDS (TRANSITIONAL REGIME)

Under article 74 of the Law of April 1, 2007 regarding takeover bids, single or concerted parties holding more than 30% of the voting shares of a Belgian company traded on a regulated market as of September 1, 2007 are not bound by the obligation to make a takeover offer for the stock of said company, provided that they have submitted a notification to the FSMA in good order by the prescribed deadlines.

In this regard, on August 31, 2013, IBA sent the FSMA up-to-date data as at August 31, 2013 for the notification made pursuant to article 74, paragraph 6 of the Belgian Takeover bids Law.

It reported the following:

- Belgian Anchorage SCRL (registered office Clos des Salanganes 5, 1150 Brussels; Enterprise no. 0466.382.136; RPM Brussels). Reduced its shareholding in IBA SA during the last 12 months from 7 773 132 to 7 700 132 shares with voting rights (ie from 28.4% as at August 31, 2012 to 27.98% as at August 31, 2013). The sales occured as follows: 24 000 shares on February 1, 2013 and 49 000 shares on August 2, 2013.

Belgian Anchorage is affiliated (i) to IBA SA (registered office at 1348 Louvain-la-Neuve, Chemin du Cyclotron 3, entreprise no. 0428.750.985, RPM Nivelles) and (ii) to IBA Investments SCRL (registered office at 1348 Louvain-la-Neuve, Chemin du Cyclotron 3, entreprise no 0471.701.397, RPM Nivelles).

IBA SA maintained its shareholding in its capital during the last 12 months at 75 637 shares with voting rights (ie 0.28% as at August 31, 2012 and 0.27% as at August 31, 2013).

IBA Investments SCRL maintained its shareholding in IBA SA during the last 12 months at 610 852 shares with voting rights (ie 2.23% as at August 31, 2012 and 2.22% as at August 31, 2013).

As at August 31, 2013, Belgian Anchorage SCRL, IBA SA and IBA Investments SCRL held together 8 386 621 shares with voting rights (ie 30.90% as at August 31, 2012 and 30.47% as at August 31, 2013).

- Institut National des Radioéléments FUP (registered office avenue de l'Espérance 1, 6220 Fleurus, Zoning Industriel; enterprise no. 0408.449.677, RPM Charleroi) maintained its shareholding in IBA SA during the last 12 months at 1 423 271 shares with voting rights (ie 5.20% as at August 31, 2012 and 5.17% as at August 31, 2013).

In light of the above, as at September 1, 2013, the persons having made a notification pursuant to article 74,§6 of the Belgian Takeover bids Law, and their affiliated companies as of the same date held together 9 809 892 shares with voting rights (ie 35.64% of the shares with voting rights).

For information, UCL ASBL and Sopartec SA were parties to the agreement on the holding, acquisition or sale of shares with voting rights mentioned above (terminated with effect as from December 2, 2013) but have not made any notification pursuant to article 74,§6 of the Belgian Takeover bids Law.

SUBSEQUENT EVENTS

As mentioned above, IBA received the following notifications in January 2014 in the framework of the transparency legislations:

1. The agreement on the holding, acquisition or sale of shares with voting rights entered into between Belgian Anchorage SCRL, UCL ASBL, Sopartec SA and IRE FUP on February 6, 1996 was terminated with effect as from December 2, 2013, therefore bringing the holding of the said parties below the 35% threshold. At the date of this notification, (i) UCL ASBL, Sopartec SA, and IRE FUP had not modified their shareholdings in IBA SA, and (ii) after termination of the above agreement, both UCL ASBL and Sopartec SA (affiliated companies) on the one hand, and IRE FUP on the other, remain above the transparency thresholds of 3% and 5% respectively.

2. On January 10, 2014, Belgian Anchorage SCRL sold 140 000 shares with voting rights, therefore bringing the holding of Belgian Anchorage SCRL and its affiliates IBA SA and IBA Investments SCRL below the 30% threshold.

As at January 31, 2014, the situation was thus as follows:

Dominant shareholders
Situation as at January 31, 2014
Denominator = 27.635.439

	Number of shares	%
Belgian Anchorage SCRL*	7 560 132	27.36%
IBA Investment SCRL	610 852	2.21%
IBA SA	75 637	0.27%
UCL ASBL	426 885	1.54%
Sopartec SA	529 925	1.92%
Institut des Radioéléments FUP	1 423 271	5.15%
TOTAL	**10 626 702**	**38.45%**

RELATIONSHIP WITH DOMINANT SHAREHOLDERS

As mentioned above, the agreement on the holding, acquisition or sale of shares with voting rights entered into between Belgian Anchorage SCRL, UCL ASBL, Sopartec SA and IRE FUP on February 6, 1996 was terminated with effect as from December 2, 2013. However, UCL ASBL, Sopartec SA and IRE FUP have not modified their shareholdings in IBA SA since then. Both UCL ASBL and Sopartec SA (affiliated companies) on the one hand, and IRE FUP on the other, remain above the transparency thresholds of 3% and 5% respectively

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at January 31, 2014.

GOVERNING BODIES AND COMMITTEES

BOARD OF DIRECTORS

The Board of Directors is composed of nine members. The articles of incorporation and Corporate Governance Charter require a balance on the Board of Directors among outside directors, inside directors, and directors representing the shareholders.

The Board of Directors must always be made up of at least one third outside directors and one third directors appointed by the managing directors ("inside directors"). Two of the inside directors are also managing directors.

The Board of Directors meets whenever necessary, but a minimum of four times a year. The major topics of discussion include market situation, strategy (particularly as concerns acquisitions during the period), technological developments, financial developments, and human resources management.

** including 270 464 certified shares (ie voting rights for Belgian Anchorage SCRL - economic rights for SRIW)*

Reports on topics dealt with at Board meetings are sent to the directors first, so that they can exercise their duties with a full knowledge of the facts.

The Board of Directors met 9 times in 2013, under the chairmanship of Mr. Jean Stéphenne, and then Mr. Pierre Mottet. Attendance at meetings of the Board was high. A large majority of the directors attended all meetings. Only nine absences were recorded for all of the meetings, which represents an absentee rate of approximately 11%. The Company believes that the attendance record of individual directors is not pertinent in the context of this report.

On the proposal of the Nomination Committee, the Ordinary General Meeting of May 8, 2013 (i) ratified the cooptation by the Board of Director of August 29, 2012, of Ms. Mary Gospodarowicz as independent director, and fixed the expiry of its term of office at the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year, (ii) approved the appointment of Ms. Katleen Vandeweyer Comm. V., represented by its manager Ms. Katleen Vandeweyer, as independent director and fixed the expiry of its term of office at the 2014 Ordinary General Meeting convened to approve the financial statements for the 2013 financial year, (iii) approved the appointment of Mr. Pierre Scalliet as other director and fixed the expiry of its term of office at the 2014 Ordinary General Meeting convened to approve the financial statements for the 2013 financial year, (iv) approved the renewal of Bayrime SA, represented by its managing director, Mr Eric de Lamotte, as other director and fixed the expiry of its term of office at the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year.

On the proposal of the Managing Directors, the Ordinary General Meeting of May 8, 2013 approved the appointment of Mr. Yves Jongen as internal director and fixed the expiry of his term of office as the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year.

The same assembly also acknowledged the continuation of the mandate of Mr. Pierre Mottet by Saint-Denis SA, represented by its managing director Mr. Pierre Mottet.

Board of Directors as at December 31, 2013:

NAME	AGE	START OF TERM	END OF TERM	DUTIES AT IBA	PRIMARY DUTIES OUTSIDE IBA
Olivier Legrain(1)	45	2012	AGM 2016	Chief Executive Officer / Internal Director / Managing Director/ NC	NA
Saint-Denis SA (represented by Pierre Mottet)(1)	52	1998	AGM 2015	Internal Director / Chairman of the Board of Directors / CC NC	Member of the Executive Comittee of FEB (Federation of Enterprises in Belgium), Director of UWE (Walloon Business Association), Agoria and several startups in the field of health and environment
Yves Jongen(1)	66	1991	AGM 2017	Chief Research Officer / Internal Director / Managing Director / NC	Before the establishment of IBA in 1986, Director of the Cyclotron Research Center of the Université Catholique de Louvain (UCL)
Bayrime SA (represented by Eric de Lamotte)(3)	57	2000	AGM 2017	Other Director/ AC	Director in several companies. Former CFO of IBA (1991- 2000)
Consultance Marcel Miller SCS (represented by Marcel Miller) (2)	60	2011	AGM 2016	Independent Directors / CC NC	President Alstom Belgium / Director Agoria Wallonia / Vice-President UWE / Director Technord
Mary Gospodarowicz (2)	65	2012	AGM 2017	Independent Directors	Staff Radiation Oncologist, Radiation Medicine Program, Princess Margaret Cancer Centre, University Health Network, Toronto Medical Director, Princess Margaret Cancer Centre, University Health Network, Toronto Regional Vice-President, Cancer Care Ontario, Toronto President, Union for International Cancer Control
Windi SPRL (represented by Yves Windelincx)(2)	66	2010	AGM 2015	Independent Directors /CC NC AC	Independent Director of Besix until June 2013, Desmet Engineers and Contractors, Balteau, Concordia, Foreign Trade Agency
Pierre Scalliet (3)	60	2013	AGM 2014	Other Director	Full Professor at UCL
Katleen Vandeweyer Comm. V. (represented by K Vandeweyer) (2)	44	2013	AGM 2014	Independent Directors / AC	CFO of Worldline SA/NV

CC : Compensation Committee - NC : Nomination Committee - AC : Audit Committee

(1) In accordance with the meaning ascribed by the corporate charter to the term "Internal director", namely an internal director is a director appointed on the proposal of the managing directors.

(2) Submitted to the General Meeting as candidate independent directors on their election, without excluding the fact that other directors also fulfill the independence criteria. None of the independent directors ceased during the financial year to fulfill the independence criteria set out in the corporate charter.

(3) An other director is a director who is neither an internal director nor an independent director

COMPENSATION COMMITTEE

The Compensation Committee met 5 times in 2013. A report on each of its meetings was submitted to the Board.

Topics of discussion included issues relating to the 2012 bonuses, directors' compensation, and compensation schemes in general.

Only 2 absences were recorded for all of the meetings held.

At December 31, 2013, the Compensation Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, of Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, and of Windi SPRL represented by its manager, Mr. Yves Windelincx. It is chaired by Mr. Pierre Mottet. Mr. Olivier Legrain is invited to attend, except where the Committee is called on to decide on the compensation policy or other matters relating to the managing directors.

NOMINATION COMMITTEE

The Nomination Committee met 5 times in 2013 for the purpose of assessing the areas of expertise needed by the Board of Directors to fill expiring directorship positions and of making proposals in this regard to the Board of Directors.

Based on its report, the Board proposed to the Ordinary General Meeting of May 8, 2013 (i) the ratification of the cooptation by the Board of Director of August 29, 2012, of Mrs. Mary Gospodarowicz as independent director, and expiry of its term of office at the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year, (ii) the appointment of Katleen Vandeweyer Comm. V., represented by its manager Mrs. Katleen Vandeweyer, as independent director and expiry of its term of office at the 2014 Ordinary General Meeting convened to approve the financial statements for the 2013 financial year, (iii) the appointment of Mr. Pierre Scalliet as other director and the expiry of its term of office at the 2014 Ordinary General Meeting convened to approve the financial statements for the 2013 financial year, (iv) the renewal of Bayrime SA, represented by its managing director, Mr Eric de Lamotte, as other director and the expiry of its term of office at the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year.

Only 2 absences were recorded for all of the meetings held.

The Nomination Committee has five members, including the Chairman of the Board of Directors and a minimum of two outside directors.

At December 31, 2013, the Nomination Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, of Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, of Windi SPRL represented by its manager, Mr. Yves Windelincx, and of Mr. Olivier Legrain and Mr. Yves Jongen. It is chaired by Mr. Pierre Mottet.

AUDIT COMMITTEE

The Audit Committee met 4 times in 2013, including 3 times in the presence of the external auditors, and on each occasion reported on its meetings to the Board of Directors. The main topics addressed were the 2012 annual results and analysis of the external auditors' Management Letter, analysis of the half-year results, monitoring of the implementation of International Financial Reporting Standards (IFRS), examination of the 2014 budget and follow-up of the internal audit and risk management.

The Company keeps close control of the risks to which it is subject through its financial controllers employed in each of the divisions. This enables the risks to be managed closely. The risks identified are transmitted up to the Management Team which reports to the Audit Committee and develops an appropriate solution, in conjunction with the Audit Committee and the insurance manager.

There was only one absence at all the meetings which were held.

At December 31, 2013, the Audit Committee was comprised of three members: Windi SPRL represented by its manager, Mr. Yves Windelincx, Bayrime SA, represented by its managing director Mr. Eric de Lamotte, and Katleen Vandeweyer Comm. V. represented by its manager Mrs. Katleen Vandeweyer. It is chaired by Mr. Yves Windelincx.

INFORMATION REGARDING THE POWERS OF THE MANAGEMENT BODY

In accordance with the decision of the special shareholders' meeting of June 12, 2013, the Board of Directors is authorized to increase the capital one or more times up to a maximum of twenty-five million euros (25 000 000).

Authorization to issue convertible bonds or subscription rights

The special shareholders' meeting of June 12, 2013 authorized the Board of Directors to issue convertible bond or subscription rights for a period of five years. At the time of any share, convertible bond, or subscription rights issue, the Board of Directors may limit or eliminate the preemptive right of the shareholders, including in favor of one or more specific shareholders, in accordance with terms to be determined by the Board and subject to compliance with the provisions of Article 598 of the Code of Company Law, if applicable.

Authorization to increase the capital up to the amount of the authorized capital during a takeover bid period

The special shareholders' meeting of June 12, 2013 gave the Board of Directors three-year authority to increase the Company's capital during takeover bid periods involving the Company's stock, thorough either contributions in kind or cash injections, with the possibility of limiting or eliminating the preemptive voting rights of existing shareholders, provided that the total increase, including share premiums, did not exceed the authorized capital.

Authorization to buy back shares in order to prevent serious and imminent harm

The special shareholders' meeting of June 12, 2013 renewed the Board of Director's authorization under article 9 of the Company's articles of incorporation to buy and sell the Company's own shares for the purpose of preventing serious and imminent harm to the Company.

DAY-TO-DAY AND STRATEGIC MANAGEMENT

The day-to-day management of the Company and the authority to act for such management is delegated to two managing directors, Olivier Legrain, Chief Executive Officer, and Yves Jongen, Chief Research Officer.

The Chief Executive Officer is specifically responsible for implementing strategy and for day-to-day management and is assisted by a Management Team consisting of certain members of the corporate team and of the president of IBA Dosimetry GmbH. Together, they constitute the Group's Management Team.

The Chief Executive Officer, accompanied by the Chief Financial Officer, makes regular reports to the Board of Directors.

The Board of Directors has also asked Management Team members or division heads to report to the Board on two topics: adoption of the strategic plan and adoption of the 2014 budget.

Management Team as at December 31, 2013:

MANAGEMENT TEAM MEMBER		POSITIONS
1.	**Olivier Legrain (representing Lamaris Group SPRL)**	Chief Executive Officer
2.	**Yves Jongen (representing Technofutur SA)**	Chief Research Officer
3.	**Jean-Marc Bothy**	Chief Financial Officer
4.	**Rob Plompen**	President, IBA Dosimetry
5.	**Frédéric Nolf**	Group Vice-President Human Resources

MANAGEMENT TEAM MEMBER

From left to right:

Jean-Marc Bothy, Yves Jongen, Olivier Legrain, Rob Plompen, Frédéric Nolf.

CODE OF CONDUCT

CODE OF ETHICS CONDUCT

The Company is committed to the honest, ethical, and honorable conduct of its business. It believes that ethical management is the lynchpin of its continued growth and success will enable it to maintain its good reputation and achieve its strategic mission of protecting, enhancing, and saving lives. For this reason, it has worked to create a code of ethics conduct.

This code defines the fundamental principles of ethical business conduct and provides guidance for the Group's employees and co-contracting parties on such matters as business partnerships, conflicts of interest, and confidentiality. All employees have read and approved this code.

CODE OF CONDUCT TO COMBAT INSIDER TRADING AND MARKET ABUSE

The Company has updated the code of conduct to combat insider trading and market abuse. All employees have received a copy of this code. Furthermore, each of the directors and each member of the Management Team have signed in acceptance of the code in his or her management capacity. Details of transactions by executives involving the Company's shares are available in the remuneration report.

DIVERSITY WITHIN THE BOARD OF DIRECTORS

The Corporate Governance Charter, published on the Group website, defines the core competencies the Board of Directors requires to be effective. Members are nominated based on the Board's needs in terms of knowledge, experience and competence at that time, also respecting the balance between outside, inside and other directors laid down in the articles of association, the law, and the 2009 Corporate Governance Code.

The Board and the Nomination Committee fully acknowledge the benefits of diversity within the Board of Directors and are committed to addressing the gender imbalance in line with legal requirements.

Over the years 2012 and 2013 initial efforts have been made, both with a direct and immediate impact, and with a view to progressing towards the required results in a structured and sustainable way.

As such, the Nomination Committee has recommended and the Board has approved the appointments, as Outside Directors, of Ms. Mary Gospodarowicz and Ms. Katleen Vandeweyer, in 2012 and 2013 respectively.

The Nomination Committee pursues these efforts in order to reach the required results within the required timeframe, even though it is obvious that IBA's activities do not render the selection of women easy.

REMUNERATION REPORT

REMUNERATION POLICY

Procedure

In accordance with IBA's Corporate Governance Charter, published on the group website, the Board of Directors determines the remuneration policy and amounts paid to non-managing directors, based on recommendations made by the Compensation Committee. It is reviewed regularly in the light of market practice.

By delegation of authority from the Board of Directors, direct or indirect remuneration paid to the managing directors is determined by the Compensation Committee in accordance with the remuneration policy defined in line with principles approved by the Board. The Committee ensures that remuneration is in line with market practice, as determined by studies performed by specialized firms. The Compensation Committee monitors and reviews the remuneration policy for management staff, adopted by the Chief Executive Officer.

For the purpose of the above and in general, the Board of Directors, the Compensation Committee and individual directors have the authority and duty, subject to the rules defined in the Corporate Governance Charter, to assign themselves sufficient resources, including the assistance of external consultants, if and when appropriate.

Policy

Directors

The remuneration policy for IBA directors has not substantially changed during 2013.

It is not anticipated that the policy will fundamentally change over the next two years, except in relation to the long-term incentive plan, which is being reassessed and which may result in changes to the policy. Both level and structure of director remuneration are monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate. A full description of the policy is included in annex 1 to this remuneration report.

Managing Directors and Other Management Team Members

The remuneration policy for managing directors and other Management Team members has not substantially changed during 2013. The overall philosophy remains focused on IBA's ability to attract, retain and engage the executive talent it requires to deliver on its promises. A description of the policy is included in annex 2 to this remuneration report.

For managing directors and other Management Team members, total remuneration generally consists of fixed remuneration, variable remuneration, long-term incentives, retirement plan contributions and other components.

The long-term incentive plan that has been applicable over the past years and under which grants of stock options have been made, is being reassessed. As a result, the plan has been discontinued pending this assessment and no grants under the plan have been made in 2013. A new plan, which may contain revised features, will be implemented in 2014.

Each individual member does not necessarily benefit from each remuneration component: this is primarily dependent upon the position they hold, the nature and structure of the individual agreement and the practices in the different locations where each member is based. As a result, the weight of the different remuneration components, as part of total remuneration differs on an individual basis. In general terms, the weight of each component of remuneration accounts for a part of total remuneration that may be summarized as follows:

REMUNERATION COMPONENT	PART OF TOTAL REMUNERATION (WHEN OFFERED)*
Annual fixed remuneration	Between 55% and 71% [between 40% and 75%]
Annual variable remuneration (at target)	Between 17% and 33% (except for the Chief Executive Officer, up to 50%) [between 15% and 30%, except for the Chief Executive Officer, up to 50%]
Long-term incentives	0% [up to 15%]
Retirement plan	Up to 10% [up to 10%]
Other components	Up to 10% [up to 15%]

It is not anticipated that, over the next two years, the remuneration policy will fundamentally change, except in relation to the long-term incentives, as set out above. Furthermore, IBA continuously assesses the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

**As no grants have been made under the long-term incentive plan in 2013, its part of total remuneration is 0% for the year, resulting in the other remuneration components having a higher relative proportion. For reference, the percentages between [brackets] show the respective parts of total remuneration over the year 2012*

REMUNERATION OF THE BOARD OF DIRECTORS

The schedule below outlines the total remuneration received by each director related to their membership of the Board of Directors.

BOARD MEMBER	TOTAL FEES (EUR)	LUMP-SUM FEE (EUR)		MEETING RELATED FEES* (EUR)	WARRANTS** (NUMBER)
Olivier Legrain (inside director, CEO)	None	None	BM AC NC/CC MAC	N/A N/A N/A N/A	None
Yves Jongen (inside director, Chief Research Officer)	None	None	BM AC NC/CC MAC	N/A N/A N/A N/A	None
Innosté SA, represented by Jean Stéphenne (other director, Chairman of the Board, Chairman of the nomination Committee, Chairman of the Compensation Committee, until May 8, 2013)	16 243	4 243	BM AC NC/CC MAC	4 000 4 000 4 000 N/A	None
Saint-Denis SA, represented by Pierre Mottet (inside director, Vice-Chairman of the Board until May 8, 2013, inside director, Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Compensation Committee as of May 8, 2013)	42 439	10 939	BM AC NC/CC MAC	17 000 5 000 8 000 1 500	None
Mary Gospodarowicz (outside director)	13 500	6 000	BM AC NC/CC MAC	7 500 N/A N/A N/A	None
SCS Consultance Marcel Miller, represented by Marcel Miller (outside director)	19 000	6 000	BM AC NC/CC MAC	8 500 N/A 4 500 N/A	None
Windi SPRL, represented by Yves Windelincx (outside director, Chairman of the Audit Committee)	28 500	9 000	BM AC NC/CC MAC	9 000 6 000 4 500 N/A	None
Bayrime SA, represented by Eric de Lamotte (other director)	18 000	6 000	BM AC NC/CC MAC	7 000 4 000 1 000	None

** BM – Board meeting; AC – Audit Committee meeting; NC/CC – Combined Nomination Committee and Compensation Committee meeting; MAC – Mergers & Acquisitions Committee meeting. N/A indicates that the director is not a member of the Committee.*
*** The long-term incentive plan has been discontinued pending reassessment. No grants under the plan have been made in 2013.*

BOARD MEMBER	TOTAL FEES (EUR)	LUMP-SUM FEE (EUR)		MEETING RELATED FEES* (EUR)	WARRANTS** (NUMBER)
Institut National des Radioéléments FUP, represented by Jean-Michel Vanderhofstadt (other director, until May 8, 2013)	3 122	2 122	BM AC NC/CC MAC	1 000 N/A N/A N/A	None
Katleen Vandeweyer Comm.V., represented by Katleen Vandeweyer (outside director as of May 8, 2013)	11 878	3 878	BM AC NC/CC MAC	6 000 2 000 N/A N/A	None
Pierre Scalliet (other director as of May 8, 2013)	8 878	3 878	BM AC NC/CC MAC	5 000	None

In 2013, the Group has also employed the services of Saint-Denis SA for specific activities (including the closing of the ESSEN legacy) not related to its directorship. The fees corresponding to these services amounted to EUR 209 771.

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, Mr. Olivier Legrain, provides services through Lamaris Group SPRL, a management company. In 2013, fixed remuneration amounted to EUR 306 570. Variable remuneration, in cash, amounted to EUR 308 400, in relation to performance during fiscal year 2012. Variable remuneration in relation to fiscal year 2013 is paid in 2014 and is not yet known at the time of finalization of this report. The Chief Executive Officer has not received any other form of remuneration in 2013.

REMUNERATION OF THE MANAGEMENT TEAM

Total cash remuneration, including fixed remuneration and variable remuneration (as defined in the remuneration policy in annex 2 to this remuneration report), received by Management Team members excluding the Chief Executive Officer amounted to EUR 1 494 162 in 2013. This amount includes fixed compensation for a total amount of EUR 1 042 141 and variable remuneration for a total amount of EUR 452 021. Variable remuneration relates to performance in fiscal year 2012. Variable remuneration in relation to fiscal year 2013 is paid in 2014 and is not yet known at the time of finalization of this report.

Other remuneration of members of the Management Team excluding the Chief Executive Officer, received in 2013, includes i) contributions to retirement plans for a total amount of EUR 65 505, ii) other remuneration components for a total amount of EUR 58 858. Retirement plans are defined contribution type of plans. Other remuneration components mainly include participation in risk insurance programs, company cars, meal vouchers, all in line with local practice where the Management Team members are based.

Group Management Team Members besides CEO

Besides the CEO, the Group Management Team is comprised of the following members:

MANAGEMENT TEAM MEMBER	POSITION	CHANGES IN 2013
Yves Jongen (representative of Technofutur SA)	Chief Research Officer	None
Berthold Baldus	President, Cisbio Bioassays	Until November 18, 2013
Jean-Marc Bothy	Chief Financial Officer	None
Frédéric Nolf	Group Vice-President Human Resources	None
Rob Plompen	President, IBA Dosimetry	None

LONG-TERM INCENTIVES OF THE MANAGEMENT TEAM

The managing directors, including the Chief Executive Officer, and the other members of the Management Team do not receive shares as part of their remuneration.

The long-term incentive plan that has been applicable over the past years and under which grants of stock options have been made, is being reassessed. As a result, the plan has been discontinued pending this assessment and no grants under the plan have been made in 2013.

The schedule below details, on an individual basis, the stock options exercised and expired in 2013.

MANAGEMENT TEAM MEMBER	WARRANTS EXERCISED IN 2013			WARRANTS EXPIRED IN 2013	
	WARRANTS (NUMBER)	EXERCISE PRICE (EUR)	GRANT DATE (YEAR)	WARRANTS (NUMBER)	GRANT DATE (YEAR)
Olivier Legrain (Managing director and CEO)	None	N/A	N/A	11 071	2007
Yves Jongen (Managing director)	None	N/A	N/A	18 384	2007
Jean-Marc Bothy	24 500	3.72	2004	9 986	2007
Frédéric Nolf	None	N/A	N/A	None	N/A
Rob Plompen	None	N/A	N/A	7 504	2007

TERMINATION ARRANGEMENTS WITH THE MANAGEMENT TEAM

The schedule below summarizes the main contractual arrangements, with each member of the Management Team, including the Chief Executive Officer, in relation to termination at the initiative of the Company.

MANAGEMENT TEAM MEMBER	TERMINATION ARRANGEMENT
Lamaris Group SPRL, represented by Olivier Legrain	The agreement, started in 2011, provides six months' notice or equivalent compensation.
Technofutur SA, represented by Yves Jongen	The agreement, started before 2009 and amended in 2012, provides 12 months' notice or equivalent compensation.
Jean-Marc Bothy	The agreement, started before 2009, provides three months' notice per initiated period of five years' service, or equivalent compensation, as well as a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived.
Frédéric Nolf	The agreement, started before 2009, provides three months' notice per initiated period of five years' service, or equivalent compensation, as well as a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived.
Rob Plompen	The agreement, started before 2009, provides twelve months' notice or equivalent compensation.

The contractual arrangement with Mr. Berthold Baldus has ended in the course of 2013 following the exit of Cisbio Bioassays from the Group. No payments for termination, severance or non-competition have been made upon the end of his employment.

ANNEX 1 – REMUNERATION POLICY FOR DIRECTORS

IBA directors are remunerated by an annual lump-sum fee of EUR 6 000, except the Chairman of the Board, who receives an annual lump-sum fee of EUR 12 000, the Vice-Chairman of the Board and the Chairman of the Audit Committee, who both receive an annual lump-sum fee of EUR 9 000. The annual lump-sum fee is supplemented with a fixed fee of EUR 1 000 per Board or committee meeting the director is invited to and which he attends. In line with common practice, the fee may be different depending on specific responsibilities and duties assigned to a director. This is currently the case for the Chairman of the Board who receives EUR 2 000 per meeting attended, the Vice-Chairman of the Board who receives EUR 1 500 per meeting attended, and the Chairman of the Audit Committee who receives EUR 1 500 per Audit Committee meeting attended. The fixed fees are on a half-day basis and adjusted per half day if required.

In principle, directors other than the Chairman of the Board, the Vice-Chairman of the Board and the Chairman of the Audit Committee are eligible for a fixed number of IBA stock options, as defined by the Compensation Committee. The stock options follow the rules of the plan approved by the Board of Directors. As the long-term incentive plan has been discontinued pending a reassessment, no grants have been made in 2013. A new plan will be implemented in 2014, which may include eligibility of directors, as well as revised plan features. For reference, in prior years, the economic value of the stock options, if granted, was intended to represent, in general, not more than about 15% of the annual total remuneration of the director.

The participation of directors in a share-based plan may be interpreted not to comply with the Belgian Code on Corporate Governance, prescribing that non-executive directors should not be entitled to performance-related remuneration such as bonuses, stock-related long-term incentive plans, fringe benefits or pension benefits. In the opinion of the Compensation Committee and the Board of Directors, participation in the plan ensures a stronger alignment between the directors and the longer-term success of the Company than a cash fee. Also, given the limited size of grants made, the grants do not interfere with the judgment of the directors involved, whilst the exclusion of the Chairman of the Board, the Vice-Chairman of the Board and the Chairman of the Audit Committee sufficiently safeguards the interests the Code intends to protect.

Non-managing directors do not receive any form of variable remuneration – related to individual or collective performance, or otherwise – and no other form of fixed, equity- based or in-kind remuneration.

Managing directors do not receive specific director remuneration. The remuneration they receive for their direct or indirect role in the company includes compensation for their director responsibilities.

At present, it is not anticipated that the policy will fundamentally change over the next two years, except as indicated above with regard to the long-term incentive plan. Both level and structure of director remuneration are monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate.

In particular, changes to the long-term incentive plan may also have an effect on other components of director remuneration.

ANNEX 2 – REMUNERATION POLICY FOR MANAGING DIRECTORS AND OTHER MANAGEMENT TEAM MEMBERS

The key purpose of IBA's remuneration philosophy is to ensure the Company is able to attract, retain and engage the executive talent it requires to deliver on its promises towards its various stakeholders – including its clients, its shareholders, its employees and the communities in which it operates –, whilst aligning to their respective interests.

The structure and levels of remuneration, in general, must be effective in meeting these objectives. In particular, remuneration programs and decisions at all times meet the following criteria:

- They appropriately balance external competitiveness with other organizations and internal equity, considering both the content of the position, and the personal competencies and effectiveness of the manager within IBA;

- They are affordable, sustainable and cost efficient, avoiding excesses;
- They reward performance – both individual and collective – aligned to the business strategy, considering short-term results and long-term focus, and supported by a robust performance management system;
- They provide transparency and predictability, whilst offering sufficient flexibility to swiftly respond to changing business needs, if and when required.

The remuneration structure at IBA contains both monetary and non-monetary components. The monetary components consist of annual fixed remuneration, annual variable remuneration, long-term incentives and, where appropriate, other components – such as benefit programs and benefits in kind.

At present, it is not anticipated that, in the next two years, the policy will fundamentally change except in relation to the long-term incentive plan (see below). IBA does, however, continuously assess the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

Annual Fixed Remuneration

Annual fixed remuneration is a cash component of remuneration, defined in accordance with an individual's position, as well as his or her competencies and experience in the position. It is reviewed every year and not automatically increased, except where mandatory.

Annual Variable Remuneration

The annual variable remuneration program rewards performance against specified objectives. Payout levels currently are targeted at between 25% and 50% of annual base salary, depending on the position, except for the Chief Executive Officer, whose target may represent up to 100%.

Objectives at group and/or business unit levels, as well as at individual levels are defined and formalized at the beginning of the performance period. At group and business unit levels, objectives include appropriate financial measures, currently related to profit.

At the individual level, they include appropriate non-financial measures. All objectives are focused on delivering the business strategy. At the end of the performance period, for each measure, actual levels of achievement are positioned against the predefined – quantitative or qualitative – targets and are consolidated, resulting in an overall percentage of performance that is applied to the target payout levels.

In addition, the managing directors and the Management Team members participate in an IBA global performance-based profit sharing plan, whereby the financial performance of the group, combined with individual performance, may lead to a supplementary payout. No payout will take place for 2013.

The performance period is the fiscal year. In accordance with the articles of association the Compensation Committee has decided not to include performance targets over a period exceeding one year.

The managing directors are not present at the Board and Compensation Committee meetings where their performance and variable payout levels are discussed and decided.

Agreements with the managing directors and members of the Management Team do not contain claw-back provisions in relation to variable payments that would be made on the basis of erroneous financial information.

Long-Term Incentives

In prior years the Company has operated a long-term incentive plan, aiming at supporting the alignment of its participants with shareholder interests, supporting their focus on the creation of longer-term shareholder value and generating a retention effect over time. Under the plan stock options, which vested evenly over a period of five years, have been granted to directors (with some exceptions, as set out above), the managing directors and the Management Team. Vesting was not linked to performance criteria. The stock options could not be exercised during the first three years following the year of grant. Following this initial period, they could only be exercised during specific exercise windows. The stock options expired six years following grant.

In 2013, the plan has been discontinued pending a reassessment of the plan. As a result no new grants have been made. A new plan will be implemented in 2014, which may contain revised plan features.

Retirement Plan

Depending on the terms and conditions of their agreement and the programs in place where the individual is based, managing directors and members of the Management Team may participate in a retirement plan. These plans follow market practice in the countries where they apply. They are generally defined contribution type of plans or plans where there is no funding risk for the Company.

Other Components

Similar as for retirement contributions, managing directors and members of the Management Team may be entitled to other remuneration components as per their agreement and the programs in place in their respective country. These mainly include participation in IBA's insurance programs (often covering life insurance, disability, travel insurance and medical care), company cars or car allowances, and other elements like meal vouchers or meal subsidies. All components follow local market practice in each of the countries where IBA operates.

IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

INTRODUCTION

Ion Beam Applications SA (the "Company" or the "parent"), founded in 1986, and its subsidiaries (together, the "Group" or "IBA") are committed to technological progress in the field of cancer diagnosis and therapy and deliver efficient, dependable solutions providing unequaled precision. IBA also offers innovative solutions for everyday hygiene and safety.

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

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

Consequently, IBA has agreed to follow certain rules to enhance the quality of financial information provided to the market. These rules 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 two months from the end of the second quarter;
- Publication of half-yearly 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 consolidated financial statements were approved for release by the Board of Directors on March 25, 2014.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION AT DECEMBER 31, 2013

The Group has chosen to present its balance sheet on a current/non-current basis.
The notes on pages 65 to 138 are an integral part of these consolidated financial statements.

	Note	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
ASSETS			
Goodwill	8	3 878	3 821
Other intangible assets	8	8 949	9 065
Property, plant and equipment	9	10 203	7 656
Investments accounted for using the equity method	11	31 256	35 799
Other investments	11	465	423
Deferred tax assets	12	13 624	18 044
Long-term financial assets	22	5	207
Other long-term assets	13	26 213	18 291
Non-current assets		**94 593**	**93 306**
Inventories and contracts in progress	14	83 923	72 742
Trade receivables	15	49 371	41 452
Other receivables	15	80 398	41 711
Short-term financial assets	22	121	367
Cash and cash equivalents	16	42 494	28 942
Assets held for sale	6	35 299	3 233
Current assets		**291 606**	**188 447**
TOTAL ASSETS		**386 199**	**281 753**
EQUITY AND LIABILITIES			
Capital stock	17	38 420	38 787
Capital surplus	17	25 032	25 651
Treasury shares	17	-8 612	-8 612
Reserves	18	9 756	13 339
Currency translation difference	18	-10 135	-4 716
Retained earnings	18	3 831	2 789
Reserves for assets held for sale	6	-632	0
Capital and reserves		**57 660**	**67 238**
Non-controlling interests		**0**	**0**
EQUITY		**57 660**	**67 238**
Long-term borrowings	19	36 814	41 871
Long-term financial liabilities	22	1 868	553
Deferred tax liabilities	12	1 083	711
Long-term provisions	20	19 377	9 649
Other long-term liabilities	21	861	248
Non-current liabilities		**60 003**	**53 032**
Short-term provisions	20	46 917	21 186
Short-term borrowings	19	33 665	5 201
Short-term financial liabilities	22	1 041	1 027
Trade payables	23	45 947	30 819
Current income tax liabilities		1 741	281
Other payables	24	127 755	102 628
Liabilities directly related to assets held for sale	6	11 470	341
Current liabilities		**268 536**	**161 483**
TOTAL LIABILITIES		**328 539**	**214 515**
TOTAL EQUITY AND LIABILITIES		**386 199**	**281 753**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

The Group has chosen to present its income statement using the “function of expenses” method.

	Note	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
Sales		181 898	163 570
Services		39 208	48 942
Cost of sales and services (-)		-134 218	-124 085
Gross profit		**86 888**	**88 427**
Selling and marketing expenses		20 959	18 322
General and administrative expenses		25 533	28 700
Research and development expenses		23 580	23 046
Other operating expenses	25	27 933	18 739
Other operating (income)	25	-67	-900
Financial expenses	26	8 499	5 105
Financial (income)	26	-6 858	-7 403
Share of (profit)/loss of companies consolidated using the equity method	11	9 951	3 226
Profit/(loss) before taxes		**-22 642**	**-408**
Tax (income)/expenses	27	2 637	-3 384
Profit/(loss) for the period from continuing operations		**-25 279**	**2 976**
Profit/(loss) for the period from discontinued operations	6	19 479	3 088
Profit/(loss) for the period before technical recycling of CTA(1)		**-5 800**	**6 064**
Technical recycling of CTA to income statement further to liquidation of a dormant Swedish entity		0	-7 074
Profit/(loss) for the period after technical recycling of CTA		**-5 800**	**-1 010**
Attributable to :			
Equity holders of the parent		-5 800	-1 010
Non-controlling interests		0	0
		-5 800	**-1 010**
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	35	-0.22	-0.038
- Diluted	35	-0.22	-0.038
Earnings per share from continuing (EUR per share)			
- Basic	35	-0.95	-0.153
- Diluted	35	-0.95	-0.153
Earnings per share from discontinued operations (EUR per share)			
- Basic	35	0.73	0.115
- Diluted	35	0.73	0.115

(1) 2013 net result before technical recycling of currency translation adjustment to income statement further to liquidation of a dormant Swedish entity (IAS 21.48)

Note: The above consolidated income statement recognizes the transactions between discontinued operations and continuing operations as third-party transactions.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
Profit/(loss) for the period	**-5 800**	**-1 010**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	-2 329	5 848
Exchange differences on translation of foreign operations	*-2 329*	*-1 226*
Reclassification adjustment of CTA on a Swedish dormant entity	*0*	*7 074*
- Reserves movements of investments accounted for using the equity method	0	1 052
Currency translation difference	*0*	*94*
Cash flow hedges	*0*	*-146*
Other	*0*	*1 104*
- Exchange difference related to permanent financing	-241	-523
- Net (loss)/gain on available for sale financial assets	-448	-16
- Net movement on cash flow hedges	-1 067	1 686
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**-4 085**	**8 047**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	-1 156	632
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))	0	-151
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**-1 156**	**481**
Total comprehensive income for the year	**-11 041**	**7 517**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 000	Attributable to equity holders of the parent											TOTAL
	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – reserves movements of investment accounted for using the equity method	Other reserves - Other	Currency translation difference	Retained earnings	Reserves for assets held for sale	Non-controlling interests	Shareholders' equity and reserves
Balance at 01/01/12	**38 408**	**126 366**	**-8 612**	**-1 683**	**11 300**	**0**	**524**	**-7 565**	**-91 687**	**524**	**1 143**	**68 718**
Net profit/(loss) recognized directly in equity	**0**	**0**	**0**	**-1 067**	**0**	**-81**	**-367**	**-2 570**	**0**	**-1 156**	**0**	**-5 241**
Changes in currency translation difference	0	0	0	0	0	0	0	0	0	0	0	0
Profit/(loss) for the period	0	0	0	0	0	0	0		-5 800	0	0	-5 800
Comprehensive income for the period	**0**	**0**	**0**	**-1 067**	**0**	**-81**	**-367**	**-2 570**	**-5 800**	**-1 156**	**0**	**-11 041**
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	1 130	0	0	0	0	0	0	1 130
Increase/ (decrease) in capital stock/ capital surplus	12	-101 334	0	0	0	0	0	0	101 378	0	0	56
Other changes	0	0	0	0	0	0	0	0	-60	0	-1 143	-1 203
Balance at 31/12/12	**38 420**	**25 032**	**-8 612**	**-2 750**	**12 430**	**-81**	**157**	**-10 135**	**3 831**	**-632**	**0**	**57 660**
Balance at 01/01/13	**38 420**	**25 032**	**-8 612**	**-2 750**	**12 430**	**-81**	**157**	**-10 135**	**3 831**	**-632**	**0**	**57 660**
Net profit/(loss) recognized directly in equity	**0**	**0**	**0**	**1 686**	**0**	**806**	**-16**	**-1 655**	**0**	**632**	**0**	**1 453**
Profit/(loss) for the period excluding IAS 21.48 impact	0	0	0	0	0	0	0	0	6 064	0	0	6 064
Profit/(loss) IAS 21.48 impact	0	0	0	0	0	0	0	7 074	-7 074	0	0	0
Comprehensive income for the period	**0**	**0**	**0**	**1 686**	**0**	**806**	**-16**	**5 419**	**-1 010**	**632**	**0**	**7 517**
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	1 107	0	0	0	0	0	0	1 107
Increase/ (decrease) in capital stock/ capital surplus	367	619	0	0	0	0	0	0	0	0	0	986
Other changes	0	0	0	0	0	0	0	0	-32	0	0	-32
Balance at 31/12/13	**38 787**	**25 651**	**-8 612**	**-1 064**	**13 537**	**725**	**141**	**-4 716**	**2 789**	**0**	**0**	**67 238**

CONSOLIDATED CASH FLOW STATEMENT

The Group has chosen to present the cash flow statement using the indirect method.

	Note	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) for the period before technical recycling of CTA		**-5 800**	**6 064**
Technical recycling of CTA to income statement further to liquidation of a dormant Swedish entity		**0**	-7 074
Net profit/(loss) for the period after technical recycling of CTA		**-5 800**	**-1 010**
Adjustments for :			
Depreciation and impairment of tangible assets	9	2 645	2 406
Depreciation and impairment of intangible assets and goodwill	8	1 485	2 151
Write-off on receivables	15	739	156
Changes in fair value of financial assets (profits)/losses		1 063	-92
Changes in provisions	20	23 113	7 275
Deferred taxes	27	-459	-4 409
Share of result of associates and joint ventures accounted for using the equity method	11	9 188	2 218
Other non-cash items – impact of IAS 21.48		0	7 074
Other non-cash items	29	-1 847	9 569
(Profit)/loss on the disposal of assets held for sale		-24 586	0
Net cash flow changes before changes in working capital		**5 541**	**25 338**
Trade receivables, other receivables and deferrals		-13 299	-13 006
Inventories and contracts in progress		-8 916	21 574
Trade payables, other payables and accruals		3 781	-12 975
Other short-term assets and liabilities		-16 580	-13 023
Changes in working capital		**-35 014**	**-17 430**
Net income tax paid/received		-1 910	-2 865
Interest expense		1 812	1 798
Interest income		-1 165	-78
Net cash (used)/generated from operations		**-30 736**	**6 763**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	-2 337	-1 640
Acquisition of intangible assets	8	-4 818	-2 293
Disposals of fixed assets		64	1 681
Acquisition of subsidiaries net of acquired cash	7	-353	0
Acquisition of third-party and equity-accounted investments	11	-21 304	0
Disposals of subsidiaries		74 700	13 127
Disposals of other investments and equity method accounted companies, net of assigned cash		0	170
Other investing cash flows	29	-3 149	-5 190
Net cash (used)/generated from investing activities		**42 803**	**5 855**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	19	18 257	10 024
Repayment of borrowings	19	-1 482	-34 200
Interest paid		-3 386	-1 809
Interest received		1 228	78
Capital increase (or proceeds from issuance of ordinary shares)	17	56	986
Dividends paid		-94	0
Other financing cash flows	29	-677	-3 012
Net cash (used)/generated from financing activities		**13 902**	**-27 933**
Net cash and cash equivalents at beginning of the year		**20 410**	**45 733**
Net change in cash and cash equivalents		25 969	-15 315
Exchange (profits)/losses on cash and cash equivalents		-646	-1 328
Net cash and cash equivalents at end of the year	16	**45 733**	**29 090**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE

1. SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

1.1 INTRODUCTION

The main IFRS accounting principles applied by the Group in preparing the IFRS consolidated financial statements are presented below.

1.2 BASIS OF PREPARATION

IBA's consolidated financial statements for the year ended December 31, 2013 have been prepared in compliance with IFRS ("International Financial Reporting Standards") and IFRIC interpretations ("International Financial Reporting Interpretations Committee") adopted by the European Union, issued and effective or issued and early adopted at December 31, 2013.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value.

These financial statements have been prepared on an accruals basis and on the assumption that the entity is a going concern and will continue to operate in the foreseeable future.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

The accounting principles used to prepare the Group's annual financial statements are the same as those used for the year ended December 31, 2012, with the exception of the following points.

The Group adopted the following new amendments with effect from January 1, 2013:

1.2.1 New and amended standards and Interpretations, effective for financial years starting on January 1, 2013

The Group applied, for the first time in 2013, certain standards and amendments that require restatement of previous financial statements. These include IAS 19 Employee Benefits (amended 2011), IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements.

Several other amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group.

The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- Amendment IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
- IAS 12 Income Taxes – Recovery of Tax Assets
- IAS 19 Employee Benefits (amended)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements to IFRS (Issued May 2012)

Amendment IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments require disclosure about rights to set-off and related arrangements (e.g., collateral agreements). These disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group's current disclosures.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when fair value is required to be used, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defined fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures. Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures, if required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

The amendment to IAS 1 is to improve the presentation of other comprehensive income ("OCI") by imposing a particular group share recyclables as a result, other non-recyclable items in results (eg actuarial losses on post-employment benefits, IAS 16 revaluation). Items, that will be reclassified ('recycled') to profit or loss in the future, have to be presented separately from items that will not be reclassified. The amendment affected presentation only and did not have an impact on the Group's financial position or performance.

IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets

The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always should be measured on a sale basis of the asset. The amendment did not have an impact on The Group's financial position or performance.

Amended IAS 19 Employee Benefits

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including :

- actuarial gains and losses that are now recognised in other comprehensive income and permanently excluded from profit and loss;
- expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and;
- unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised.

Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

The standard is applied retrospectively but does not impose retrospectively adjust book value of assets in which the personnel costs - as measured by the previously current version of IAS 19 - have been incorporated (eg inventories, fixed assets produced by the entity).

The impact of improvement of IAS 19R on the financial statements is not significant.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 concerns the accounting treatment of stripping costs incurred during the interpretation phase of a mine open pit. This interpretation addresses the accounting for the benefit from the stripping activity.

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

IMPROVEMENT TO IFRSs (Issued May 2012)

In May 2012, the IASB issued the 2009-2011 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. When the adoption of an improvement is deemed to have an impact on the financial statements or the performance of the Group, it could be described as follows:

IAS 1 Presentation of Financial Statements

The amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntary provides comparative information beyond the minimum required comparative period. The amendments also clarify that the opening statement of financial position (as at January 1, 2013 in the case of the Group), presented as a result of retrospective restatement or reclassification of items in financial statements, does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at January 1, 2013. The amendments affect presentation only and disclosure only, and have no impact on the Group's financial position of performance.

- ***IAS 16 Property, Plant and Equipment***

The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

The impact of improvement of IAS 16 on the financial statements is not significant.

- ***IAS 32 Financial Instruments: Presentation***

The amendment clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. This improvement did not have an impact on the Group's financial position.

1.2.2 New and amended standards and Interpretations, effective for financial years starting after January 1, 2013 or later

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

- IFRS 9 Financial Instruments, effective January 1, 2015
- IFRS 10 Consolidated Financial Statements, effective January 1, 2014
- IFRS 11 Joint Arrangements, effective January 1, 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective January 1, 2014
- IFRS 10-12 - Transition Guidance, effective January 1, 2014
- IFRS 10, IFRS 12 and IAS 27 - Investment Entities1, effective January 1, 2014
- IAS 27 Separate Financial Statements, effective January 1, 2014
- IAS 28 Investments in Associates and Joint Ventures, effective January 1, 2014
- IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective January 1, 2014
- IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets, effective January 1, 2014
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective January 1, 2014
- IFRIC 21 Levies, effective January 1, 2014

IFRS 9 Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs' work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets and hedge accounting. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on the classification and measurement of the Group's financial liabilities.
The group does not anticipate that adoption of this amendment will have an impact on the note relating to financial instruments.

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation - Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) the investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. The standard becomes effective for financial years beginning on or after January 1, 2014.
The group does not anticipate that adoption of this amendment will have an impact.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The standard becomes effective for financial years beginning on or after January 1, 2014.

The group does not anticipate that adoption of this amendment will have an impact on its financial performance or position.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previous existing disclosure requirements for subsidiaries. The standard becomes effective for financial years beginning on or after January 1, 2014.

The group does not anticipate that adoption of this amendment will have an impact on its financial performance or position.

IFRS 10-12 - Transition Guidance

The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements and also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The transition guidance becomes effective for financial years beginning on or after January 1, 2014.

The group does not anticipate that adoption of this amendment will have an impact on its financial performance or position.

IFRS 10, IFRS 12 and IAS 27 - Investment Entities

The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to measure particular subsidiaries at fair value through profit or loss. It is not expected this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10. The amendments become effective for financial years beginning on or after January 1, 2014.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The revised standard will have no impact on the Group's financial position and performance. The revised standard becomes effective for financial years beginning on or after January 1, 2014.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Group is currently assessing the impact of this standard. The revised standard becomes effective for financial years beginning on or after January 1, 2014.

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

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment will not have an impact on the Group. The amendments become effective for financial years beginning on or after January 1, 2014.

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

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

The group does not anticipate that adoption of this amendment will have a significant impact on the note relating to financial instruments.

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

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations. The amendments become effective for financial years beginning on or after January 1, 2014.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. This interpretation will have no impact on the Group's financial position and performance. IFRIC 21 becomes effective for financial years beginning on or after January 1, 2014.

1.3 CONSOLIDATION

The parent and all of its controlled subsidiaries are included in the consolidation.

1.3.1 SUBSIDIARIES

Assets and liabilities, rights and commitments, and income and charges of the parent and its controlled subsidiaries are consolidated in full. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

It is presumed to exist when the IBA Group holds more than 50% of the entity's voting rights. This presumption may be rebutted if there is clear evidence to the contrary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree are effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the statement of consolidated financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are deconsolidated from the date on which control ceases. The following treatments are applied on consolidation:

- The carrying amount of the parent's investment in each subsidiary and the parent's portion of the equity of each subsidiary are eliminated;
- In the statement of consolidated financial position, non-controlling interests in the net assets of subsidiaries are identified and reported separately in the caption "Non- controlling interests";
- The portion of the profit or loss of the fully consolidated subsidiaries attributable to shares held by entities outside the Group is presented in the consolidated income statement in the caption "Profit/(loss) attributable to non-controlling interests";
- Intra-Group balances and transactions and unrealized gains and losses on transactions between Group companies are eliminated in full.

Consolidated financial statements are prepared applying uniform accounting policies to like transactions and other events in similar circumstances.

1.3.2 ASSOCIATES

An associate is an entity in which the investor has significant influence, but which is neither a subsidiary nor a joint venture (see next subsection) of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. It is presumed to exist when the investor holds at least 20% of the investee's voting power but not to exist when less than 20% is held. This presumption may be rebutted if there is clear evidence to the contrary.

All associates are accounted for using the equity method: participating interests are presented separately in the closing date statement of consolidated financial position (in the caption "Investments accounted for using the equity method") at an amount proportionate to the associate's equity (as restated under IFRS), including the result for the year. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates attributable to the Group is presented separately in the consolidated income statement in the caption "Share of profit (loss) of companies consolidated using the equity method".

Unrealized profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates are eliminated in proportion to the investor's interest in the associate.

1.3.3 JOINTLY CONTROLLED ENTITIES

As with associates, the equity method is used for entities over which the Group exercises joint control (i.e., joint ventures).

1.3.4 TREATMENT OF GOODWILL OR NEGATIVE GOODWILL

Business combinations are the bringing together of separate entities or businesses into one reporting entity. A business is a set of activities and assets applied and managed together in order to provide a return or any other economic benefit to its investors. In all business combinations, one entity (the acquirer) obtains control that is not transitory of one or more other entities or businesses (the acquiree).

All business combinations (acquisitions of businesses) arising after January 1, 2004 are accounted for using the purchase method. The acquirer measures the cost of the business combination at the acquisition date (the date on which the acquirer obtains control over the net assets of the acquiree) and compares it with the fair value of the acquiree's identifiable net assets, liabilities, and contingent liabilities. The difference between the two represents goodwill.

For all business combinations arising before January 1, 2004, no retrospective restatement to fair value has been made.

Similar rules have been applied to investments accounted for under the equity method, except that any goodwill arising on such investment is included in the carrying amount of the investment.

Negative goodwill arising on such investments is included in the determination of the entity's share of the investee's profit or losses in the period in which the investment is acquired.

Goodwill is not amortized but instead is tested for impairment annually (or more frequently if circumstances so require).

Negative goodwill is recognized as profit.

1.3.5 ACQUISITION OF NON-CONTROLLING INTERESTS

The excess of the acquisition cost of non- controlling interests over the balance sheet entry for these non-controlling interests is deducted from equity ("economic unit model").

1.3.6 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 date of the transaction (historical exchange rate) or at an average rate for the month.

The principal exchange rates used for conversion to EUR are as follows:

	Closing rate at December 31, 2012	Average annual rate 2012	Closing rate at December 31, 2013	Average annual rate 2013
USD	1.3194	1.2860	1.3791	1.3280
SEK	8.5820	8.7043	8.8591	8.6487
GBP	0.8161	0.8113	0.8337	0.8490
CNY	8.2207	8.1054	8.3491	8.2210
INR	72.5600	68.6849	85.3660	77.6278
JPY	113.6100	103.4317	144.7200	129.5775
CAD	1.3137	1.2852	1.4671	1.3676
RUB	40.3295	40.2052	45.3246	42.2502

1.4 INTANGIBLE FIXED ASSETS

Recognition as an intangible fixed asset is required when

(1) this asset is identifiable, i.e. separable (it can be sold, transferred, or licensed) or where it arises from contractual or other legal rights;

(2) it is probable that future economic benefits attributable to the asset will flow to IBA;

(3) IBA can control the resource; and

(4) the cost of the asset can be measured reliably.

Intangible assets are carried at acquisition cost less any accumulated amortization and any accumulated impairment loss.

Cost includes the fair value of the consideration given to acquire the asset and any costs directly attributable to the transaction, such as relevant professional fees or non-refundable taxes.

Indirect costs as well as general overheads are not included. Expenditure previously recognized as expense is not included in the cost of the asset.

Costs arising from the research phase of an internal project are expensed as incurred.

Costs arising from the development phase of an internal project (product development project or IT project) are recognized as an asset when IBA can demonstrate the following: technical feasibility, intention to complete development, how the intangible asset will generate probable future economic benefits (e.g., the existence of a market for the output of the intangible asset or for the intangible asset itself), availability of resources to complete development, and ability to measure the attributable expenditure reliably.

Maintenance costs, as well as costs for minor upgrades intended to maintain (rather than increase) the level of performance of the asset, are expensed as incurred.

The above recognition criteria are fairly stringent and are applied prudently.

The cost of the intangible assets is allocated on a systematic basis over the useful life of the asset using the straight-line method.

The applicable useful lives are as follows:

INTANGIBLE FIXED ASSETS	Useful life
Product development costs	3 years, except if a longer useful life is justified (however not exceeding 5 years)
IT development costs for the primary software programs (e.q. ERP)	5 years
Other software	3 years
Concessions, patents, licenses, know-how, trademarks, and other similar rights	3 years, except if a longer useful life is justified

Amortization commences only when the asset is available for use in order to achieve proper matching of cost and revenue.

In 2013, the Group had no remaining intangible fixed assets with indefinite useful life relating to its continuing operations.

1.5 TANGIBLE FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

Tangible fixed assets are carried at acquisition cost less any accumulated depreciation and any accumulated impairment loss.

Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).Directly attributable costs are the cost of site preparation, delivery costs, installation costs, relevant professional fees, and the estimated cost of dismantling and removing the asset and restoring the site (to the extent that such a cost is recognized as a provision).

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is separately depreciated over its useful life using the straight-line method. The depreciable amount is the acquisition cost, except for vehicles. For vehicles, it is the acquisition cost less the residual value of the asset at the end of its useful life.

Maintenance or repair costs whose objective is to maintain rather than increase the level of performance of the asset are expensed as incurred.

The applicable useful lives are as follows:

TANGIBLE FIXED ASSETS	Useful life
Land	Not depreciated
Office buildings	33 years
Industrial buildings	33 years
Cyclotrons and vaults	15 years, except in specific rare circumstances where a different useful life is justified
Laboratory equipment	5 years
Other technical equipment	5 to 10 years
Computer hardware	3 to 5 years (5 years for mainframes)
Furniture and fittings	5 to 10 years
Vehicles	2 to 5 years

1.5.1 LEASE TRANSACTIONS INVOLVING IBA AS A LESSEE

A finance lease, which transfers substantially all the risks and rewards incident to ownership, is recognized as an asset and a liability at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments (= sum of capital and interest portions included in the lease payments). Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The depreciation policy for leased assets is consistent with that for similar assets owned.

1.5.2 INVESTMENT PROPERTIES

Investment properties for the Group's own use are carried at acquisition cost less any accumulated depreciation and any impairment loss.

1.6 IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the following two amounts: fair value less costs to sell (the money that IBA can recover through sale) or value in use (the money that IBA can recover if it continues to use the asset).

When possible, impairment tests have been performed on individual assets. When, however, it is determined that assets do not generate independent cash flows, the test is performed at the level of the cash-generating unit (CGU) to which the asset belongs (CGU = the smallest identifiable group of assets generating inflows that are largely independent from the cash flows from other CGUs).

Goodwill arising on a business combination is allocated among the Group's CGUs that are expected to benefit from synergies as a result of the business combination. This allocation is based on Management's assessment of the synergies gained and is not dependent on the location of the acquired assets.

Since it is not amortized, goodwill is tested for impairment annually, along with the related CGU (or more frequently depending on circumstances), even if no indication of impairment exists. Other intangible and tangible fixed assets/CGUs are tested only if there is an indication that the asset is impaired.

Any impairment loss is first charged against goodwill. Any impairment loss exceeding the book value of goodwill is then charged against the other CGUs' fixed assets only if the recoverable amount is below their net book value. Reversals of impairment losses (other than on goodwill) are recorded if justified.

1.7 INVENTORIES

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

The cost of inventories comprises all costs incurred in bringing inventories to their present location and condition, including indirect production costs. Administrative overheads that do not contribute to bringing inventories to their present location and condition, selling costs, storage costs, and abnormal amounts of wasted materials are not included in the cost of inventories.

The standard cost method is used. The standard cost of an item of inventory at period-end is adjusted to actual cost. The allocation of fixed production overheads to the production cost of inventories is based on the normal capacity of the production facilities.

The cost of inventories that are ordinarily interchangeable is allocated by using the weighted average cost formula. The same cost formula is used for all inventories that have a similar nature and use to the entity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (e.g. sales commissions).

IBA books a write-down when the net realizable value at the balance sheet date is lower than the cost.

IBA applies the following policy for write-down on slow-moving items:

- If no movement after 1 year: write-off over 3 years;
- If movement occurs after write-off: reversal of write-off.

However, inventory is valued individually at year-end. Exceptions to the above general policy for write-down on slow moving items are made when justified by the individual valuation.

1.8 REVENUE RECOGNITION (EXCLUDING CONTRACTS IN PROGRESS, WHICH ARE COVERED IN THE FOLLOWING SECTION)

Revenue arising from the sale of goods is recognized when an entity has transferred the significant risks and rewards of ownership and collectability and recovery of the related receivables are reasonably assured.

The transaction is not a sale and revenue is not recognized where

(1) IBA retains an obligation for unsatisfactory performance not covered by normal warranty provisions;
(2) the receipt of revenue from a particular sale is contingent on the derivation of revenue by the buyer from its sale of the goods;
(3) the buyer has the power to rescind the purchase for a reason specified in the sales contract; and
(4) IBA is uncertain about the probability of return.

Revenue is normally recognized when the buyer accepts delivery, and installation and inspection are complete. However, revenue is recognized immediately upon the buyer's acceptance of delivery when installation is simple in nature.

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the balance sheet date using rules similar to those for construction contracts (see next section); in other words, revenue is recognized as the related costs are incurred. Unless it is clear that costs are not incurred on a straight-line basis, revenues are spread evenly over the period of the services.

The recognition criteria are applied to the separately identifiable components of a single transaction when it is necessary to reflect the substance of the transaction.

Interest income is recognized using the effective yield method. Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividends relating to year N are recognized when the shareholder's right to receive payment is established (i.e. in year N+1).

1.9 CONTRACTS IN PROGRESS

Contract costs comprise:

- Direct and indirect production costs (same as for inventories, see above);
- Such other costs as are specifically chargeable to the customer under the terms of the contract;
- Costs incurred in securing the contract if they can be separately identified and measured reliably and if it is probable that the contract will be obtained.

When the outcome of a construction contract (i.e. estimation of the final margin) can be estimated reliably, contracts in progress are measured at production cost increased, according to the stage of completion of the contract, by the difference between the contract price and production cost ("percentage of completion" method).

The stage of completion is determined by comparing actual costs incurred to date with estimated costs to completion (costs that do not reflect work performed, such as commissions and royalties are excluded for this calculation). The percentage of completion is applied on a cumulative basis.

When the outcome of the contract cannot be estimated reliably, revenue is recognized only to the extent of costs incurred that it is probable will be recovered; contract costs are recognized as an expense as incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately expensed to income statement, and a loss- at- completion provision is recorded.

The Group presents as an asset the net amount due from customers on contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. Progress billings not yet paid by customers and retention are included in trade receivables.

The IBA Group presents as a liability the net amount due to customers on contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

When financial guarantees must be given to third parties in connection with a contract and these guarantees involve a financial risk for IBA, a financial liability is recognized.

1.10 RECEIVABLES

Receivables are recognized initially at fair value and subsequently measured at amortized cost, i.e., at the net present value of the receivable amount.

Unless the discounting impact is significant, receivables are measured at nominal value. Receivables are written down when receipt of all or part is uncertain or doubtful.

In general, IBA applies the following rule to write-downs of bad or doubtful debts:

- 25% after 90 days overdue;
- 50% after 180 days overdue;
- 75% after 270 days overdue;
- 100% after 360 days overdue.

However, the recoverability of receivables is assessed on a case-by-case basis, and exceptions to the above general rule are made when justified.

Namely, public receivables in Italy and Spain, for which the applied rules are as follows:

- 50% after 720 days overdue;
- 60% after 1 080 days overdue;
- 80% after 1 440 days overdue;
- 100% after 1 800 days overdue.

At December 31, 2013, those receivables amount to 1.9 million for which a write down of EUR 0.6 million was recognized.

1.11 FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market and are not held for trading.

Gains and losses on loans and receivables are recorded when receivables have been derecognized. Losses are recognized as soon as loans and receivables should be impaired.

Term deposits with maturities exceeding 3 months are classified as loans and receivables under IAS 39.

Investments in interest bearing securities, as well as investments in shares (other than shares in subsidiaries, joint ventures and associates) are accounted for as available-for-sale financial assets. They are recorded at fair value, with gains and losses recognized in equity, until they are impaired or sold, at which time the gains or losses accumulated in equity are reclassified to income.

For financial assets that are classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is objective evidence of impairment. For restricted assets, a significant, prolonged decline is defined as a loss in value of more than 25% lasting over a continuous 6-month period. Impairment losses on these instruments are charged to income statement.

Increases in their fair value after impairment are credited directly to equity.

When there are indicators of impairment, all financial assets are subject to an impairment test. The indicators should provide objective evidence of impairment as a result of a past event that occurred subsequent to the initial recognition of the asset.

Expected losses as a result of future events are not recognized, no matter how likely.

1.12 CASH AND CASH EQUIVALENTS

Cash balances are recorded at their nominal value. Cash equivalents are short-term, highly liquid investments that can be used for any purpose and have a maturity date not exceeding three months from acquisition date. Cash and cash equivalents include bank overdrafts.

If liquid funds are held in a special purpose account in the form of highly liquid investments that are renewed at maturity until needed for the special purpose, these cash equivalents are deemed restricted and are classified as other long-term receivables.

1.13 DEFERRED CHARGES AND ACCRUED INCOME

Deferred charges are the prorated amount of charges incurred in the current or prior financial periods but which are related to one or more subsequent periods. Accrued income is the prorated amount of income earned in the current or prior periods which will be received only in subsequent periods.

1.14 CAPITAL STOCK

Ordinary shares are classified in the caption “Capital stock.” Treasury shares are deducted from equity. Treasury share movements do not affect the income statement.

1.15 CAPITAL GRANTS

Capital grants are recorded as deferred income. Grants are recognized as income at the same rate as the rate of depreciation for related fixed assets. When grants relate to a non-capitalized cost, they are systematically recognized as income for the period during which the cost they are supposed to offset has occurred.

1.16 PROVISIONS

A provision is recognized only when:

- IBA has a present obligation to transfer economic benefits as a result of past events;
- It is probable (more likely than not) that such a transfer will be required to settle the obligation;
- A reliable estimate of the amount of the obligation can be made.

When the impact is likely to be material (for long-term provisions), the amount recognized as a provision is estimated on a net present value basis (discount factor). The increase in provision due to the passage of time is recognized as an interest expense.

A present obligation arises from an obligating event and may take the form of either a legal obligation or a constructive obligation (A constructive obligation exists when IBA has an established pattern of past practice that indicates to other parties that it will accept certain responsibilities and as a result has created a valid expectation on the part of those other parties that it will discharge those responsibilities). An obligating event leaves IBA no realistic alternative to settling the obligation, independently of its future actions.

Provisions for site repair, restoration, and decommissioning costs are recorded as appropriate in application of the above.

If IBA has an onerous contract (that is, if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognized as a provision.

A provision for restructuring is recorded only if IBA can demonstrate that the Company is under an obligation to restructure at the balance sheet date. Such obligation must be demonstrated by (a) preparing a detailed formal plan identifying the main features of the restructuring and (b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

1.17 PENSIONS AND OTHER EMPLOYEE BENEFITS

1.17.1 PENSIONS

Premiums paid in relation to a defined contribution plan are expensed as incurred. Defined contribution plans are postemployment benefit plans under which IBA pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group has defined benefit plans only in Cisbio Bioassays SAS or in entities accounted for using the equity method. They do not, therefore, appear in provisions. These benefits are as follows:

- Entitlements of employees in service at year-end in the form of benefits, supplements, and other retirement compensation not covered by the pension or insurance funds; and
- Entitlements conferred as a result of the lowering of the retirement age for employees working or having worked in hazard areas.

The obligations arising from the application of these benefit plans are pension plans with defined benefits that set the benefit amount that an employee will receive when retiring, depending generally on one or more factors such as age, years of service and salary.

For pension plans with defined benefits, the costs related to these plans are assessed per pension plan using the projected unit method. This method considers that each service period gives rise to an additional benefit entitlement unit. According to this method, the plans' cost is recognized as an expense in the income statement so as to spread this cost evenly throughout the employee's career, and this based on the recommendations of actuaries who carry out complete assessments on these retirement plans each year. The amounts recognized in the operating income statement include the cost of performed services, cost of past services and impacts of any plan reduction or settlement. The net financial cost is recognized as financial expenses. The obligations relating to the retirement plans recognized in the balance sheet are assessed based on the present value of future cash flows, calculated using interest rates corresponding to those applicable to first category corporate bonds, whose maturity date is almost similar to that of the corresponding liabilities, less the fair value of all the post employment plans' assets. The past services costs result from the adoption or change brought to a retirement plan. They are recorded as expenses in the year they occur. Actuarial differences include, for assets and liabilities, differences between previous actuarial assumptions and what actually happened, and the impact of changes of actuarial assumptions on the plans' liabilities.

Actuarial differences are fully recorded in other items of the comprehensive income statement during their period of occurrence.

1.17.2 STOCK OPTION PLANS AND SHARE-BASED PAYMENTS

Share-based payments are transactions to be paid with shares, stock options, or other equity instruments (granted to employees or other parties) and transactions paid in cash or other assets when the amount payable is based on the price of the Group's shares.

All transactions involving share-based payments are recognized as expenses.

Equity-settled share-based payment transactions are measured at the fair value of the goods or services received at the date on which the Group recognizes the goods and services. If the fair value of goods or services cannot be determined, the Group uses the fair value of the equity instruments granted. Equity-settled share-based payments are not re-measured.

1.18 DEFERRED TAXES

The comprehensive method and the liability method are used. Deferred taxes are recorded on the temporary differences arising between the carrying amount of the balance sheet items and their tax base, using the rate of tax expected to apply when the asset is recovered or the liability is settled.

There are three exceptions to the general principle that deferred taxes are recognized on all temporary differences. Deferred taxes are not recognized for:

- Goodwill that is not amortized for tax purposes;
- Initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- Investments in subsidiaries, branches, associates, and joint ventures (deferred taxes may be recognized only when IBA does not have control over the distribution or, if IBA controls the distribution, that it is likely that dividends will be distributed in the foreseeable future).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The same principle applies to recognition of deferred tax assets for unused tax losses carried forward. This assessment is subject to the principle of prudence. 4 years are taken into account in order to determine the period for recovery of the taxes.

Deferred taxes are calculated for each fiscal entity in the Group. IBA is able to offset deferred tax assets and liabilities only if the deferred balances relate to income taxes levied by the same taxation authority.

1.19 PAYABLES AFTER AND WITHIN ONE YEAR

Payables after and within one year are measured at amortized cost, i.e., at the net present value of the payable amount.

Unless the impact of discounting is material, the nominal value is taken.

1.20 ACCRUED CHARGES AND DEFERRED INCOME

Accrued charges are the prorated amount of expenses which will be paid in a subsequent financial period but relate to a prior period. Deferred income is the prorated amount of income received in the current or prior periods but related to a subsequent period.

1.21 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted into the functional currency of the Group entity party to the transaction using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Exchange differences arising from the consolidation of currency items that constitute part of the reporting entity's net investment in a foreign entity (i.e. when settlement is neither planned nor likely to occur in the foreseeable future) are recorded in equity if the following two conditions are met:

(1) The loan is made in either the functional currency of the reporting entity or the foreign operation; and

(2) The loan is made between the reporting entity and a foreign operation.

1.22 DERIVATIVES AND HEDGING ACTIVITIES

Derivative instruments are accounted for at fair value on the date the contracts are entered into.

Changes in the fair value of derivative instruments are accounted for in the income statement unless they qualify as cash flow hedges under IAS 39.

The Group designates certain derivative transactions as hedges of the variability of the fair value of recognized assets or liabilities (fair value hedges); as unrecognized firm commitments; or as hedges of the cash flow variability arising from a specific risk associated with a recognized asset or liability or with a highly probable forecast transaction (cash flow hedges).

The Group documents at the inception of the transaction the relationship between the hedging instruments and the hedged item, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. Gain or loss relating to the ineffective portion of the hedge is recognized immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects the income statement (e.g., when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and reclassified to the income statement when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately moved to the income statement.

c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are recognized at fair value on the statement of financial position, with changes in fair value recognized in the income statement.

These instruments are considered economic hedges inasmuch as they are not used to speculate on positions.

The Group does not hold instruments for speculative purposes.

1.23 OPERATING SEGMENTS

A business segment is a group of assets and operations involved in the supply of products or the providing of services and exposed to risks and returns other than those in other business segments.

A geographic segment is engaged in the supply of products or the providing of services within a specific economic environment, exposed to risks and returns other than those in segments operating in other economic environments.

2. DESCRIPTION OF FINANCIAL RISK MANAGEMENT POLICIES

2.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks, of which the largest is market risk (including currency risk). Other financial risks include credit risk, liquidity risk, interest rate risk, and commodity risk.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Audit Committee of the Board of Directors. These policies provide written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity. Group Treasury identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units.

2.1.1 MARKET RISK

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Chinese Yuan, Czech krona, Polish zlotys and the Swedish krona.

Foreign exchange risk arises from future and committed commercial transactions, recognized financial assets and liabilities, and net investments in foreign operations.

To manage foreign exchange risk arising from future and committed commercial transactions and from recognized assets and liabilities denominated in a currency different from the entity's functional currency, entities in the Group use forward exchange contracts, transacted with Group Treasury. Group Treasury is responsible for hedging the net position in each foreign currency by using forward exchange contracts entered into with banks when possible and appropriate.

For segment reporting purposes, each subsidiary designates contracts with Group Treasury as fair value hedges or cash flow hedges, as appropriate.

External foreign exchange contracts are designated at Group level as hedges of foreign exchange risk on specific assets, liabilities, or committed or future transactions on a gross basis.

The Group's general hedging policy is to hedge any confirmed sales contracts denominated in a foreign currency as well as expected net operational cash flows when they can be reasonably predicted. Appropriate documentation is prepared in accordance with IAS 39.

The CFO approves and the CEO is informed of significant hedging transactions, with reporting to the Audit Committee twice a year.

Intercompany loans denominated in foreign currencies are entered into to finance certain subsidiaries and expose the Group to fluctuations in exchange rate.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Only the Dosimetry segment is impacted by the fluctuation of the USD exchange rate against EUR. In 2013, the fluctuation of -3% of USD against EUR impacted negatively the sales of Dosimetry segment by -1%.

Currency transactional risk:

The Group has some transactional currency exposure that arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The transactional foreign currency risk mainly arises from open positions in the

Belgian business units against, among others, the US dollar.

Approximately 29% of the Group's sales (34% in 2012) (with a scope of consolidation identical to that of 2012) are denominated in currencies other than the functional currency of the operating unit making the sale, while 90% of costs (79.2 % in 2012) (with a scope of consolidation identical to that of 2012) are denominated in the unit's functional currency. Where the Group considers that there are no natural hedging opportunities, forward exchange contracts or forward currency options are used to cover currency exposure.

b) Other market risks

The Group is exposed to the counterparty risk on commercial paper and investment funds held in companies accounted for using the equity method and in respect of which IBA is committed for 5 years to supporting the differences between the pledged assets and the provisions for decommissioning of Rose Holding SARL (cf. Note 3.b). The risk is mitigated by the rigorous selection of investment products with a high rating and high degree of liquidity. The Company cannot, however, assume that these ratings will not suddenly change or that changes will not occur in the market resulting in disappearance of the liquidity.

2.1.2 CREDIT RISK

The Group has no significant exposure to credit risk. The Company policy for large contracts is to have appropriate letters of credit issued prior to delivery of the equipment.

The Company has also a general agreement with the Belgian national export credit insurance institution (ONDD) that provides systematic coverage of all large equipment transactions.

The table in section 2.2 presents the financial assets of the Group by valuation method. The carrying amount of these financial assets represents the maximum credit exposure of the Group.

The fair value of a financial instrument is the price at which a party would accept the rights and/or obligations of this financial instrument from another independent party.

2.1.3 LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount in outstanding credit facilities. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping credit lines available.

In late 2009, IBA strengthened the availability of financing by obtaining a long-term credit facility of EUR 50 million from the EIB (European Investment Bank) to provide financing for research and development projects. Under the terms of this financing, the Group agrees to comply with specific covenants relating to the Group's level of debt.

At December 31, 2013, the Group had drawn up to EUR 30 million on this line of credit and made repayments for EUR 3.75 million (of which EUR 2.5 million in 2013).

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

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

At December 31, 2013, the Group has at its disposal credit lines up to EUR 61.3 million of which 75.5% are used to date.

In addition, in the context of its proton therapy contracts, IBA has negotiated a manufacturing credit facility of EUR 60.2 million which can be used up to end 2013. On December 31, 2012, EUR 30.8 million of this credit was used and has been entirely reimbursed on October, 2013, upon acceptance of the project and customer's payment.

The table below summarizes the maturity profile of the Group's financial liabilities:

DECEMBER 31, 2012 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank borrowings	0	36 183	8 999	15 904	18 799	79 885
Financial lease liabilities	0	239	232	673	0	1 144
Trade payables	25 346	20 601	0	0	0	45 947
Other ST and LT liabilities	1 966	127 107	2 881	1 239	73	133 266
TOTAL	**27 312**	**184 130**	**12 112**	**17 816**	**18 872**	**260 242**

DECEMBER 31, 2013 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank borrowings	0	7 239	6 687	19 130	23 930	56 986
Financial lease liabilities	0	239	227	463	0	929
Trade payables	9 439	21 380	0	0	0	30 819
Other ST and LT liabilities	705	102 326	1 700	6	0	104 737
TOTAL	**10 144**	**131 184**	**8 614**	**19 599**	**23 930**	**193 471**

The table below summarizes the maturity profile of the Group's financial assets:

DECEMBER 31, 2012 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	41 170	8 201	0	0	0	49 371
Other ST and LT assets	10 859	79 645	9 842	2 498	3 893	106 737
TOTAL	**52 029**	**87 846**	**9 842**	**2 498**	**3 893**	**156 108**

DECEMBER 31, 2013 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	27 582	13 870	0	0	0	41 452
Other ST and LT assets	4 853	37 224	2 179	10 997	5 323	60 576
TOTAL	**32 435**	**51 094**	**2 179**	**10 997**	**5 323**	**102 028**

2.1.4 INTEREST RATE RISK

The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group entered into interest rate swaps in order to limit the impact of interest rate fluctuation on its financial results.

IBA does not apply hedge accounting to these transactions, and these instruments are therefore revalued through profit and loss.

IBA's analysis of the impact of a 1% fluctuation in interest rates (sensitivity analysis) on the income statement of an average financial debt of EUR 47.4 million in 2013 (41.5 million in 2012 – impact of EUR -/+0.42 million) suggests that it will be EUR -/+0.47 million.

2.2 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

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

EUR 000	Category	December 31, 2012 Net carrying value	December 31, 2012 Fair value	December 31, 2013 Net carrying value	December 31, 2013 Fair value
FINANCIAL ASSETS					
Trade receivables	Loans and receivables	49 371	49 371	41 452	41 452
Long-term receivables on contracts in progress	Loans and receivables	5 818	5 818	959	959
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	20 395	20 395	17 332	17 332
Non-trade receivables and advance payments	Loans and receivables	15 906	15 906	18 022	18 022
Other short-term receivables	Loans and receivables	64 492	64 492	23 689	23 689
Other investments	Available for sale	465	465	423	423
Cash and cash equivalents	Loans and receivables	42 494	42 494	28 942	28 942
Hedging derivative products	Hedge accounting	95	95	505	505
Derivative products – other	FVPL2	31	31	69	69
TOTAL		**199 067**	**199 067**	**131 393**	**131 393**
FINANCIAL LIABILITIES					
Bank borrowings	FLAC	69 502	69 502	46 250	46 250
Financial lease liabilities	FLAC	977	977	822	822
Trade payables	FLAC	45 947	45 947	30 819	30 819
Hedging derivative products	Hedge accounting	2 806	2 806	1 386	1 386
Derivative products – other	FVPL2	103	103	194	194
Other long-term liabilities	FLAC	861	861	248	248
Amounts due to customers for contracts in progress	FLAC	61 513	61 513	72 364	72 364
Social debts	FLAC	11 621	11 621	12 166	12 166
Other short-term liabilities	FLAC	54 621	54 621	18 098	18 098
Short-term tax liabilities	FLAC	1 741	1 741	281	281
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**249 692**	**249 692**	**182 628**	**182 628**

At December 31, 2012 and 2013, the net carrying value of these financial assets and liabilities did not differ significantly from their fair value. The calculation has not therefore been performed.

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

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).

2.3 CATEGORIES OF FINANCIAL INSTRUMENTS

Fair values of hedging instruments are determined by valuation techniques widely used in financial markets and are provided by reliable financial information sources.

Fair values are based on the trade dates of the underlying transactions.

The Group uses the following hierarchy to classify financial instruments recognized at fair value according to the reliability of the valuation methods used:

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

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

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

During this past financial year, there was no transfer between the various categories presented below:

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2012
- Forward foreign exchange contracts		78		78
- Interest rate caps		17		17
Hedge-accounted financial assets		**95**		**95**
Other available-for-sale assets			**23 498**	**23 498**
- Forward foreign exchange contracts		1		1
- Foreign exchange rate swaps		30		30
Financial assets at fair value through the income statement		**31**		**31**
- Forward foreign exchange contracts		2 806		2 806
- Foreign exchange rate swaps		0		0
Hedge-accounted financial liabilities		**2 806**		**2 806**
- Foreign exchange rate swaps		103		103
Financial liabilities at fair value through the income statement		**103**		**103**

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2013
- Forward foreign exchange contracts		505		505
- Foreign exchange rate swaps		14		14
Hedge-accounted financial assets		**519**		**519**
Other available-for-sale assets			**25 050**	**25 050**
- Forward foreign exchange contracts		0		0
- Foreign exchange rate swaps		55		55
Financial assets at fair value through the income statement		**55**		**55**
- Forward foreign exchange contracts		1 386		1 386
- Foreign exchange rate swaps		0		0
Hedge-accounted financial liabilities		**1 386**		**1 386**
- Forward foreign exchange contracts		81		81
- Foreign exchange rate swaps		113		113
Financial liabilities at fair value through the income statement		**194**		**194**

At December 31, 2013, other available-for-sale assets include the other investments, the contingent loan of Rose Holding SARL (see notes 3.i, 32.2) and the vendor loan granted to Chromos GA SAS (vehicle for the acquisition by Argos Soditic of Cisbio Bioassays business) (see note 3.j).

Financial assets level are detailed as follow:

(EUR 000)	Contingent loan Rose Holding SARL	Bridge loan Rose Holding SARL	Vendor loan Chromos GA SAS	Other investments	TOTAL
At January 1, 2013	**14 088**	**8 945**	**0**	**465**	**23 498**
Credited/(charged) to the income statement	3 890	-8 945	0	0	-5 055
Additions	0	0	6 649	0	6 649
Disposals	0	0	0	-30	-30
Equity movements	0	0	0	-12	-12
At December 31, 2013	**17 978**	**0**	**6 649**	**423**	**25 050**

If the REBITDA taken in consideration in the valuation of the Rose Holding SARL contingent loan increases by 5%, the value of the contingent loan will be increase by EUR 1 809 to reach EUR 19 787.

If the EBIT taken in consideration in the valuation of the Chromos GA SAS (vehicle for the acquisition by Argos Soditic of Cisbio Bioassays business) vendor loan increases by 5%, the value of this loan will not significantly be impacted.

2.3.1 HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS

At December 31, 2013, the Group held 21 forward exchange contracts (41 at December 31, 2012) and 2 foreign exchange swaps (2 at December 31, 2012) to cover future US dollars, Polish zlotys and Swedish krona cash flows. These hedges are deemed highly effective.

These hedges generated a EUR 1.7 million gain in 2013 (loss of EUR 1.1 million in 2012). This loss is recognized in the other items of the comprehensive income statement.

The Group held also until October 2013 an interest rate cap aimed to hedge the interest rate risk associated with the fabrication credit for a proton therapy project. The ineffective part of this instrument was recognized in the income statement.

(EUR 000)		Equity	Hedge instrument maturities < 1 year	1-2 years	> 2 years
AT DECEMBER 31, 2012					
- Foreign exchange hedge in	PLN	-760	-554	-206	0
- Foreign exchange hedge in	USD	-566	-351	-82	-133
- Foreign exchange hedge in	SEK	-1 442	0	-812	-630
- Interest rate hedge in	USD	18	18	0	0
- Foreign exchange hedge in	CZK	0	0	0	0
		-2 750	**-887**	**-1 100**	**-763**
AT DECEMBER 31, 2013					
- Foreign exchange hedge in	PLN	-240	-240	0	0
- Foreign exchange hedge in	USD	300	105	120	75
- Foreign exchange hedge in	SEK	-1 138	-640	-498	0
- Interest rate hedge in	USD	14	14	0	0
- Foreign exchange hedge in	CZK	0	0	0	0
		-1 064	**-761**	**-378**	**75**

2.3.2 FAIR VALUE THROUGH INCOME STATEMENT – HELD FOR TRADING

At 31 December 2013, the Group holds 15 forward exchange contracts (2 on December 31, 2012), but held 9 exchange rate swaps (18 at December 31, 2012) to cover future US dollars, Swedish krona, Polish zlotys and Czech krona cash flows.

As they do not qualify for hedge accounting under the IFRS or have become ineffective, the various hedge instruments discussed in this section are measured at fair value through the income statement.

The gain generated on these instruments included in the income statement amount EUR 0.53 million at December 31, 2013 (loss of EUR 1.4 million at December 31, 2012).

2.4 CAPITAL MANAGEMENT

The Group's aim is to optimize the capital structure in order to maximize its value for the shareholders while maintaining the financial flexibility required to carry out the strategy approved by the Board of Directors.

Under this management, the Group uses among other things the ratio between the net financial debts divided by the equity plus the net financial debts (GEARING). The Group wishes to maintain this ratio below 45%, knowing that the subordinated loan from SRIW is considered as quasi-equity.

The Group has agreed to comply with a debt- to-equity ratio covenant under the terms of a EUR 50 million credit facility received from the EIB for its research and development projects the Group is committed to respect a covenant related to the debt equity ratio. At December 31, 2013, the Group had drawn up to EUR 30 million on this line of credit and made repayments for EUR 3.75 million (of which EUR 2.5 million in 2013).

In view of the losses accumulated in 2011 and 2012, the Board of Directors intends to recommend to the General Assembly to not pay any dividend in respect of 2013 exercise.

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

At December 31, 2013, the Group had accumulated net operating losses of EUR 112.8 million usable to offset future profits taxable mainly in Belgium and the United States and temporary differences amounting to EUR 4.1 million. The Company recognized deferred tax assets of EUR 15.9 million with the view to use the tax losses carried forward and EUR 2.1 million as temporary differences.

The data above do not take into account deferred tax assets recognized into the activities that are accounted as held for sale.

The Group recognizes deferred tax assets on unused losses carried forward to the extent that the taxable profit are available against which these assets can be used. The amounts recognized in the balance sheet are prudent estimates made on the basis of recent financial plans approved by the Board of Directors and depend on certain judgments with respect to the amounts and location of the future taxable profits of the Group's subsidiaries and parent company. The period used for estimates of the future taxable profits taken into account for the recognition of deferred tax assets is 4 years.

(B) PROVISION FOR DECOMMISSIONING COSTS

The production of FDG (discontinued operations and investments accounted for using the equity method) generates radiation and results in the contamination of production site facilities. This situation may require the Group to pay restoration costs to comply with regulations in these various jurisdictions, as well as with 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 in a probable required outflow of resources.

Provision has been made for unavoidable costs in connection with decommissioning the sites where radiopharmaceutical agents are produced. These provisions are measured at the net present value of the best estimate of the necessary costs.

At December 31, 2013, these provisions stand at EUR 5.4 million. They were primarily for obligations in connection with a radiopharmaceutical production facility belonging to the mother company IBA SA at Fleurus.

CIS Bio International SAS has held nuclear operator status since December 2008, which obliges it to ring fence assets for the future decommissioning and clean-up of nuclear medicine installations on the Saclay site (France). In 2011 under the agreement with SK Capital Partners, these pledged assets, which amounted to EUR 33.8 million, were reclassified in assets held for sale. The sale occurred in April 2012. Under the agreements signed, IBA retained 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 Dexia Assets Management. At the 2013 closing date, the total assets were lower by EUR 0.7 million compared to the provision amounting to EUR 42.4 million. However, at the 28 February 2014, this gap was reduced to EUR 0.1 million thanks to favorable evolution of the financial markets.

(C) 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 any 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.

(D) PROVISION FOR DEFINED BENEFIT PLANS

IBA recorded provisions for the defined benefit plans of its subsidiaries Cisbio Bioassays SAS and IBA Radioisotopes France SAS.

These employee benefit provisions were calculated on the basis of the following assumptions at December 31, 2012:

- Discount rate: 2.75% (4.5% in 2011)
- Mortality table: TH-TF 00-02.
- Inflation rate: 2%.
- Salary adjustment rate: 2.5% per annum.
- Pension adjustment rate: 1% excluding inflation.
- Retirement age: 65 for management and 63 for non-management.

In 2012, the provisions for defined benefit plans of both subsidiaries, Cisbio Bioassays SAS and IBA Radioisotopes France SAS, were reclassified as liabilities directly related to assets held for sale.

In 2013, the Group does not have provisions for defined benefit plans anymore.

See Note 28.2 for additional information.

(E) 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.

See Note 8.1 for additional information.

The growth rates used for the impairment tests vary between 0% and 4.5% and the discount rates vary between 8% and 11%.

At December 31, 2013, the sensitivity tests carried out by the Group through the fluctuation of the growth and discount rates by 100 basis points (towards the top and bottom) have not revealed any significant impairment for continuing operations (for discontinuing operations see Note 6).

(F) VALUATION OF PRIVATE EQUITY INSTRUMENTS

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

At December 31, 2012, IBA recognized an impairment of EUR 0.5 million on its interest in ProCure.

In January 2013, as agreed in the existing partnership arrangements between the two parties, IBA lent ProCure EUR 3.8 million, in order to enable ProCure to develop the proton therapy market in the United States.

(G) DEVELOPMENT COSTS FOR NEW MOLECULES

IBA co-invests with its associate SK Capital Partners through the joint venture IBA Molecular Compounds Development SARL in the development and future commercialization of new molecules that are in phase 2 or 3.

At December 31, 2012 and following an impairment test, the Company decided to reduce to zero the value of the interest in IBA Molecular Compounds Development SARL and the loans made during 2012.

In 2013, as part of a settlement agreement the parties have decided to minimize their investments through this company and to limit them to those associated to the co-development project with Wilex AG. These investments amount to EUR 1.4 million and were fully impaired in 2013 exercise.

(H) RISKS ON PROTON THERAPY PROJECTS

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

The negotiations led to the signature, on March 10, 2014, of a global settlement agreement by which WPE has acquired the center in the condition as it is and WPE and IBA entered into a long-term operation and maintenance agreement. The public private partnership structure has thus been replaced by a classic sale and operation agreement regarding IBA's equipment.

(I) 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.

A probability of an exit that varies depending on the year was later finalized: 10% in 2014, 60% in 2015, 25% in 2016 and 5% in 2017.

All assets 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 18.0 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.

This derivative has been recognized in the balance sheet under the heading ''Investments accounted for using the equity method''.

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

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

- A loan of EUR 7.5 million, repayable over a period of maximum 7 years depending on the achievement of a certain level of EBIT. Interest on the loan will be charged at market conditions. Any unpaid balance after the period of 7 years will be lost.
  The loan valuation is based on the latest strategic plan provided by Cisbio Bioassays' management, which allows to calculate the part of EBIT above the threshold for the period of 7 years as set out in the agreement and this amount is reassessed on the basis of the discount method for expected future cash flows.
- An earn-out of EUR 1 million depending on the achievement of a certain level of EBIT in 2013. At the end of 2013, this earn out is granted to the Group.
- An earn-out of EUR 1.4 million if and when certain long-term receivables are collected by Cisbio Bioassays SAS.

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).

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) Proton therapy/Particle accelerators and (2) Dosimetry upon the sale of the Radiopharmaceutical business in 2012 and Cisbio Bioassays business in 2013.

- **Proton therapy/Particle 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 non-allocated liabilities mainly include those that are relevant to companies having 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 following table provides details of the income statement for each segment. Any intersegment sales are contracted at arm's length.

	Proton therapy and Particle accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2012			
Sales	138 650	43 247	181 897
Services	33 554	5 655	39 209
External Sales	**172 204**	**48 902**	**221 106**
REBIT	**9 148**	**7 668**	**16 816**
Other operating (expenses)/Income	-26 736	0	-26 736
Segment result	**-17 588**	**7 668**	**-9 920**
Unallocated expenses (1)			-1 130
Financial (expenses)/income (2)			-1 641
Share of profit/(loss) of companies consolidated using the equity method			-9 951
Result before taxes			-22 642
Tax (expenses)/income (2)			-2 637
R ESULT FOR THE PERIOD FROM CONTINUING OPERATIONS			**-25 279**
Profit/(loss) for the period from discontinued operations			19 479
RESULT FOR THE PERIOD			**-5 800**

	Proton therapy and Particle accelerators (EUR 000)	Dosimetry (EUR 000)	Pharmaceuticals discontinued operations (EUR 000)	Group (EUR 000)
Segment assets	277 532	28 147	35 299	340 978
Investments accounted for using the equity method				31 256
Unallocated assets (3)				13 965
TOTAL ASSETS	**277 532**	**28 147**	**35 299**	**386 199**
Segment liabilities	307 094	9 857	11 470	328 421
Unallocated liabilities (4)				118
TOTAL LIABILITIES	**307 094**	**9 857**	**11 470**	**328 539**
Capital expenditure	5 741	863	551	
Depreciation and impairment of property, plant and equipment	1 283	472	890	
Depreciation of intangible assets and goodwill	760	74	651	
Non-cash expenses/(income)	1 620	-151	135	
Salary expenses	62 749	13 262	14 114	
Headcount at year-end	858	207	195	

Balance sheet intercompany position between segments are excluded from the assets and liabilities of the segment.

(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.
(3) Unallocated assets include deferred tax assets and the assets of IBA Participations SPRL and IBA Investments SCRL.
(4) Unallocated liabilities include the liabilities of IBA Participations SPRL and IBA Investments SCRL.

	Proton therapy and Particle accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2013			
Sales	123 781	39 789	163 570
Services	42 808	6 134	48 942
External Sales	**166 589**	**45 923**	**212 512**
REBIT	**11 644**	**6 715**	**18 359**
Other operating (expenses)/Income	-16 560	-172	-16 732
Segment result	**-4 916**	**6 543**	**1 627**
Unallocated expenses (1)			-1 107
Financial (expenses)/income (2)			2 298
Share of profit/(loss) of companies consolidated using the equity method			-3 226
Result before taxes			**-408**
Tax (expenses)/income (2)			3 384
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS			**2 976**
Profit/(loss) for the period from discontinued operations			3 088
Profit/(loss) for the period before technical recycling of CTA			**6 064**
Technical recycling of CTA to income statement further to liquidation of a dormant Swedish entity			-7 074
Profit/(loss) for the period after technical recycling of CTA			**-1 010**

	Proton therapy and Particle accelerators (EUR 000)	Dosimetry (EUR 000)	Pharmaceuticals discontinued operations (EUR 000)	Group (EUR 000)
Non-current assets	33 556	5 908	2 968	42 432
Current assets	167 418	17 769	265	185 452
Segment assets	200 974	23 677	3 233	227 884
Investments accounted for using the equity method				35 799
Unallocated assets (3)				18 070
TOTAL ASSETS	**200 974**	**23 677**	**3 233**	**281 753**
Non-current liabilities	52 179	852	200	53 231
Current liabilities	152 021	9 120	141	161 282
Segment liabilities	204 200	9 972	341	214 513
Unallocated liabilities (4)				2
TOTAL LIABILITIES	**204 200**	**9 972**	**341**	**214 515**
Capital expenditure	3 298	635	0	
Depreciation and impairment of property, plant and equipment	1 888	517	0	
Depreciation of intangible assets and goodwill	2 042	109	0	
Salary expenses	94 267	14 581	0	
Non-cash expenses/(income)	7 788	56	0	
Headcount at year-end	831	206	0	

(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.
(3) Unallocated assets include deferred tax assets and the assets of IBA Participations SPRL and IBA Investments SCRL.
(4) Unallocated liabilities include the liabilities of IBA Participations SPRL and IBA Investments SCRL

4.2 GEOGRAPHICAL SEGMENTS

The Group's business segments operate in three main geographical areas, Belgium, the United States and the rest of the world.

These geographical segments have been determined on the basis of economic and political context, the degree of proximity of the business activities, and the specific risks associated with the business activities in a given geographical area.

The sales figures presented below are based on customer location, whereas segment balance sheet items are based on asset location.

	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2012					
Net sales and services*	520	83 911	136 675	33 604	254 710
Segment assets **	253 006	15 933	37 081	35 299	341 319
Investments accounted for using the equity method	6		31 250		31 256
Unallocated assets					13 624
TOTAL ASSETS					**386 199**
Capital expenditure (incl. fixed assets from acquisitions in 2012)	5 610	187	807	551	

	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2013					
Net sales and services*	530	73 778	138 204	0	212 512
Non-current assets	33 613	270	5 581	2 961	42 425
Current assets	141 782	26 959	16 472	272	185 485
Segment assets	175 395	27 229	22 053	3 233	227 910
Investments accounted for using the equity method	0	0	35 799	0	35 799
Unallocated assets					18 044
TOTAL ASSETS					**281 753**
Capital expenditure (incl. fixed assets from acquisitions in 2013)	3 134	210	589		

**We do not have a breakdown between sales and services by geographical sector.*
***We do not have a breakdown between current and non-current assets by geographical sector.*

At December 31, 2012, one customer from the proton therapy and particle accelerators in the United States represents more than 10% of the regular activity incomes of the Group. At December 31, 2013, this customer represents 9.44% of the regular activity incomes of the Group.

NET SALES AND SERVICES (EUR 000)	December 31, 2012		December 31, 2013	
PROCURE (1)	26 585	12.02%	20 054	9.44%
Other customers	194 521	87.98%	192 458	90.56%
TOTAL	**221 106**	**100.00%**	**212 512**	**100.00%**

(1) Several different legal entities thus no concentration above 10%

5. LISTS OF SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS

At December 31, 2013, the IBA Group consists of IBA SA and 22 companies and associates in 10 countries. 17 of them are fully consolidated and 5 are accounted for using the equity method.
The Group has elected not to use the proportional method for joint ventures.

5.1 LIST OF SUBSIDIARIES

NAME	Assets held for sale	country of incorporation	Equity ownership (%)	Change in % ownership over december 31, 2012
IBA Molecular Holding (BE 0880.070.706) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Participations SPRL (BE 0465.843.290) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Investments SCRL (BE 0471.701.397) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
Ion Beam Beijing Medical Applications Technology Service Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
Ion Beam Applications Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
IBA RadioIsotopes France SAS *59 Blvd Pinel, 69003 LYON*	Yes	France	100%	-
IBA Dosimetry GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck. Germany*	No	Germany	100%	-
MediFlash Holding A.B. (1) *c/o PwC, Box 179, S-751 04 Uppsala. Sweden*	No	Sweden	0%	-100%
IBA Dosimetry America Inc. *3150 Stage Post Dr.* *Ste. 110, Bartlett, TN 38133, USA*	No	USA	100%	-
IBA Proton Therapy Inc. *152 Heartland Blvd,* *Edgewood New York 11717, USA*	No	USA	100%	-
IBA Industrial Inc. *152 Heartland Blvd,* *Edgewood New York 11717, USA*	No	USA	100%	-
RadioMed Corporation *3149 Stage Post Drive* *Suite 110, Bartlett, TN 38133, USA*	No	USA	100%	-
IBA USA Inc. *151 Heartland Blvd,* *Edgewood New York 11717, USA*	No	USA	100%	-
IBA Particle Therapy GmbH *Bahnhofstrasse 5,* *90592 Schwarzenbruck, Germany*	No	Germany	100%	-
Cis Bio US Inc. *135 South Road,* *Bedford, MA 01730, USA*	Yes	USA	0%	-100%
Cisbio Bioassays SAS *Parc Marcel Boiteux* *BP 84175, 30200 CODOLET*	Yes	France	0%	-100%
IBA Hadronthérapie SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	100%	-
Cisbio Asia Pacific, Limited Unit 402 4/F, Fairmont House, N°8 Cotton Tree Drive Admiralty, Hong Kong	Yes	China (HK)	0%	-100%
Cyclhad SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	60%	-
Cisbio China *1299 Zhangheng Road, Building #2, Suite 40l,ZhangSiang Hi-Tech Park* *Pudong District, Shanghai, China*	Yes	China	0%	-100%
Particle Engineering Solutions, LLC *1st Magistralny tupik, 5A* *123290 Moscow, Russia*	No	Russia	100%	- -
IBA Particle Therapy India Private Limited Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights,, Chennai - 600006, Tamil Nadu, INDIA	No	India	100%	+100%

(1) On November, 2013, the company was liquidated

5.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2012
CONTINUING OPERATIONS			
Striba GmbH	Germany	50%	-
Sceti Medical Labo KK	Japan	39.8%	-
Rose Holding SARL	Luxembourg	40%	-
IBA Molecular Compounds Development SARL	Luxembourg	60%	-
DISCONTINUING OPERATIONS			
PharmaLogic Pet Services of Montreal Cie	Canada	48%	-

6. DISCONTINUED OPERATIONS

In compliance with IFRS 5, all of the business over which IBA will lose control has been reclassified in the income statement as "Profit/(loss) from discontinued operations" for both years 2012 and 2013 and in the statement of financial position as "assets and liabilities held for sale" for the years 2012 and 2013.

As part of the decision to restructure the Group and focus IBA on the medical equipment sector, the Board of Directors has concluded that Cisbio Bioassays business should be divested. In October 2012, a contract has been agreed with ING Investment Bank to advice on the disposal.

On November 15, 2013, the Cisbio Bioassays business was sold to Argos Soditic fund.

The statement of the financial position of the Cisbio Bioassays business excluding royalties for the use of patents held by the Parent Company (which amounted to EUR 2.17 million at November 15, 2013 and EUR 2.3 million at December 31, 2012), is as follows:

	December 31, 2012 (EUR 000)	November 15, 2013 (EUR 000)
Sales and services	33 604	32 547
Cost of sales and services	13 232	11 003
Gross profit	**20 372**	**21 544**
Selling and marketing expenses	7 081	6 355
General and administrative expenses	7 111	6 302
Research and development expenses	2 924	2 238
Other operating (income)	0	0
Other operating expenses	326	3 218
Financial (income)	-186	-146
Financial expenses	336	229
Share of (profit)/loss of companies consolidated using the equity method	0	0
Profit/(loss) before taxes from discontinued operations	**2 780**	**3 348**
Tax (income)/expense	318	878
Profit/(loss) for the period from discontinued operations	**2 462**	**2 470**

At December 31, 2013, the heading ''other operating expenses'' includes the transaction costs and impairment related to the sale of Cisbio Bioassays business for EUR 2.4 million.

The statement of the financial position of the Radiopharmaceutical business sold to SK Capital Partners and the Radiopharmaceutical business held for sale and intended to be sold is as follows:

	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
Sales and services	0	0
Cost of sales and services	0	0
Gross margin	**0**	**0**
Selling and marketing expenses	0	0
General and administrative expenses	78	0
Research and development expenses	2 250	0
Other operating (income)	0	-170
Other operating expenses	5 634	77
Impairment (profit)/loss recognized on remeasurement to fair value less costs to sell	-24 586	0
Financial (income)	0	0
Financial expenses	369	69
Share of (profit)/loss of companies consolidated using the equity method	-762	-581
Profit/(loss) before taxes from discontinued operations	**17 017**	**605**
Tax (income)/expense	0	0
Profit/(loss) for the period from discontinued operations	**17 017**	**605**

As the detail by heading other than Impairment (profit)/loss recognized on remeasurement to fair value less costs to sell was not significant, at December 31, 2012 the result of the Radiopharmaceutical business sold to SK Capital Partners was recorded in (profit)/loss of value recognized on revaluation at fair value less the costs of sale.

The main asset and liability categories for discontinued operations on December 31, 2012 are the following:

31/12/2012 (EUR 000)	Bioassays	Other	TOTAL
ASSETS			
Other intangible assets	4 240		4 240
Property, plant and equipment	6 057		6 057
Investments accounted for using the equity method		2 691	2 691
Deferred tax assets	40		40
Other long-term assets	2 808	6	2 814
Non-current assets	**13 145**	**2 697**	**15 842**
Inventories and contracts in progress	6 378	55	6 433
Trade receivables	7 308	200	7 508
Other receivables	2 173	104	2 277
Cash and cash equivalents	3 206	33	3 239
Current assets	**19 065**	**392**	**19 457**
TOTAL ASSETS HELD FOR SALE	**32 210**	**3 089**	**35 299**
LIABILITIES			
Long-term provisions	3 711	237	3 948
Other long-term liabilities	400		400
Non-current liabilities	**4 111**	**237**	**4 348**
Trade payables	1 839	4	1 843
Tax liabilities	-288		-288
Other liabilities	5 178	389	5 567
Current liabilities	**6 729**	**393**	**7 122**
TOTAL LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE	**10 840**	**630**	**11 470**
NET ASSETS DIRECTLY RELATED TO OPERATIONS HELD FOR SALE	**21 370**	**2 459**	**23 829**

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

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

Included in the overall statement of comprehensive income for the financial year ending December 31, 2012 and December 31, 2013:

	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
Actuarial reserves	-708	0
Revaluation reserves	0	0
Currency translation differences	76	0
Reserves for assets held for sale	**-632**	**0**

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

	December 31, 2012 (EUR 000)	December 31, 2013 (EUR 000)
Cash flow from operating activities	2 767	116
Cash flow from investing activities	74 186	13 127
Cash flow from financing activities	279	0
Net change in cash flow from discontinued operations	**77 232**	**13 243**

7. BUSINESS COMBINATIONS AND OTHER CHANGES IN THE COMPOSITION OF THE GROUP

7.1 ACQUISITIONS OF COMPANIES

No business acquisitions were completed during the year ended December 31, 2013.

On September 6, 2012, IBA acquired a 100% stake in Particle Engineering Solutions LLC (PES LLC) for EUR 0.5 million. Since that date, the Company is consolidated in full.

IBA acquired this company in order to facilitate growth of its sales and business on the Russian market.

The net acquired assets and goodwill arising from the purchase of the stake in Particle Engineering Solutions LLC (PES LLC) in September 2012, are as follows:

	Fair value	Carrying value of net acquired assets
Cash and cash equivalents	6 260	6 260
Other receivables	3 456	3 456
Property, plant and equipment	93	93
Intangible assets	9 692	0
Inventories	12	12
Deferred tax assets	1 341	0
Trade payables	-46	-46
Other current liabilities	-507	-507
Net acquired assets (RUB 000)	**20 301**	**9 268**
Net acquired assets (EUR 000)	**500**	**228**

At December 31, 2013, the contribution of Particle Engineering Solutions LLC (PES LLC) to the Group REBIT is EUR -0.31 million. Its contribution to net profit from continuing operations is EUR -0.32 million.

At December 31, 2012, the contribution of Particle Engineering Solutions LLC (PES LLC) to the Group REBIT was EUR -0.18 million. Its contribution to net profit from continuing operations was EUR -0.2 million. If Particle Engineering Solutions LLC (PES LLC) had been acquired on January 1, 2012, at year end the Group's net result would have been EUR -6.2 million and sales and services would have been EUR 221.1 million.

7.2 DISPOSAL OF COMPANIES

On November 18, 2013, IBA and Argos Soditic, a French investment fund, has announced that they have signed and closed the sale of Cisbio Bioassays business.

The impact of this sale on the Group's cash is at the date of the disposal as follows:

	December 31, 2013 (EUR 000)
Net assets sold	21 370
Profit of the year on disposal of discontinued activities sold	2 470
Proceed from the sale of the Cisbio Bioassays business	**23 840**

The proceeds from the sale are distributed as follows:

	December 31,2013 (EUR 000)
Cash received	16 333
Other current assets	2 121
Long-term assets	6 131
Provisions	-745
Total	**23 840**

	December 31, 2013 (EUR 000)
Cash received	16 333
Cash disposed of	-3 206
Total	**13 127**

On January 9, 2012, IBA and SK Capital Partners, a private investment fund based in the United States, announced that they had signed an agreement to create Rose Holding SARL, a company regrouping the assets and liabilities held for sale from IBA's Radiopharmaceutical division.

Since April 2, 2012, SK Capital Partners holds 60% of the new venture and IBA 40%.

The partners also agreed to divide equally the costs of developing the portfolio of new patented molecules through a separate joint venture. In recognition of the investments already made by IBA, 60% of the profits thereof will go to IBA and 40% to SK Capital but the decisions are taken jointly.

The impact of this sale on the Group's cash is as follows:

(EUR 000)	December 31, 2012 (EUR 000)
Net assets and non-controlling interests sold	53 733
Profit of the year on disposal of discontinued activities sold	24 586
Proceed from the sale of the Radiopharmaceutical division	**78 319**

The proceeds from the sale are distributed as follows:

	December 31, 2012 (EUR 000)
Cash received	83 281
Trade receivables	8 222
Long-term assets	17 327
Other assets	12 691
Provisions	-41 880
Impairment of trade receivables (-)	-496
Impairment on a loan granted to a related party	-826
Total	**78 319**

	December 31, 2012 (EUR 000)
Cash received	83 281
Cash disposed of	-8 581
Total	**74 700**

8. GOODWILL AND OTHER INTANGIBLE ASSETS

8.1 GOODWILL

Movements of goodwill are detailed as follows:

At January 1, 2012	**3 820**
Goodwill impairment	0
Currency translation difference	58
At December 31, 2012	**3 878**
At January 1, 2013	**3 878**
Goodwill impairment	0
Currency translation difference	-57
At December 31, 2013	**3 821**

The goodwill generated by an acquisition is allocated to the cash-generating units (CGUs) concerned and an impairment test is carried out annually on the CGUs' fixed assets (including goodwill).

The following table summarizes allocation of the carrying amount of goodwill by business segment:

(EUR 000)	Proton therapy and Particle accelerators	Dosimetry	Group
December 31, 2012	**0**	**3 878**	**3 878**
December 31, 2013	**0**	**3 821**	**3 821**
Pre-tax discount rate applied in 2012		10,26%	
Long-term growth rate 2012 (*)		4.50%	
Pre-tax discount rate applied in 2013		8.76%	
Long-term growth rate 2013(*)		2.60%	

The recoverable amounts of goodwill have been determined on a "value in use" basis.

Value in use has been determined on the basis of IBA's latest business plans, as approved by the Board of Directors in the context of the strategic plan. The cash flows beyond a four-year period have been extrapolated using the growth rates shown in the table above. Impairment testing uses gross budgeted operational margins estimated by management on the basis of past performance.

Discount rates used reflect the specific risks related to the segments in question.

For the CGU Dosimetry, if the growth rate is decreased by 100 basis points and the discount rate is increased by 100 basis points, the recoverable amount remains greater than the carrying amount of the tested assets. No impairment was identified in 2012 and 2013.

(*) Rate consistent with expected growth in the sector.

8.2 OTHER INTANGIBLE ASSETS

EUR 000	Software	Patents and trademarks	Development costs	Other	Total
Gross carrying amount at January 1, 2012	**11 114**	**11 976**	**1 266**	**13 373**	**37 729**
Additions	4 811	0	7	0	4 818
Disposals	0	0	-63	-1 565	-1 628
Transfers	-24	0	0	0	-24
Transfers to assets held for sale	-895	-11 860	-675	-10 607	-24 037
Change in consolidation scope	0	0	0	241	241
Currency translation difference	-11	-2	0	-26	-39
Gross carrying amount at December 31, 2012	**14 995**	**114**	**535**	**1 416**	**17 060**
Accumulated depreciation at January 1, 2012	**6 247**	**6 070**	**756**	**10 728**	**23 801**
Additions	1 099	0	206	180	1 485
Disposals	0	0	-35	-1 565	-1 600
Transfers	-32	290	-290	0	-32
Transfers to assets held for sale	-722	-6 259	-392	-8 133	-15 506
Currency translation difference	-10	-2	0	-25	-37
Accumulated depreciation at December 31, 2012	**6 582**	**99**	**245**	**1 185**	**8 111**
Net carrying amount at January 1, 2012	**4 867**	**5 906**	**510**	**2 645**	**13 928**
Net carrying amount at December 31, 2012	**8 413**	**15**	**290**	**231**	**8 949**
Gross carrying amount at January 1, 2013	**14 995**	**114**	**535**	**1 416**	**17 060**
Additions	1 629	0	0	664	2 293
Disposals	0	0	-535	-247	-782
Transfers	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Revaluation	0	0	0	0	0
Currency translation difference	-29	-5	0	-26	-60
Gross carrying amount at December 31, 2013	**16 595**	**109**	**0**	**1 807**	**18 511**
Accumulated depreciation at January 1, 2013	**6 582**	**99**	**245**	**1 185**	**8 111**
Additions	1 784	11	290	66	2 151
Disposals	0	0	-535	-247	-782
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Currency translation difference	-25	-5	0	-4	-34
Accumulated depreciation at December 31, 2013	**8 341**	**105**	**0**	**1 000**	**9 446**
Net carrying amount at January 1, 2013	**8 413**	**15**	**290**	**231**	**8 949**
Net carrying amount at December 31, 2013	**8 254**	**4**	**0**	**807**	**9 065**

In 2012 and 2013, the majority of the intangible assets involves softwares (mainly SAP).

Amortization expense for intangible assets was recognized in the income statement in the line items “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses”, and “Research and development expenses ”.

For details on impairment testing, see Note 8.1.

No impairment of the intangible assets (as discussed in this Note 8.2) was identified on December 31, 2012 and December 31, 2013.

9. PROPERTY, PLANT AND EQUIPMENT

EUR 000	Land and buildings	Plant, machinery and equipment	Furniture, fixtures and vehicles	Other tangible fixed assets	Total
Gross carrying amount at January 1, 2012	**25 619**	**13 773**	**10 928**	**9 477**	**59 797**
Additions	61	1 169	429	678	2 337
Disposals	-91	-712	-4 558	0	-5 361
Transfers	705	3 631	-88	-4 248	0
Changes in consolidation scope	0	0	2	0	2
Transfers to assets held for sale	-12 023	-12 742	-905	-3 452	-29 122
Currency translation difference	-83	-39	-32	-33	-187
Revaluation	0	0	0	192	192
Gross carrying amount at December 31, 2012	**14 188**	**5 080**	**5 776**	**2 614**	**27 658**
Accumulated depreciation at January 1, 2012	**17 003**	**9 038**	**9 412**	**4 599**	**40 052**
Additions	895	928	617	205	2 645
Disposals	-91	-42	-4 558	-30	-4 721
Transfers	56	3 262	-54	-3 264	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	-9 362	-9 771	-695	-564	-20 392
Currency translation difference	-56	-36	-31	-6	-129
Accumulated depreciation at December 31, 2012	**8 445**	**3 379**	**4 691**	**940**	**17 455**
Net carrying amount at January 1, 2012	**8 616**	**4 735**	**1 516**	**4 878**	**19 475**
Net carrying amount at December 31, 2012	**5 743**	**1 701**	**1 085**	**1 674**	**10 203**
Gross carrying amount at January 1, 2013	**14 188**	**5 080**	**5 776**	**2 614**	**27 658**
Additions	87	895	35	623	1 640
Disposals	-4 582	-188	-146	-66	-4 982
Transfers	600	895	-2 467	972	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	-142	-87	-69	-10	-308
Revaluation	0	0	0	0	0
Gross carrying amount at December 31, 2013	**10 151**	**6 595**	**3 129**	**4 133**	**24 008**
Accumulated depreciation at January 1, 2013	**8 445**	**3 379**	**4 691**	**940**	**17 455**
Additions	995	734	209	468	2 406
Disposals	-3 052	-50	-130	-65	-3 297
Transfers	0	0	-1 947	1 947	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	-90	-43	-67	-12	-212
Accumulated depreciation at December 31, 2013	**6 298**	**4 020**	**2 756**	**3 278**	**16 352**
Net carrying amount at January 1, 2013	**5 743**	**1 701**	**1 085**	**1 674**	**10 203**
Net carrying amount at December 31, 2013	**3 853**	**2 575**	**373**	**855**	**7 656**

Other tangible fixed assets mainly include computer hardware and assets under construction. There are no tangible fixed assets subject to title restrictions.

Depreciation expense for tangible assets was recognized in the income statement in the line items “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses”, “Research and development expenses” and “Other operating expenses”.

No impairment was recognized in the 2012 and 2013 financial year.

In 2013, the disposals of ‘’land and buildings’’ are mainly attributable to the sale of the building in Long Island.

10. LEASE ARRANGEMENTS

IBA holds the following assets under finance lease contracts:

(EUR 000)	Land and buildings		Plant, machinery and equipment		Furniture, fixtures and vehicles	
	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013
Gross carrying amount	5 614	5 635	151	146	63	62
Accumulated depreciation	2 598	2 779	127	131	35	47
Net carrying amount	**3 016**	**2 856**	**24**	**15**	**28**	**15**

Details of lease payments on finance liabilities relating to leased assets are set out in Note 19.2. These amounts are included in tangible fixed assets.

The finance lease contracts at the end of 2013 mainly relate to several buildings located in Louvain-la-Neuve, for which call options of EUR 0.2 million may be levied at the end of these contracts.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

(EUR 000)	December 31, 2012	December 31, 2013
Investments accounted for using the equity method	31 256	35 799
Other investments	465	423
TOTAL	**31 721**	**36 222**

11.1 MOVEMENTS IN EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted companies are listed in Note 5.2.

(EUR 000)	December 31, 2012	December 31, 2013
At January 1	**1 741**	**31 256**
Share of profit/(loss) of equity-accounted investments:		
- Continuing operations	-10 714	3 993
- Discontinued operations	763	581
Additions:		
- Continuing operations	40 642	0
- Discontinued operations	**0**	0
Dividends on discontinued operations	-227	-310
Transfers to assets held for sale	-661	-271
Equity movements of equity accounted investments :		
- Continuing operations	0	753
- Discontinued operations	0	0
Currency translation difference	-288	-203
At December 31	**31 256**	**35 799**

On January 9, 2012, IBA and SK Capital Partners, a private investment fund based in the United States, announced that they had signed an agreement to create Rose Holding SARL, a company regrouping the assets and liabilities held for sale from IBA's Radiopharmaceutical division.

Since April 2, 2012, SK Capital Partners holds 60% of the new venture and IBA 40% (acquisition value of EUR 21.3 million). In the context of establishing and financing this new company, the Group granted a loan to the new entity which has been treated as quasi-equity and recognized in investments accounted for using the equity method for EUR 18.0 million at December 31, 2013 (EUR 14.1 million at December 31, 2012).

This loan of nominal value of EUR 26.4 million will be reimbursed according to the modalities specified in note 32.2 and is valuated based on specified assumptions from section 3.(i).

The Group's holdings in its principal associates, all of which are unlisted, are as follows:

(EUR 000)	Country	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest
2012						
CONTINUING OPERATIONS						
Striba GmbH	Germany	27 623	131 620	2 301	-6 630	50.0%
Sceti Medilabo KK	Japan	5 833	4 379	3 631	209	39.8%
Rose Holding SARL	Luxembourg	282 981	252 131	130 116	-14 265	40%
IBA Molecular Compounds	Luxembourg	9 718	5 382	54	-4 510	60%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie.	Canada	7 448	1 528	8 096	1 232	48.0%
2013						
CONTINUING OPERATIONS						
Striba GmbH(1)	Germany					50.0%
Sceti Medilabo KK	Japan	5 003	3 787	6 227	-53	39.8%
Rose Holding SARL	Luxembourg	276 649	232 707	179 772	-632	40%
IBA Molecular Compounds Development SARL(1)	Luxembourg					60%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie.	Canada	7 572	1 771	7 503	1 209	48.0%

11.2 MOVEMENTS IN OTHER INVESTMENTS

The "Other investments" are comprised of shares of unlisted companies. These shares are reassessed either on the basis of the discount method for expected future cash flows, or on the basis of the value granted to them during the most recent operation to raise additional capital or from valuation by independent third parties.

(EUR 000)	TOTAL
At December 31, 2012	**465**
Equity stake acquisition	0
Equity stake disposal	-30
Movements through reserves	-12
At December 31, 2013	**423**

(1) As at the date of preparation of this annual report, we have not received any figures for December 31, 2013.

11.3 JOINTLY CONTROLLED COMPANIES

In 2006, IBA formed a joint venture named Striba GmbH with Strabag Projektentwicklung GmbH (Germany).

This joint venture will provide a proton therapy system and related medical technology to the Universitätsklinikum Essen (North-Rhine, Westphalia, Germany)

The assets and liabilities of this joint venture (consolidated using the equity method) are as follows:

(EUR 000)	December 31, 2012 audited accounts	December 31, 2013 unaudited accounts(2)
ASSETS		
Current assets	27 623	0
TOTAL	**27 623**	**0**
LIABILITIES		
Current liabilities	131 620	0
TOTAL	**131 620**	**0**
Net assets	**-103 997**	**0**
Revenue	2 301	0
Expense (-)	8 931	0
Result after taxes	**-6 630**	**0**

Since April 2, 2012, the partners also agreed to divide equally the costs of developing the portfolio of new patented molecules through a separate joint venture (IBA Molecular Compounds Development SARL). In recognition of the investments already made by IBA, 60% of the profits thereof will go to IBA and 40% to SK Capital but the decisions are taken jointly.

The participation taken by the Group in this new company amounts to EUR 5.25 million at the time of the transaction.

At December 31, 2012, the value of this stake was equal to zero following the assumption of losses from the year through the share in the result of companies accounted for by using the equity method and following an impairment on the investments resulting from a revaluation of the commercial perspectives of the developed products.

In 2013, as part of a settlement agreement the parties have decided to minimize their investments through this company and to limit them to those associated to the co-development project with Wilex AG. These investments amount to EUR 1.4 million and were fully write off during the 2013 exercise.

The assets and liabilities of this joint venture (consolidated using the equity method) are as follows:

(EUR 000)	December 31, 2012 audited accounts	December 31, 2013 unaudited accounts(2)
ASSETS		
Current assets	9 718	0
TOTAL	**9 718**	**0**
LIABILITIES		
Current liabilities	5 382	0
TOTAL	**5 382**	**0**
Net assets	**4 336**	**0**
Revenue	0	0
Expense (-)	-4 510	0
Result after taxes	**-4 510**	**0**

(2) As at the date of preparation of this annual report, we have not received any figures for December 31, 2013.

12. DEFERRED TAXES

(EUR 000)	December 31, 2012	December 31, 2013
DEFERRED TAX ASSETS		
- Deferred tax assets to be recovered after 12 months – Tax losses on carry-forward	10 975	13 443
- Deferred tax assets to be recovered after 12 months - temporary differences	234	280
- Deferred tax assets to be recovered within 12 months - Tax losses on carry-forward	2 332	2 491
- Deferred tax assets to be recovered within 12 months - temporary differences	83	1 830
TOTAL	**13 624**	**18 044**
DEFERRED TAX LIABILITIES		
- Deferred tax liabilities to be paid after 12 months - temporary differences	596	697
- Deferred tax liabilities to be paid within 12 months - temporary differences	487	14
TOTAL	**1 083**	**711**
Net deferred tax assets	**12 541**	**17 333**

(EUR 000)	TOTAL
DEFERRED TAX ASSETS	
At January 1, 2012	**13 168**
Credited/(charged) to the income statement	430(1)
Transfers to assets held for sale	-41
Currency translation difference	67
At December 31, 2012	**13 624**
Credited/(charged) to the income statement	4 526
Transfers to assets held for sale	0
Currency translation difference	-106
At December 31, 2013	**18 044**

(EUR 000)	TOTAL
DEFERRED TAX LIABILITIES	
At January 1, 2012	**1 095**
Credited/(charged) to the income statement	-30(2)
Currency translation difference	0
Transfers to liabilities directly related to assets held for sale	18
At December 31, 2012	**1 083**
Credited/(charged) to the income statement	113
Transfers to liabilities directly related to assets held for sale	0
Currency translation difference	-23
Impact of liquidation of a dormant Swedish entity	-462
At December 31, 2013	**711**

Deferred tax assets are recognized as tax loss carry-forwards to the extent that it is likely they can be recovered through future earnings. Note 3.a explains the estimates and judgments used by IBA in making this assessment.

On December 31, 2013 besides the business units that were held for sale, EUR 22.1 million of deferred taxes were not recognized as assets in the balance sheet (EUR 24.4 million in 2012).

Tax losses and corresponding temporary differences have no expiry dates.

(1) EUR +389 for continuing operations and EUR +41 for discontinued operations.
(2) EUR -30 for continuing operations.

13. OTHER LONG-TERM ASSETS

(EUR 000)	December 31, 2012	December 31, 2013
Long-term receivables on contracts in progress	5 818	959
Research tax credit	3 447	4 712
Other assets	16 948	12 620
TOTAL	**26 213**	**18 291**

At December 31, 2013, “Other assets” consisted primarily of EUR 2.5 million in receivables with associated companies, loan to third party investment for EUR 3.8 million, vendor loan reimbursable over a maximum of seven years based on a allocation of 60% of the Bioassays’ EBIT above a certain threshold of EUR 5.5 million and a discounted Earn-out if and when certain Bioassays‘s long term receivables are collected for EUR 0.8 million.

At December 31, 2012, “Other assets” consisted primarily of EUR 3.2 million in receivables with associated companies, subscribing a subordinated bond for EUR 4.7 million and a loan to an associated company (bridge loan) to EUR 8.9 million.

Long-term receivables arising from contracts in progress included in 2012 a provision for invoices to issue in the framework of a proton therapy project for EUR 5.8 million (EUR 3.1 million in 2011).

14. INVENTORIES AND CONTRACTS IN PROGRESS

Work in progress relates to production of inventory for which a customer has not yet been secured, while contracts in progress relate to production for specific customers in performance of a signed contract.

(EUR 000)	December 31, 2012	December 31, 2013
Raw materials and supplies	36 108	41 031
Finished products	2 681	3 837
Work in progress	2 383	2 678
Contracts in progress	48 144	31 040
Write-off of inventories and contracts in progress	-5 393	-5 844
Inventories and contracts in progress	**83 923**	**72 742**
Costs to date and recognized revenue	227 115	183 149
Less : progress billings	-178 971	-152 109
Contracts in progress	**48 144**	**31 040**
Net amounts due to customers for contracts in progress (Note 24)	61 513	72 364

It should be noted that part of the contracts in progress related to a proton therapy contract will be set as warranty when the billing will have been established since financing for this contract is provided by the Group through a fabrication credit that amounts to EUR 30.8 million at December 31, 2012.

At December 31, 2013, there are no more contracts in progress set as a warranty to cover the financing of a proton therapy contract.

15. TRADE AND OTHER RECEIVABLES

15.1 TRADE RECEIVABLES

Trade account receivables are detailed as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Amounts invoiced on contracts in progress but for which payment has not yet been received at balance sheet date	4 622	146
Other trade receivables	48 059	44 102
Impairment of trade receivables (-)	-3 310	-2 796
TOTAL	**49 371**	**41 452**

Other trade receivables include a sum of EUR 1 929 (EUR 4 852 in 2012) for receivables assumed under the agreement with SK Capital Partners, their due payment date is not included in the table below.

At December 31, the repayment schedule for trade receivables (excluding impairments) was as follows:

(EUR 000)	TOTAL	not due	< 30 days	30-59	60-89	90-179	180-269	270-360	> 1 year
2012	**47 829**	8 201	14 384	1 622	3 729	1 635	600	16 810	848
2013	**42 319**	13 870	10 523	3 338	3 951	2 070	3 309	3 216	2 042

At December 31, 2012, the amount of trade receivables due for payment for more than 270 days included EUR 16.1 million associated with the Essen project.

At December 31, 2013, trade receivable impairments totaled EUR 2.8 million. Changes in the provision for doubtful debts for the past two years are as follows:

(EUR 000)	
At January 1, 2012	**3 544**
Charge for the year	926
Utilizations	-332
Write-backs	-187
Reclassification	0
Transfers to assets held for sale	-623
Currency translation difference	-18
At December 31, 2012	**3 310**
Charge for the year	642
Utilizations	-573
Write-backs	-486
Reclassification	0
Change in the consolidation scope	0
Currency translation difference	-97
At December 31, 2013	**2 796**

15.2 OTHER RECEIVABLES

Other receivables on the balance sheet primarily involve advance payments on orders, deferred charges and accrued income.

Other receivables are detailed as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Non-trade receivables and advance payments	15 906	18 022
Deferred charges	1 743	1 033
Accrued income	534	3 540
Other current receivables	62 215	19 116
TOTAL	**80 398**	**41 711**

At December 31, 2013, the “Other current receivables” heading is mainly composed of receivables related to the a proton therapy contract amounting to EUR 10 million, of a receivable related to an earn-out in relation with the disposal of Cisbio Bioassays business amounting to EUR 1 million, short term part of a vendor loan repayable over a maximum of seven years based on a allocation of 60% of the Bioassays’s EBIT above a certain threshold of EUR 1.1 million, tax asset in the United States for EUR 0.6 million, an amount of EUR 5.3 million related to the sale of the Radiopharmaceutical business (assets that will flow back when provision is used) and the “’research tax credit” of EUR 0.6 million.

At December 31, 2012, the “Other current receivables” heading was mainly composed of receivables that are not derecognized in the framework of a proton therapy project amounting to EUR 39.6 million, associated companies receivables for EUR 11.5 million, an amount of EUR 10 million related to the sale of the Radiopharmaceutical business (assets that will flow back when provision is used) and the “’research tax credit” of EUR 1.0 million.

16. CASH AND CASH EQUIVALENTS

(EUR 000)	December 31, 2012	December 31, 2013
Bank balances and cash	26 299	13 863
Accounts with restrictions shorter than 3 months	281	6
Short-term bank deposits	15 914	15 073
CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS	**42 494**	**28 942**
Cash and cash equivalents attributable to discontinued operations (Note 6)	3 239	148
CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS	**45 733**	**29 090**

At December 31, 2013, the effective interest rate on the cash position was 0.27% (0.62% in 2012). Short-term deposits have an average maturity of less than 30 days.

17. CAPITAL STOCK AND SHARE-BASED PLANS

17.1 CAPITAL STOCK

	Number of shares	Issued capital stock (EUR)	Capital surplus (EUR)	Treasure shares (EUR)	Total (EUR)
Balance at January 1, 2012	**27 365 028**	**38 407 725**	**126 365 598**	**-8 612 421**	**156 160 902**
Stock options exercised	9 000	12 532	43 987	0	56 519
Capital decreases (other)	0	0	-101 377 480	0	-101 377 480
Other	0	0	0	0	0
Balance at December 31, 2012	**27 374 028**	**38 420 257**	**25 032 105**	**-8 612 421**	**54 839 941**
Stock options exercised	251 180	352 732	581 658	0	934 390
Capital increases (other)	10 231	14 359	37 205	0	51 564
Other	0	0	0	0	0
Balance at December 31, 2013	**27 635 439**	**38 787 348**	**25 650 968**	**-8 612 421**	**55 825 895**

At December 31, 2013, 61.05% of IBA's stock was ''trading'' on Euronext. Full details of the Group's shareholders are set out in the section "The stock market and shareholders" on page 149 of this annual report.

In 2012, the Group proceeded with a "share premium" reduction of EUR 101.4 million by clearing losses carried forward without cancelling shares.

In view of the losses accumulated in 2011 and 2012, the Board of Directors intends to recommend to the General Assembly to not pay any dividend in respect of 2013 exercise.

17.2 STOCK OPTIONS AND SHARE-BASED PAYMENTS

Group employees and Management can purchase or obtain IBA stock through various stock option and stock plans. Option strike prices are set at the market price of the underlying stock on the date of grant. In the case of the stock plans, the benefit awarded is either the market value of the stock at the grant date or a discount of 16.67 % on the value of the stock at the grant date. Stock ownership vests irrevocably on the date of grant.

However, stock must be held for three years following grant. In the case of stock option plans, the fair value of the benefit awarded is measured using the Black & Scholes model, as described below. The benefit granted is recognized as an employee expense, and the share-based payment reserve is increased accordingly.

The long-term incentive plan that has been applicable over the past years and under which stock options have been granted is under review. Consequently, no new stock option plans have been launched in 2013. A new plan is expected in 2014.

During the period ended December 31, 2013, IBA had 8 stock option plans in place.

Stock option plans launched from 2002 to 2012 have the following vesting scheme: 20 percent vesting at grant date + 1 year, 40 percent at grant date + 2 years, 60 percent at grant date + 3 years, 80 percent at grant date + 4 years and 100 percent at grant date +5 years.

In 2005, the Group refunded a capital surplus of EUR 3.1 per share to its shareholders. Following this action, on March 13, 2006, IBA's Board of Directors approved a reduction in the exercise price for IBA employee stock option plans launched in 2000, 2001, 2002, and 2004. Under IFRS 2, this re-pricing qualifies as a modification of the terms of options granted under the 2000, 2001, 2002, and 2004 plans. There is no impact of this change on the 2012 and 2013 accounts.

Details of the plans launched in 2013 and 2012 are given in this section.

	December 31, 2012	December 31, 2013
Type of plan	Stock option	Stock option
Date of grant	30/11/2012	N/A
Number of options granted	506 352	N/A
Exercise price	4.78	N/A
Share price at date of grant	6.23	N/A
Contractual life (years)	6	N/A
Settlement	Shares	N/A
Expected volatility	39.94%	N/A
Expected option life at grant date (years)	4.75	N/A
Risk-free interest rate	0.82%	N/A
Expected dividend (stated as % of share price at grant date)	0.00%	N/A
Expected departures at grant date	2.54%	N/A
Fair value per granted option at grant date	2.74	N/A
Valuation model	Black & Scholes	Black & Scholes

The Company uses the Black & Scholes model to price options, with no vesting conditions other than time. Expected volatility for the stock option plans is based on historical volatility determined by statistical analysis of daily share price movements.

The fair value of shares for the stock options plans was based on the average share price for the 30 days preceding the grant date.

At December 31, 2013, a charge of EUR 1.1 million was recognized in the pre-tax Financial statements for employee stock options (EUR 1.1 million in 2012).

The stock options outstanding at December 31, 2013 have the following expiration dates and exercise prices:

	December 31, 2012		December 31, 2013	
Expiration date	Exercise price (EUR)	Number of stock options	Exercise price (EUR)	Number of stock options
September 30, 2013	19.94	186 249	19.94	0
September 30, 2013	3.72	214 190	3.72	0
September 30, 2014	14.18	101 131	14.18	95 627
September 30, 2014	6.37	40 087	6.37	40 087
September 30, 2015	13.64	105 442	13.64	101 292
September 30, 2015	8.26	390 999	8.26	364 119
September 30, 2016	19.94	81 221	19.94	65 400
September 30, 2016	7.80	412 270	7.80	402 937
September 30, 2017	5.10	660 002	5.10	638 176
September 30, 2018	4.78	506 352	4.78	504 697
TOTAL outstanding stock options		**2 697 943**		**2 212 335**

Stock option movements can be summarized as follows:

	December 31, 2012		December 31, 2013	
Expiration date	Average exercise price in EUR per share	Number of stock options	Average exercise price in EUR per share	Number of stock options
Outstanding at January 1	**9.21**	**2 651 158**	**7.97**	**2 697 943**
Issued	4.78	506 352	0.00	0
Forfeited (-)	11.74	-450 567	18.94	-234 428
Exercised (-)	3.36	-9 000	3.72	-251 180
Lapsed (-)	0.00	0	0.00	0
Outstanding at December 31	**7.97**	**2 697 943**	**7.28**	**2 212 335**
Exercisable at December 31		**898 537**(1)		**776 964**

(1) 37 490 options relating to the 2004 plan were not included in the above table despite the fact that they are still in circulation because they lapsed on September 30, 2010.

18. RESERVES

(EUR 000)	December 31, 2012	December 31, 2013
Hedging reserves	-2 750	-1 064
Other reserves - value of stock option plans and share-based compensation	12 430	13 537
Other reserves - Reserves movements of investments accounted for using the equity method	-81	725
Other reserves – other	157	141
Reserves for revaluation of restricted assets	0	0
Other reserves - fair value adjustment of available-for-sale investments	0	0
Actuarial reserves	0	0
Reserves for assets held for sale	-632	0
Currency translation difference	-10 135	-4 716
Retained earnings	3 831	2 789

According to the Belgian Company Code, the legal reserve must equal at least 10% of the Company's capital stock. Until such time as this level is attained, a top slice of at least one twentieth of the net profit for the year (determined according to Belgian accounting law) must be allocated to building this reserve fund.

The hedging reserve includes changes in the fair value of financial instruments used to hedge cash flows of future transactions.

Cumulative translation difference includes differences related to the translation of financial statements of consolidated entities whose functional currency is not the euro. It also includes foreign exchange differences arising on long-term loans that are part of the Group's net investment in foreign operations.

In 2013, a loss of EUR -0.52 million on the retranslation of these loans were reclassified to equity in order to offset the gain arising on the translation of these loans between subsidiaries of the Group (loss of EUR -0.24 million in 2012).

At December 31, 2013, the following loans between subsidiaries are designated as Group's net investments in foreign operations:

- IBA SA to IBA USA Inc.: USD 0.5 million
- IBA SA to IBA Proton Therapy Inc.: USD 10.2 million and EUR 0.8 million
- IBA SA to IBA Industrial Inc.: EUR 3.1 million

In 2013 the movement of the currency translation adjustment results in EUR 7.1 million from the technical recycling of currency translation adjustment to the income statement further to liquidation of a dormant Swedish entity (IAS 21.48).

19. BORROWINGS

(EUR 000)	December 31, 2012	December 31, 2013
Non-current		
Bank debts (Note 19.1)	36 018	41 250
Financial lease liabilities (Note 19.2)	796	621
TOTAL	**36 814**	**41 871**
Current		
Short-term bank loans	0	0
Bank borrowings (Note 19.1)	33 484	5 000
Financial lease liabilities (Note 19.2)	181	201
TOTAL	**33 665**	**5 201**

19.1 BANK BORROWINGS

(EUR 000)	December 31, 2012	December 31, 2013
Non-current	36 018	41 250
Current	33 484	5 000
TOTAL	**69 502**	**46 250**

Changes in bank borrowings are as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Opening balance	**51 345**	**69 502**
New borrowings(1)	19 407	10 769
Repayment of borrowings	-1 250	-34 021
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing balance	**69 502**	**46 250**

The maturities of bank borrowings are detailed as follows:

(EUR 000)	December 31, 2012	December 31, 2013
One year or less	33 484	5 000
Between 1 and 2 years	7 559	5 000
Between 2 and 5 years	13 005	16 607
Over 5 years	15 454	19 643
TOTAL	**69 502**	**46 250**

The minimum payments of bank borrowings are as follows:

(EUR 000)	December 31, 2012	December 31, 2013
One year or less	36 183	7 239
Between 1 and 5 years	24 903	25 817
Over 5 years	18 799	23 930
	79 885	**56 986**
Future interest expense on bank borrowings (-)	-10 383	-10 736
TOTAL	**69 502**	**46 250**

(1) The new debts amount includes EUR 0.77 million in 2013 (1.2 million in 2012) of undisbursed interest charges.

The effective interest rates for bank borrowings at the balance sheet date were as follows:

	December 31, 2012		December 31, 2013	
	EUR	USD	EUR	USD
Bank debts	4.10%	N/A	3.63%	N/A

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(EUR 000)	December 31, 2012	December 31, 2013
EUR	69 502	46 250
USD	0	0
TOTAL	**69 502**	**46 250**

Utilized credit facilities are as follows:

(EUR 000)	December 31, 2012	December 31, 2013
FLOATING RATE		
– expiring within one year	33 484	5 000
– expiring beyond one year	26 018	21 250
TOTAL FLOATING RATE	**59 502**	**26 250**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	10 000	20 000
TOTAL FIXED RATE	**10 000**	**20 000**
TOTAL	**69 502**	**46 250**

Unutilized credit facilities are as follows:

(EUR 000)	December 31, 2012	December 31, 2013
FLOATING RATE		
– expiring within one year	12 000	15 000
– expiring beyond one year	25 000	0
TOTAL FLOATING RATE	**37 000**	**15 000**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	10 000	0
TOTAL FIXED RATE	10 000	0
TOTAL	**47 000**	**15 000**

The facilities expiring within one year are annual facilities subject to review at various dates during the 12 months following the end of the financial year. The other facilities have been arranged to help to finance the proposed expansion of the Group's activities.

Subsequently to December 31, 2013, credit lines expiring on December 2015 have been granted by two banks for a total amount of EUR 20 million.

19.2 FINANCIAL LEASE LIABILITIES

(EUR 000)	December 31, 2012	December 31, 2013
Non-current	796	621
Current	181	201
TOTAL	**977**	**822**

Changes in financial lease liabilities are as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Opening balance	**1 204**	**977**
New borrowings[1]	2	24
Repayment of borrowings	- 229	-179
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing balance	**977**	**822**

Minimum lease payments on financial lease liabilities are as follows:

(EUR 000)	December 31, 2012	December 31, 2013
One year or less	239	239
Between 1 and 5 years	905	690
Over 5 years	0	0
TOTAL	**1 144**	**929**
Future financial charges on financial leases (-)	-167	-107
Present value of financial lease liabilities	**977**	**822**

The present value of financial lease liabilities is as follows:

(EUR 000)	December 31, 2012	December 31, 2013
One year or less	181	201
Between 1 and 5 years	796	621
Over 5 years	0	0
TOTAL	**977**	**822**

The carrying amounts of financial lease liabilities are denominated in the following currencies:

(EUR 000)	December 31, 2012	December 31, 2013
EUR	952	791
CNY	25	12
USD	0	19
TOTAL	**977**	**822**

At December 31, 2013, the average interest rate paid on financial lease debts was 4.02% (4.03% in 2012).

20. LONG-TERM AND SHORT-TERM PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
At January 1, 2012	**51**	**2 316**	**127**	**3 138**	**362**	**15 097**	**21 091**
Additions (+)	5 959	1 959	135	291	78	60 411	68 833
Write-backs (-)	-269	-237	-127	0	0	-2 148	-2 781
Utilizations (-)	0	-1 041	0	-379	-244	-16 077	-17 741
Actuarial (gains)/losses generated during the year	0	0	0	607	0	0	607
Reclassifications	86	-86	0	0	0	0	0
Transfers to liabilities directly related to assets held for sale	-54	0	0	-3 657	0	0	-3 711
Currency translation difference	0	-3	0	0	0	-1	-4
Total movement	**5 722**	**592**	**8**	**-3 138**	**-166**	**42 185**	**45 203**
At December 31, 2012	**5 773**	**2 908**	**135**	**0**	**196**	**57 282**	**66 294**

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
At January 1, 2013	**5 773**	**2 908**	**135**	**0**	**196**	**57 282**	**66 294**
Additions (+)	17	2 889	0	0	74	10 102	13 082
Write-backs (-)	-386	-1 380	-135	0	0	-3 872	-5 773
Utilizations (-)	0	-1 234	0	0	-91	-41 409	-42 734
Actuarial (gains)/losses generated during the year	0	0	0	0	0	0	0
Reclassifications	0	660	0	0	0	-660	0
Transfers to liabilities directly related to assets held for sale	0	0	0	0	0	0	0
Currency translation difference	0	-9	0	0	0	-25	-34
Total movement	**-369**	**926**	**-135**	**0**	**-17**	**-35 864**	**-35 459**
At December 31, 2013	**5 404**	**3 834**	**0**	**0**	**179**	**21 418**	**30 835**

20.1 ENVIRONMENT

Provisions for decommissioning costs related to the Group sites where radiopharmaceutical agents 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. For more information on these provisions, see Note 3 of this report.

Movements can be detailed as follows:

- New provisions for decommissioning of radiopharmaceutical agents' production sites excluded from the transaction with SK Capital Partners for EUR 0.02 million.
- Reversals of provisions for decommissioning EUR -0.39 million relating to the radiopharmaceutical agents' production site of Gent who was sold to the University of Gent during the year.

20.2 WARRANTIES

Provisions for warranties cover warranties for machines sold to customers.

Movements can be detailed as follows:

- New provisions in relation to Proton therapy/ Particle accelerators amounting to EUR 2.9 million.
- Reversals of provisions in relation to Proton therapy/Particle accelerators amounting to EUR -1.3 million.
- Reversals of provisions in relation to Dosimetry amounting to EUR -0.1 million.
- Utilizations of provisions in relation to Proton therapy/Particle accelerators amounting to EUR -1.2 million.

20.3 LITIGATION

Provisions for litigation relate to litigation of a social nature for which a EUR 0.1 million provision was presented at December 31, 2012.

Movements can be detailed as follows:

- Reversals of provisions in relation to Proton therapy/Particle accelerators amounting to EUR -0.1 million.

20.4 PROVISIONS FOR EMPLOYEE BENEFITS – DEFINED BENEFIT PLANS

Provisions for employee benefits as at 31 December 2011 mainly cover:

- Obligations incurred by Cisbio Bioassays SAS in relation to entitlements acquired by employees in service at year end, in terms of benefits, top-up benefits and other retirement compensation not covered by pension and insurance funds amounting to EUR 3.2 million (IDR).

  At 31 December 2012, this provision was reclassified in liabilities directly associated with assets held for sale.

  At 31 December 2013, following the disposal of Cisbio Bioassays business, the Group does not hold provisions for defined benefit plans (IDR) any more.

- Obligations incurred by Cisbio Bioassays SAS in relation to entitlements acquired as a result of the reduction in the retirement age for employees working or having worked in hazardous areas amounting EUR 0.5 million (NIG119).

  At 31 December 2012, this provision was reclassified in liabilities directly associated with assets held for sale.

  At 31 December 2013, following the disposal of Cisbio Bioassays business, the Group does not hold provisions for defined benefit plans (NIG119) any more. The history of actuarial gains and losses for defined benefits plans found in other reserves is as follows:

	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Continuing operations	800	-361	-97	0	0
Discontinuing operations	0	0	-358	-704	0

For 2012, the movements can be detailed as follows:

- New provisions in relation to Cisbio Bioassays SAS (entity reclassified in 2012 in liabilities directly associated with assets held for sale) amounting to EUR 0.3 million.
- Utilization of provisions in relation to Cisbio Bioassays SAS (entity reclassified in 2012 in liabilities directly associated with assets held for sale) amounting to EUR -0.4 million.

20.5 OTHERS

Other provisions at December 31, 2013 consisted primarily of the following:

- An amount of EUR 4.2 million relating to non-recurring commitments on proton therapy projects, an amount of EUR 14.8 million covering the Group's estimated commitments under the agreement with SK Capital Partners, including the impacts of the agreement on a full and final settlement for all claims and counterclaims in relation with by Rose Holding SARL (vehicle for investment by SK Capital Partners in IBA Molecular) signed on December, 2013, an amount of 0.7 million covering the Group's estimated commitments under the agreement with Argos Soditic fund, an amount of EUR 0.7 million relating to a bank guarantee granted to an associate company and un amount of EUR 0.8 million covering tax risks.

Details of the main movements are as follows:

- New provisions amounting to EUR 2.1 million in respect of non-recurring commitments on proton therapy projects, EUR 0.3 million in respect of provisions for completion of works relating to projects in the Proton therapy and Particle accelerators segment, EUR 6.0 million in respect of the Group's commitments under the agreement with SK Capital Partners including the impacts of the agreement on a full and final settlement for all claims and counterclaims in relation with by Rose Holding SARL (vehicle for investment by SK Capital Partners in IBA Molecular) signed on December, 2013, EUR 0.7 million in respect of the Group's estimated commitments under the agreement with Argos Soditic fund, and EUR 0.8 million in respect of provisions for tax risks.
- Reversal of provisions amounting to EUR -3.9 million for the Group's estimated commitments under the agreement with SK Capital Partners.
- Utilizations of provisions amounting to EUR -0.5 million for completion of works, provisions amounting to EUR -14.6 million covering the Group's estimated commitments under the agreement with SK Capital Partners, provisions amounting to EUR -25.9 million relating to non-recurring commitments on proton therapy projects and provisions amounting to EUR -0.4 million relating to a bank guarantee granted to an associate.

21. OTHER LONG-TERM LIABILITIES

(EUR 000)	December 31, 2012	December 31, 2013
Advances received from local government	858	248
Other	3	0
TOTAL	**861**	**248**

In 2013, the Group transferred received advances from the local government to other short-term liabilities amounting to EUR 0.61 million.

In 2012, the Group received EUR 0.14 million in interest-free cash advances from the local government agencies and transferred EUR 3.71 million to the other short-term liabilities. On the other hand, an amount of EUR 0.4 million has been transferred to liabilities directly related to assets held for sale.

22. OTHER FINANCIAL ASSETS AND LIABILITIES

(EUR 000)	December 31, 2012	December 31, 2013
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	73	298
- Foreign exchange rate swaps	17	14
- Interest rate caps	0	0
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
- Forward foreign exchange contracts	1	0
- Foreign exchange rate swaps	30	55
Short-term financial assets	**121**	**367**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	5	207
Long-term financial assets	**5**	**207**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	938	881
- Foreign exchange rate swaps	0	0
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
- Forward foreign exchange contracts	0	33
- Foreign exchange rate swaps	103	113
Short-term financial liabilities	**1 041**	**1 027**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	1 868	505
- Foreign exchange rate swaps	0	0
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
- Forward foreign exchange contracts	0	48
- Foreign exchange rate swaps	0	0
Long-term financial liabilities	**1 868**	**553**

The Group's policy on use of financial instruments is detailed in Note 1.22 on Group accounting policies and Note 2 on financial risk management.

At December 31, 2013, an amount of EUR 0.37 million recognized as a short-term financial asset represented EUR 0.31 million in cash flow hedging instruments and EUR 0.06 million in hedging instruments recognized at fair value through profit and loss.

At December 31, 2012, an amount of EUR 0.12 million recognized as a short-term financial asset represented EUR 0.09 million in cash flow hedging instruments and EUR 0.03 million in hedging instruments recognized at fair value through profit and loss.

At December 31, 2013, an amount of EUR 1.03 million recognized as a short-term financial liability represented EUR 0.89 million in cash flow hedging instruments and EUR 0.14 million in hedging instruments recognized at fair value through profit and loss.

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At December 31, 2012, an amount of EUR 1.04 million recognized as a short-term financial liability represented EUR 0.94 million in cash flow hedging instruments and EUR 0.10 million in hedging instruments recognized at fair value through profit and loss.

Some of these financial instruments are designated as hedging instruments as they hedge specific exchange rate risks to which the Group is exposed. Hedge accounting has been applied to these contracts because they are deemed to be effective hedges. Those transactions are highly probable as there are linked to contract transaction. For these cash flow hedges, movements are recognized directly in equity and released to the income statement to offset the income statement impact of the underlying transactions.

At December 31, 2013, a cumulative loss of EUR 1.06 million was therefore directly accounted in the equity (under "Hedging Reserves"). At December 31, 2012, the cumulated loss was amounted to EUR 2.75 million.

23. TRADE PAYABLES

At December 31, the payment schedule for trade payables was as follows:

(EUR 000)	TOTAL	Due	< 3 months	4-12 months	1-5 years	> 5 years
2012	**45 947**	25 346	20 527	74	0	0
2013	**30 819**	9 439	20 881	499	0	0

24. OTHER PAYABLES

(EUR 000)	December 31, 2012	December 31, 2013
Amounts due to customers for contracts in progress (or advances received on contracts in progress)	61 513	72 364
Social debts	11 621	12 166
Accrued charges	2 831	2 725
Accrued interest charges	132	167
Deferred income	3 207	5 255
Capital grants	1 406	1 131
Non-trade payables	44	1 237
Other	47 001	7 583
TOTAL	**127 755**	**102 628**

At December 31, 2013, the heading “Other” is mainly composed of advances of EUR 5.8 million received from Walloon Region of Belgium, customers advance payments of EUR 0.9 million and other amounting to EUR 0.9 million.

At December 31, 2012, the heading “Other” is mainly composed of down payments of EUR 36 million received on the proton therapy contracts and for which the related receivables have not been derecognized, advances of EUR 8.2 million received from local government and VAT and other taxes amounting to EUR 1.4 million.

25. OTHER OPERATING EXPENSES AND INCOME

25.1 OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Legal costs	0	200
Cost of share-based payments	1 130	1 107
Depreciation and impairment	2 229	1 244
Impairment of goodwill for pharmaceutical operations	0	0
Non recurring commitments for projects	22 728	2 858
Reorganization expenses	1 074	1 436
Costs related to the transaction with SK Capital Partners	0	11 184
Provision for bank guarantee granted	0	0
Other	772	710
TOTAL	**27 933**	**18 739**

At December 31, 2013, the depreciation and impairment include impairments of inventories for EUR 0.46 million and depreciation on fixed assets for EUR 0.76 million.

At December 31, 2013, the costs related to the transaction with SK Capital Partners include mainly the write off on the bridge loan following the settlement agreement signed in December 2013.

At December 31, 2012, the depreciation and impairment include mainly impairments of inventories and investments for EUR 2.2 million.

25.2 OTHER OPERATING INCOME

Other operating income can be broken down as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Reversal of provisions	0	-356
Reversal of depreciation and impairment	0	0
Other	- 67	-544
TOTAL	**-67**	**-900**

In 2013, the heading "Reversal of provisions" includes the impact of the reversal of decommissioning provision related to the disposed Belgian Radiopharmaceutical site of Gent.

In 2013, the heading "Other" includes the gain realized on the disposal of the Belgian Radiopharmaceutical site's equipment of Gent for EUR 0.23 million, the gain on the ''sales and lease back'' of the Long Island building for EUR 0.08 million and the gain on disposal of other investments for EUR 0.14 million.

26. FINANCIAL EXPENSES AND INCOME

26.1 FINANCIAL EXPENSES

(EUR 000)	December 31, 2012	December 31, 2013
Interest paid on debts	2 215	1 799
Foreign exchange differences	2 445	809
Change in fair value of derivatives	1 815	1 079
Other	2 024	1 418
TOTAL	**8 499**	**5 105**

At December 31, 2013, the heading “Other” includes mainly interest expenses of EUR 0.8 million in relation to a proton therapy project, commission and bank charges of EUR 0.4 million and other expenses of EUR 0.2 million.

At December 31, 2012, the heading “Other” primarily includes interest expenses of EUR 1.2 million in relation to a proton therapy project, commission and bank charges of EUR 0.5 million and expenses of EUR 0.2 million associated with the discounting of decommissioning provisions.

26.2 FINANCIAL INCOME

(EUR 000)	December 31, 2012	December 31, 2013
Interest received on receivables and cash	-720	-23
Foreign exchange differences	-3 001	-335
Change in fair value of derivatives	-393	-1 622
Other	-2 744	-5 423
TOTAL	**-6 858**	**-7 403**

At December 31, 2013, the heading “Other” includes mainly EUR 3.8 million of rebilling of interests charges in relation to a proton therapy project and EUR 1.0 million of revaluation of a long-term receivable with an associated company.

At December 31, 2012, the heading “Other” includes mainly proceeds of EUR 2.7 million from future rebilling of interests charges in relation to a proton therapy project.

27. INCOME TAXES

The tax charge for the year can be broken down as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Current taxes	3 056	1 029
Deferred taxes	-419	-4 413
TOTAL	**2 637**	**-3 384**

The tax charge on IBA's result before taxes differs from the theoretical amount that would have resulted from application of the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

(EUR 000)	December 31, 2012	December 31, 2013
Result from continuing operations before taxes (1)	-22 642	-408
Taxes calculated on the basis of local tax rates	**-7 926**	**-285**
Unrecognized deferred taxes	6 162	981
Recognized deferred taxes	1 147	-6 049
Tax-exempt transactions and non-deductible expenses	4 134	2 130
Impairment on recognized deferred tax assets	0	0
Utilization of previously unrecognized tax losses	-903	0
Utilization of deferred taxes	0	1 636
Other tax (income)/expense	23	-1 797
Booked tax expense	**2 637**	**-3 384**
Theoretical tax rate	**35%**	**70.0%**
Effective tax rate	**-11.65%**	**830.2%**

(1) 2013 result before taxes is before technical recycling of currency translation adjustment to income statement further to liquidation of a dormant Swedish entity (IAS 21.48)

Given the available tax losses, IBA did not calculate deferred taxes on items credited or charged directly to equity.

28. EMPLOYEE BENEFITS

28.1 DEFINED CONTRIBUTION PLANS

At December 31, 2013, the Group recognized expenses of EUR 0.94 million for defined contribution plans (EUR 0.7 million at December 31, 2012)

28.2 DEFINED BENEFIT PLANS

As all the companies that had defined benefit plan obligations were disposed of in 2012 or 2013, the Group does not have any defined benefit plan remaining at December, 2013.

Changes in the present value of defined benefit obligations are presented as follows:

(EUR 000)	December 31, 2012
Defined benefit obligations at January 1, 2012	**3 138**
Cost of services rendered for the period	158
Cost of discounting	133
Benefits paid	-379
Actuarial (gains)/losses for the period	607
Transfers to liabilities directly related to assets held for sale	-3 657
Defined benefit obligations at December 31, 2012	0

(EUR 000)	December 31, 2013
Defined benefit obligations at January 1, 2013	**0**
Cost of services rendered for the period	0
Cost of discounting	0
Benefits paid	0
Actuarial (gains)/losses for the period	0
Transfers to liabilities directly related to assets held for sale	0
Defined benefit obligations at December 31, 2013	**0**

The principal actuarial assumptions at the date of closing are summarized in 3 (d).

Defined benefit plan expenses recognized through profit and loss can be broken down as follows:

(EUR 000)	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Cost of services rendered for the period (including portion of discontinued operations)	1 061	1 267	1 242 (1 100)	158 (158)	180 (180)
Cost of discounting (including portion of discontinued operations)	1 091	1 006	1 100 (967)	133 (133)	156 (156)
Expenses/(income) for the period	**2 152**	**2 273**	**2 342**	**291**	**336**

Defined benefit plan expenses accounted for through profit and loss are included in the following income statement headings:

(EUR 000)	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
General and administrative expenses (including portion of discontinued operations)	1 061	1 267	1 242 (1 100)	158 (158)	180 (180)
Financial expenses – other (including portion of discontinued operations)	1 091	1 006	1 100 (967)	133 (133)	156 (156)
Expenses/(income) for the period	**2 152**	**2 273**	**2 342**	**291**	**336**

The principal actuarial assumptions at the date of closing are summarized in 3 (d).

29. CASH FLOW STATEMENT

At December 31, 2013, the heading “Other non-cash items” includes expenses in connection with employee stock option plans and stock plans (EUR +1.1 million), the net impact of losses and write-downs on inventories and outstanding orders (EUR +0.5 million), the net impact of the write-down of the bridge loan with Rose Holding SARL (EUR +8.9 million), the impact of taking into account unrealized foreign exchange differences on the revaluation of the intercompany balance sheet positions of the Group (EUR -0.7 million) and the impact of research tax credit not received in cash during the year (EUR -1.2 million) and the impact of revaluation of long term assets (EUR +1.0 million).

At December 31, 2013, “Other cash flows from investing activities” primarily includes cash advances to an associated company (EUR -1.43 million) and a loan granted to a proton therapy customer (EUR -3.8 million).

At December 31, 2013, “Other cash flows from financing activities” includes repayment of grants and advances from the Walloon Region of Belgium (EUR -3.1 million), changes in liabilities towards Group employees in connection with the exercise of stock option plans (EUR +0.1 million).

At December 31, 2012, the heading “Other non-cash items” includes expenses in connection with employee stock option plans and stock plans (EUR +1.1 million), the net impact of losses and write-downs on inventories and outstanding orders (EUR +0.4 million), the impact of the write-down of current assets (EUR +1.4 million), the impact of taking into account unrealized foreign exchange differences on the revaluation of the intercompany balance sheet positions of the Group (EUR -0.4 million) and the impact of research tax credit not received in cash during the year (EUR -4.1 million).

At December 31, 2012, “Other cash flows from investing activities” primarily includes cash advances to the Radiopharmaceutical operations (EUR -3.15 million).

At December 31, 2012, “Other cash flows from financing activities” includes grants and interest-free cash advances received from various public agencies (EUR +0.4 million), repayment of grants and advances from the Walloon Region of Belgium (EUR -4.6 million), changes in liabilities towards Group employees in connection with the exercise of stock option plans (EUR +0.1 million) and the cash received from the disposal of a 40% stake in IBA Molecular Compounds Development SARL (EUR +3.5 million).

30. LITIGATION

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

Developments in litigation mentioned in the 2012 annual report as well as the principal cases pending at December 31, 2013 are presented in this Note.

DEVELOPMENT IN LITIGATION MENTIONED IN THE 2012 ANNUAL REPORT AND STILL PENDING AT DECEMBER 31, 2013

ARBITRATION AGAINST WESTDEUTSCHES PROTONENTHERAPIEZENTRUM ESSEN GMBH

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

The negotiations led to the signature, on March 10, 2014, of a global settlement agreement by which WPE has acquired the center in the condition as it is and WPE and IBA entered into a long-term operation and maintenance agreement. The public private partnership structure has thus been replaced by a classic sale and operation agreement regarding IBA's equipment.

NOTIFICATION OF CLAIM BY ROSE HOLDING SARL

Between September 11, 2012, and September 27, 2013, Rose Holding SARL, the vehicle for investment of SK Capital Partners in IBA Molecular, sent several "Notice of Claims" to IBA demanding, as a protective measure, the cover of alleged losses of several millions. IBA has officially rejected all these demands, either because they are unfounded, or because they are insufficiently documented, and challenged the accountability of SK management. No proceedings have been instituted by any of the parties to date. In October 2013, discussions have been opened with a view to the amicable resolution of all items under dispute. These discussions have led to the signature, on December 19, 2013, of a global settlement agreement by which IBA transferred to SK its EUR 10 million Bridge Loan against a consideration of one euro and settled all post-closing undertakings for which the parties were previously not able to find an agreement.

NEW LITIGATIONS 2014

IBA Dosimetry GmbH is the defendant in a patent infringement claim filed June 24, 2013 by Sun Nuclear Corporation in United States District Court, Florida Middle District Court, Orlando Office. Sun Nuclear alleges indirect infringement of "one or more claims" of U.S. Patent No. 6.125.335 and seeks preliminary injunction, permanent injunction, damages, enhanced damages, and attorneys' fees. IBA was served under the Hague Convention on October 28, 2013 and filed its answer on November 18, 2013 denying all claims by Sun Nuclear and including the defenses of non-infringement and invalidity. A Case Management and Scheduling Order was issued by the court on January 6, 2014 and the parties have started discovery with a scheduled trial date of September 2, 2015.

31. COMMITMENTS

31.1 OPERATING LEASES

The Group has a number of non-cancelable operating leases relating to vehicle, equipment, and office space rental. Total future minimum lease payments under non-cancelable operating leases are as follows:

31.1.1. OPERATING LEASES OF CONTINUING OPERATIONS

(EUR 000)	December 31, 2012	December 31, 2013
One year or less	4 696	4 702
Between 1 and 5 years	9 530	7 365
Over 5 years	5 186	4 484
TOTAL	**19 412**	**16 551**

31.1.2. OPERATING LEASES OF DISCONTINUED OPERATIONS

(EUR 000)	December 31, 2012	December 31, 2013
One year or less	322	0
Between 1 and 5 years	1 070	0
Over 5 years	441	0
TOTAL	**1 833**	**0**

Total operating lease payments included in the income statement in 2013 amounted to EUR 5.0 million.

Total operating lease payments included in the income statement in 2012 amounted to EUR 5.2 million (of which EUR 5.0 million on continued operations and EUR 0.2 million on discontinued operations).

31.2 FINANCIAL GUARANTEES

At December 31, 2013, IBA held financial guarantees for EUR 76.2 million given by Group's business units as security for debts or commitments, mainly in advance payment guarantees. Of these, EUR 10.7 million are for guarantees granted by the parent Company to cover the bank debts of its subsidiaries.

32. RELATED PARTY TRANSACTIONS

32.1 CONSOLIDATED COMPANIES

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

32.2 TRANSACTIONS WITH AFFILIATED COMPANIES

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

(EUR 000)	December 31, 2012	December 31, 2012	December 31, 2013
ASSETS	Discontinued operations	Continued operations	Continued operations
Receivables			
Long-term receivables	0	12 113	2 488
Trade and other receivables	2 343	5 504	3 023
Impairment of receivables	0	-496	-588
TOTAL RECEIVABLES	**2 343**	**17 121**	**4 923**
LIABILITIES			
Payables			
Trade and other payables	115	864	375
TOTAL PAYABLES	**115**	**864**	**375**
INCOME STATEMENT			
Sales	7 613	0	712
Costs	-2 105	-199	-525
Financial income	0	32	972
Financial expense	0	-424	-681
Other operating income	0	0	0
Other operating expense	0	-826	-10 156
TOTAL INCOME STATEMENT	**5 508**	**-1 417**	**-9 678**

In 2012, the main relationships between businesses held for sale and related parties were as follows:

- In 2011, Cisbio Bioassays SAS signed a 10-year contract with various European subsidiaries of the Group Rose Holding SARL (France, Italy, Germany, Spain, United Kingdom and Benelux) for the distribution of its RIA (Radio Immuno Assays) products.
- Cisbio Bioassays SAS has a contract with Sceti Medical Labo KK for the distribution of its IVD (In Vitro Diagnosis) and DD (Drug Discovery) products on the Japanese market.
- In 2012, Cisbio Bioassays SAS signed a service contract with CIS Bio International SAS (subsidiary of Rose Holding SARL) in order to supply logistics and storage, information technology, human resources, finance and legal support services.

This contract was concluded for a period of 10 years (terminating in March 2022) and for a fixed amount of EUR 1.2 million per year.

Following the disposal of Cisbio Bioassays business, in 2013, there are no relationships between businesses held for sale and related parties.

Under the agreement with SK Capital Partners, the Group granted 2 loans to Rose Holding SARL.

The terms and conditions of these 2 loans are detailed below:

CONTINGENT LOAN

The principal amount of this loan of nominal value EUR 26.4 million must be repaid at the earliest (i) on December 31, 2021 or (ii) on the sale by SK Capital Partners and IBA SA of their total stakes in Rose Holding SARL (the repayment date). If the repayment date occurs within the first two years of signature of the agreement and SK Capital Partners has not received twice its investment in Rose Holding SARL, the loan including interest will not be repaid. If the repayment date occurs after the first two years of the agreement and SK Capital Partners has not received three times its investment in Rose Holding SARL, the loan including interest will not be repaid.

This loan has been granted at an annual interest rate of 2%. This interest is capitalized but may be paid provided that the main lenders of Rose Holding SARL state their agreement to payment. All interest not paid shall be capitalized up to the loan repayment date. Rose Holding SARL may decide at any time to make early repayments on this loan.

The Group has accepted that the repayment of this loan shall be subordinate to the prior repayment of any existing or future debt of Rose Holding SARL to banks, financial lease companies and other financial institutions. As this loan is treated as quasi-equity, it is recognized in investments accounted for using the equity method.

BRIDGE LOAN

The principal amount of this loan of nominal value EUR 10 million must be repaid at the earliest (i) on December 31, 2021 or (ii) on the sale by SK Capital Partners and IBA SA of their total stakes in Rose Holding SARL (the repayment date).

This loan has been granted at an annual interest rate of 4%. This interest is capitalized but may be paid provided that the main lenders of Rose Holding SARL state their agreement to payment. All interest not paid shall be capitalized up to the loan repayment date. Rose Holding SARL may decide at any time to make early repayments on this loan.

The Group has accepted that the repayment of this loan shall be subordinate to the prior repayment of any existing or future debt of Rose Holding SARL to banks, financial lease companies and other financial institutions.

As part of the agreement on the full and final settlement for outstanding claims and counterclaims regarding IBA Molecular, the Group sold this bridge loan for one EUR to SK Rose SARL.

The Group has also committed to support the Radiopharmaceutical business sold by paying EUR 16 million over a period of 2 years (amount accrued in the financial statements). On December 31, 2013 the remaining commitment amounts EUR 2 million.

The Group has also paid the amount of EUR 4.9 million for receivables due from the sold Italian entities and Spanish entity. These entities are responsible for recovery and shall reimburse the Group when they receive payments. On December 31, 2013, the remaining balance to collect amounts EUR 1.9 million of which EUR 0.6 million have been provisioned.

SK Capital Partners and IBA have also agreed to share equally the development costs of the portfolio of new molecules patented through the company IBA Molecular Compounds Development SARL. In 2012, the Group’s financial contribution to this company was EUR 2.35 million.

In 2013, as part of a settlement agreement the parties have decided to minimize their investments through this company and to limit them to those associated to the co-development project with Wilex AG. These investments amount to EUR 1.4 million and were fully write off during the 2013 exercise.

All retained assets by the Group in the IBA Molecular activity sold to SK Capital assets amounted to 34.5 million. The value of these assets is highly dependent on the achievement of budgets and plans submitted by the Management.

32.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at December 31, 2013:

	Number of shares	%
Belgian Anchorage SCRL	7 700 132	27.86%
IBA Investments SCRL	610 852	2.21%
IBA SA	75 637	0.27%
UCL ASBL	426 885	1.54%
Sopartec SA	529 925	1.92%
Institut des Radioéléments FUP	1 423 271	5.15%
Public	16 868 737	61.05%
TOTAL	**27 635 439**	**100.00%**

As mentioned on page 41 (Legislation Governing Takeover Bids and Transparency) the agreement on the holding, acquisition or sale of shares with voting rights entered into between Belgian Anchorage SCRL, UCL ASBL, Sopartec SA and IRE FUP on February 6, 1996 was terminated with effect as from December 2, 2013. However, UCL ASBL, Sopartec SA and IRE FUP have not modified their shareholdings in IBA SA since then. Both UCL ASBL and Sopartec SA (affiliated companies) on the one hand, and IRE FUP on the other, remain above the transparency thresholds of 3% and 5% respectively.

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at January 31, 2014.

32.4 DIRECTORS AND MANAGEMENT

See remuneration report on page 48.

33. FEES FOR SERVICES RENDERED BY THE STATUTORY AUDITORS

Ernst & Young Réviseurs d'Entreprises SCCRL, auditors of the statutory accounts of IBA SA and auditors of the consolidated accounts of IBA, provided the following services during the year:

(EUR 000)	December 31, 2012	December 31, 2013
Remuneration for statutory audits and audit of consolidated accounts	400	360
Tax-related services	23	0
Other services	119	61
TOTAL	**542**	421

34. EVENTS AFTER THE BALANCE SHEET DATE

AT THE CLOSING OF THE BALANCE SHEETS

In first quarter 2014, IBA has signed final contracts concluding the Essen project litigation with Westdeutsches Protonentherapiezentrum Essen GmbH (WPE). With the signing of these contracts, WPE completed the acquisition of the proton therapy center in Essen from STRIBA Protonentherapiezentrum GmbH (STRIBA), the 50/50 joint venture between IBA and STRABAG (Strabag Projecktentwicklung GmbH), the contracted supplier of the center. As the transfer of the center has now been finalized, IBA no longer has exposure to any further disputes based on the old contractual structure and provisions. In addition, an 18 year operations and maintenance contract has been signed between IBA and WPE, as well as agreed compensation for past operations and maintenance services rendered by IBA in 2013. The PT center in Essen has treated its first patient in May 2013.

On March 17, 2014 IBA announced the closing of an agreement for the sale to a private equity firm of the assets of PharmaLogic PET Services of Montreal Company, a Canadian company in which IBA owns a substantial but minority interest. Approximately 85% of the price has been paid to PharmaLogic at closing and the rest will be released after a two year period. Payments will then be distributed as dividends to PharmaLogic's shareholders, including IBA which expects a net total cash inflow in dividend from this sale of about EUR 7.7 million. The transaction has no impact on 2013 accounts, but should positively impact IBA's 2014 net results by approximately EUR 3.5 million.

35. NET EARNINGS PER SHARE

35.1 NET BASIC EARNINGS

Net basic earnings per share are calculated by dividing the net profit attributable to 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	December 31, 2012	December 31, 2013
Earnings attributable to parent equity holders (EUR 000)	-5 800	-1 010
Weighted average number of ordinary shares	26 680 374	26 792 315
Net earnings per share from continuing and discontinued (EUR per share)	**-0.22**	**-0.038**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-25 279	-4 098
Weighted average number of ordinary shares	26 680 374	26 792 315
Basic earnings per share from continuing operations (EUR per share)	**-0.95**	**-0.153**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	19 479	3 088
Weighted average number of ordinary shares	26 680 374	26 792 315
Basic earnings per share from discontinued operations (EUR per share)	**0.73**	**0.115**

35.2 DILUTED EARNINGS

Diluted earnings per share 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 only one category of dilutive potential ordinary shares: stock options.

The 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 annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock 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 stock options.

DILUTED EARNINGS PER SHARE	December 31, 2012	December 31, 2013
Weighted average number of ordinary shares	26 680 374	26 792 315
Weighted average number of stock options	874 192	1 142 873
Average share price over period	5.36	6.22
Dilution effect from weighted number of stock options	0 (*)	0 (*)
Weighted average number of ordinary shares for diluted earnings per share	26 680 374	26 792 315
Earnings attributable to parent equity holders (EUR 000)	-5 800	-1 010
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**-0.22**	**-0.038**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-25 279	-4 098
Diluted earnings per share from continuing operations (EUR per share)	**-0.95**	**-0.153**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	19 479	3 088
Diluted earnings per share from discontinued operations (EUR per share)	**0.73**	**0.115**

(*) In compliance with IAS33, which stipulates that the diluted earnings per share does not take into account assumptions for conversion, financial year, or other issuing of potential ordinary shares which may have an anti-dilutive effect on the earnings per share (shares whose conversion involves a decrease in the loss per share).

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

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Building a better working world

Statutory auditor's report to the general meeting of shareholders of Ion Beam Applications SA on the Consolidated Financial Statements for the year ended 31 December 2013

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated financial statements (the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements as further defined below. The Consolidated Financial Statements include the consolidated statement of financial position as of 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows statement for the year ended 31 December 2013, and the notes including the summary of significant accounting policies and other explanatory notes, and include the required additional statements.

Report on the Consolidated Financial Statements - unqualified opinion

We have audited the Consolidated Financial Statements of Ion Beam Applications SA ("the Company") and its subsidiaries (collectively referred to as "the Group") as of and for the year ended 31 December 2013. These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The total of the consolidated statement of financial position amounts to € (thousand) 281.753 and the consolidated income statement shows a loss for the year of € (thousand) 1.010.

Responsibility of the board of directors for the preparation of the Consolidated Financial Statements

The board of directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union. The board of directors is also responsible for the implementation of internal controls, which it considers necessary for the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISA"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation of Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

Audit report dated 25 March 2014 on the Consolidated Financial Statements of Ion Beam application SA as of and for the year ended 31 December 2013 (continued)

We have obtained from management and the Company's officials the explanations and information necessary to perform our audit and we believe that the resulting audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Company give a true and fair view of the Group's consolidated financial position as of 31 December 2013 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the report of the board of directors on the Consolidated Financial Statements, including the corporate governance statement, in accordance with articles 96 and 119 of the Company code (*Wetboek van vennootschappen/Code des sociétés*) as well as the compliance of these Consolidated Financial Statements with the Company code.

As part of our audit mandate and in accordance with the applicable supplementary standard issued by the Belgian Institute of Registered Auditors (*Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*) as published in the Belgian State Gazette on 28th August 2013 (the "Supplementary Standard"), it is our responsibility to perform certain procedures, in all material respects, on the compliance of certain legal and regulatory requirements, as defined in the Supplementary Standard. As a result of these procedures, we provide the following additional statements which do not modify our opinion on the Consolidated Financial Statements:

- The report of the board of directors on the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

- In the context of our audit of the statutory financial statements of Ion Beam Applications SA, we ascertained that the board of directors of the Company had complied with the legal provisions applicable to cases of conflicting interest of a financial nature. In conformity with the Companies' Code, these transactions have been covered explicitly in our report on the statutory financial statements of Ion Beam Applications SA.

Diegem, 25 March 2014

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

Blockx

Martine Blockx
Partner

14MB00029

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IBA SA

ANNUAL FINANCIAL STATEMENTS

In accordance with article 105 of the Belgian Company Code, the following statements represent a condensed version of the annual financial statements. The full text is available on request from the headquarters of the Company and will be filed with the National Bank of Belgium. This condensed version does not contain all of the appendixes or the auditor's report, who expressed an unqualified opinion.

ASSETS (EUR 000)	2011	2012	2013
FIXED ASSETS	**197 241**	**108 072**	**91 363**
Formation expenses	**0**	**0**	**0**
Intangible fixed assets	**4 466**	**12 691**	**21 672**
Tangible fixed assets	**6 820**	**6 175**	**5 561**
Land and buildings	564	401	335
Plant, machinery, and equipment	923	735	1 645
Furniture and vehicles	923	790	531
Leases and similar rights	3 205	3 029	2 857
Assets under construction and advance payments	1 205	1 220	193
Financial assets	**185 955**	**89 206**	**64 130**
Affiliated companies	180 166	83 927	63 602
Other investments	0	4 749	0
Others financial assets	5 789	530	528
CURRENT ASSETS	**526 186**	**651 309**	**606 163**
Accounts receivable in more than one year	**3 258**	**9 265**	**15 720**
Inventories and contracts in progress	**436 996**	**483 478**	**433 711**
Inventories	24 497	27 087	33 151
Contracts in progress	412 499	456 391	400 560
Accounts receivable within one year	**76 556**	**123 328**	**129 489**
Trade receivables	49 712	57 572	64 543
Other receivables	26 844	65 756	64 946
Investments	**2 660**	**16 220**	**15 498**
Cash at bank and in hand	**2 172**	**14 662**	**5 111**
Deferred charges and accrued income	**4 544**	**4 356**	**6 634**
TOTAL ASSETS	**723 427**	**759 381**	**697 526**

LIABILITIES AND EQUITY (EUR 000)	2011	2012	2013
SHAREHOLDERS' EQUITY	**67 027**	**42 019**	**66 182**
Capital stock	**38 408**	**38 420**	**38 787**
Capital surplus	**126 366**	**25 032**	**25 651**
Reserves	**2 450**	**2 508**	**2 680**
Legal reserve	1 887	1 887	1 887
Reserves not available for distribution	360	418	590
Untaxed reserves	203	203	203
Retained earnings (-)	**-101 377**	**-25 074**	**-1 883**
Capital grants	**1 182**	**1 133**	**947**
PROVISIONS AND DEFERRED TAXES	**17 181**	**65 629**	**29 859**
LIABILITIES	**639 219**	**651 733**	**601 485**
Accounts payable in more than one year	**216 030**	**230 686**	**166 000**
Financial debts	22 325	36 804	41 860
Advances received on contracts in progress	189 137	193 024	123 892
Other accounts payable	4 568	858	248
Accounts payable within one year	**420 423**	**417 303**	**432 935**
Current portion of accounts payable in more than one year	82 106	61 181	35 099
Financial debts	30 000	2 500	0
Trade debts	55 943	65 726	69 566
Advances received on contracts in progress	243 252	277 524	317 797
Current tax and payroll liabilities	7 599	9 459	9 550
Other accounts payable	1 524	913	923
Accrued charges and deferred income	**2 766**	**3 744**	**2 550**
TOTAL LIABILITIES	**723 427**	**759 381**	**697 526**

INCOME STATEMENT (EUR 000)	2011	2012	2013
Operating income	**191 050**	**212 011**	**196 240**
Operating expenses (-)	**-189 532**	**-213 018**	**-169 090**
Raw materials, consumables, and goods for resale	-73 957	-77 612	-50 979
Services and other goods	-63 368	-71 299	-68 583
Salaries, social security, and pensions	-34 523	-40 870	-44 314
Depreciation and write-offs on fixed assets	-13 816	-20 887	-9 233
Increase/(Decrease) in write-downs on inventories, work in progress, and trade debtors	-2 064	-1 281	-16 591
Provisions for liabilities and charges	-1 630	297	35 770
Other operating expenses	- 175	-1 366	-15 160
Operating profit/loss)	**1 517**	**-1 007**	**27 150**
Financial income	**21 875**	**12 925**	**13 736**
Income from financial assets	0	4 735	0
Income from current assets	4 580	5 495	3 298
Other financial income	17 295	2 695	10 438
Financial expenses (-)	**-20 841**	**-9 014**	**-11 559**
Interest expense	-2 092	-3 550	-2 540
Amounts written off on current assets other than inventories, work in progress and trade debtors - increase (decrease)	- 330	- 1	0
Other financial charges	-18 420	-5 463	-9 019
Profit/(Loss) on ordinary activities before taxes	**2 551**	**2 904**	**29 327**
Extraordinary income (+)	**7**	**36 854**	**24 315**
Plus-values sur réalisation d'actifs immobilisés	0	36 802	14 000
Other extraordinary income	7	52	10 315
Extraordinary expense (-)	**-107 584**	**-64 554**	**-30 318**
Extraordinary depreciation and write-offs on fixed assets			
Impairment on financial assets	0	-3 669	-19 835
Provisions for extraordinary charges and risk		-48 745	0
Other extraordinary expenses	-107 584	-12 140	-9 927
Profit/(loss) for the period before taxes	**-105 025**	**-24 797**	**23 324**
Income taxes (-) (+)	- 52	- 219	38
Profit/(loss) for the period	**-105 077**	**-25 015**	**23 362**
Transfers to tax free reserves (-)			
Profit/(loss) for the period available for appropriation	**-105 077**	**-25 015**	**23 362**

APPROPRIATION OF RESULTS (EUR 000)	2011	2012	2013
Loss to be appropriated (-)	**-101 707**	**-126 393**	**-1 712**
Profit/(loss) for the period available for appropriation	-105 077	-25 015	23 362
Loss carried forward (-)	3 370	-101 377	-25 074
Transfers to capital and reserves	**329**	**101 377**	**0**
On capital stock and capital surplus	0	101 377	0
From reserves	329	0	0
Appropriations to capital and reserves	**0**	**58**	**171**
To capital stock and capital surplus	0	0	0
To legal reserve	0	0	0
To other reserves	0	58	171
Profit/(Loss) to be carried forward	**-101 377**	**-25 074**	**-1 883**
Profit to distribute	**0**	**0**	**0**
Dividends	0	0	0

STATEMENT OF CAPITAL (EUR 000)	2012 Amount (EUR 000)	2012 Number of shares	2013 Amount (EUR 000)	2013 Number of shares
Capital				
1. Issued capital				
At the end of the previous financial year	**38 408**		**38 420**	
Changes during the financial year	13	9 000	367	261 411
At the end of the current financial year	**38 420**		**38 787**	
2. Structure of the capital				
2.1. Categories of shares				
• Ordinary shares without designation of face value	20 507	14 734 590	20 786	14 932 950
• Ordinary shares without designation of face value with WPR strips	17 900	12 639 438	18 001	12 702 489
2.2. Registered or bearer shares				
• Registered shares		9 709 688		9 387 723
• Bearer shares		17 664 340		18 247 716
Own shares held by				
• The Company itself	106	75 637	106	75 637
• Its subsidiaries	857	610 852	857	610 852
Stock issue commitments				
Following exercise of share options				
• Number of outstanding share options		2 697 943		2 212 335
• Amount of capital to be issued	3 077		3 105	
Maximum number of shares to be issued		2 697 943		2 212 335
Amount of non-issued authorized capital	**22 596**		**25 000**	

GENERAL INFORMATION

CORPORATE NAME

Ion Beam Applications SA, abbreviated IBA SA.

REGISTERED OFFICE

Chemin du Cyclotron, 3; B-1348 Louvain-la-Neuve, Belgium; enterprise number VAT BE0428.750.985, RPM Nivelles.

DATE, FORM AND PERIOD OF INCORPORATION

IBA was incorporated for an indefinite period on March 28, 1986 as a "Société Anonyme" under Belgian law. IBA is a listed corporation pursuant to Article 4 of the Belgian Company Code and a Company having issued equity to the public pursuant to Article 438 of the Code.

CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF INCORPORATION)

The purpose of the Company is to engage in research and development and to acquire intellectual property rights with a view to the exploitation, fabrication, and commercialization of applications and equipments in the field of applied physics. It may engage in any and all securities, real-estate, financial, commercial, and industrial operations that are directly or indirectly related to its corporate purpose. It may acquire an interest, by contribution, merger, purchase of shares, or any other means, in companies, partnerships, or corporations whose purpose is similar, analogous, related, or useful to the achievement of its corporate purpose in whole or in part.

CONSULTATION OF CORPORATE DOCUMENTS

The Company's statutory and consolidated statements are filed with the National Bank of Belgium. Copies of the Company's consolidated articles of incorporation, its annual and semi-annual reports, and all other shareholder documentation may be obtained at the Company's website (www.iba-worldwide.com) or by shareholder request to the Company's registered office.

CAPITAL

At December 31, 2013, IBA capital amounted to EUR 38 787 347.87 and was represented by 27 635 439 fully paid up shares with no par value, of which 12 702 489 shares with VVPR strips.

In October 2004, the Company issued 1 000 000 stock options for Group employees ("2004 Plan"). These stock options allow the beneficiary to purchase a new share at EUR 3.72 following certain procedures during specific periods between December 1, 2007 and September 30, 2010 (plan of which the exercise periods were extended until September 30, 2013).

At December 31, 2012, there were 251 680 outstanding stock options of this plan.

The following exercises and cancelations of these stock options were recorded in 2013:
exercise of 10 350 options recorded by notarial act on February 26, 2013, exercise of 52 701 options recorded by notarial act on May 7, 2013, exercise of 77 619 options recorded by notarial act on July 11, 2013, exercise of 110 510 options recorded by notarial act on October 25, 2013 and cancellation of 500 options recorded by notarial act on October 25, 2013.
At December 31, 2013, there were no outstanding stock options of this plan.

In October 2005, the Company issued 90 000 stock options for Group employees ("2005 Plan"). They allow the beneficiary to purchase a new share at EUR 6.37 following certain procedures during specific periods between December 1, 2008 and September 30, 2011 (plan of which the exercise periods were extended until September 30, 2014).

At December 31, 2012, there were 40 087 outstanding stock options of this plan.

No exercises nor cancelations of these stock options were recorded in 2013.

At December 31, 2013, there were thus 40 087 outstanding stock options of this plan.

In October 2006, the Company issued 575 000 stock options for Group employees ("2006 Plan"). They allow the beneficiary to purchase a new share at EUR 13.64 following certain procedures during specific periods between December 1, 2009 and September 30, 2012 (plan of which the exercise periods were extended until September 30, 2015).

At December 31, 2012, there were 105 442 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 4 150 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 101 292 outstanding stock options of this plan.

In October 2007, the Company issued 450 000 stock options for Group employees ("2007 Plan"). They allow the beneficiary to purchase a new share at EUR 19.94 following certain procedures during specific periods between December 1, 2010 and September 30, 2013 (plan of which the exercise periods were extended until September 30, 2016).

At December 31, 2012, there were 267 470 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 202 070 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 65 400 outstanding stock options of this plan.

In September 2008, the Company issued 350 000 stock options for Group employees ("2008 Plan"). They allow the beneficiary to purchase a new share at EUR 14.18 following certain procedures during specific periods between December 1, 2011 and September 30, 2014.

At December 31, 2012, there were 101 131 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 5 504 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 95 627 outstanding stock options of this plan.

In September 2009, the Company issued 1 000 000 stock options for Group employees ("2009 Plan"). They allow the beneficiary to purchase a new share at EUR 8.26 following certain procedures during specific periods between December 1, 2012 and September 30, 2015.

At December 31, 2012, there were 390 999 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 26 880 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 364 119 outstanding stock options of this plan.

In September 2010, the Company issued 900 000 stock options for Group employees ("2010 Plan"). They allow the beneficiary to purchase a new share at EUR 7.80 following certain procedures during specific periods between January 1, 2014 and September 30, 2016.

At December 31, 2012, there were 412 270 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 9 333 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 402 937 outstanding stock options of this plan. At December 31, 2013, none of these options were exercisable.

In September 2011, the Company issued 1 487 000 stock options for Group employees ("2011 Plan"). They allow the beneficiary to purchase a new share at EUR 5.03 (EUR 5.42 for determined persons) following certain procedures during specific periods between January 1, 2015 and September 30, 2017.

At December 31, 2012, there were 660 002 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 21 826 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 638 176 outstanding stock options of this plan. At December 31, 2013, none of these options were exercisable.

In September 2012, the Company issued 870 000 stock options for Group employees ("2012 Plan"). They allow the beneficiary to purchase a new share at EUR 4.78 following certain procedures during specific periods between January 1, 2016 and September 30, 2018.

At December 31, 2012, there were 506 352 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 1 655 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 504 697 outstanding stock options of this plan. At December 31, 2013, none of these options were exercisable.

As at December 31, 2013, 2 212 335 options were issued and outstanding.

All stock options may also be exercised in the event of a takeover bid for IBA or of an increase in shareholders' equity with preemptive rights.

In April 2009, the Company offered 200 000 shares for subscription by Group employees ("2009 ESP Plan"). As recorded by notarial act on May 29, 2009, of the 200 000 new shares offered for subscription, 121 838 were subscribed at a price of EUR 4.09 per share.

In April 2011, the Company offered 175 000 shares for subscription by Group employees ("2011 ESP Plan"). As recorded by notarial act on June 29, 2011, of the 175 000 new shares offered for subscription, 52 643 were subscribed at a price of EUR 6.66 per share.

In May 2013, the Company offered 125 000 shares for subscription by Group employees ("2013 ESP Plan"). As recorded by notarial act on July 11, 2013, of the 125 000 new shares offered for subscription, 10 231 were subscribed at a price of EUR 5.04 per share.

The ESP shares are ordinary registered shares representative of IBA's capital. They are offered at a subscription price equal to the average market price for 30 days prior to the offer, less a discount of 16.67%. The shares cannot be sold for three years as from the end of the subscription period.

AUTHORIZED CAPITAL

At December 31, 2013, the authorized capital amounted to EUR 25 000 000.

PATENTS AND TECHNOLOGIES

IBA is careful to patent all aspects of its technology for which a patent provides a commercial advantage.

In addition, the Company has maintained the secrecy of a significant portion of its know-how that is not patentable or for which the Company believes secrecy is more effective than publication in a patent application. More fundamentally, the Company believes that the best way to protect itself from its competitors is not by patenting its inventions, but by maintaining its technological lead.

IBA also licenses patents from third parties and pays royalties on them.

LICENSING AND COOPERATION AGREEMENTS

IBA has licensing agreements involving various aspects of its technology. Listing and explaining the nature and terms of these licensing agreements is beyond the scope of this annual report. These agreements cover, for example, certain aspects of its particle accelerator technology and a number of components of its proton therapy equipment.

FIVE-YEAR CAPITAL HISTORY

OPERATION	Number of new shares	Total number of shares	Variation (Δ)	Amount
01/21/2009 Exercise of options under 2004 Plan	+12 750	26 575 847	+17 905.00	37 303 331.00
04/16/2009 Exercice of options under 2004 Plan	+350	26 576 197	+492.00	37 303 823.00
05/29/2009 ESP Plan (2009)	+121 838	26 698 035	+171 024.00	37 474 847.00
07/14/2009 Exercise of options under 2004 Plan	+5 450	26 703 485	+7 653.00	37 482 500.15
10/16/2009 Exercise of options under 2002 Plan	+120	26 703 605	+167.00	37 482 667.15
10/16/2009 Exercise of options under 2004 Plan	+6 550	26 710 155	+9 198.00	37 491 865.32
10/16/2009 Exercise of options under 2005 Plan	+9 000	26 719 155	+12 638.00	37 504 503.12
01/20/2010 Exercise of options under 2004 Plan	+55 900	26 775 055	+78 500.00	37 583 003.49
01/20/2010 Exercise of options under extended 2004 Plan	+23 400	26 798 455	+32 861.00	37 615 864.11
01/20/2010 Exercise of options under short-term 2002 Plan	3 000	26 801 455	4 175.10	37 620 039.21
04/21/2010 Exercise of options under 2004 Plan	64 200	26 865 655	90 156.06	37 710 195.27
04/21/2010 Exercise of options under extended 2004 Plan	7 400	26 873 055	10 391.82	37 720 587.09
07/26/2010 Exercise of options under extended 2002 Plan	150	26 873 205	208.76	37 720 795.85
07/26/2010 Exercise of options under 2004 Plan	28 300	26 901 505	39 741.69	37 760 537.54
07/26/2010 Exercise of options under extended 2004 Plan	3 000	26 904 505	4 212.90	37 764 750.44
11/08/2010 Exercise of options under 2002 Plan	680	26 905 185	946.36	37 765 696.79
11/08/2010 Exercise of options under 2002 Plan	600	26 905 785	835.02	37 766 531.81
11/08/2010 Exercise of options under 2004 Plan	81 730	26 987 515	114 773.44	37 881 305.25
11/08/2010 Exercise of options under extended 2004 Plan	3 500	26 991 015	4 915.05	37 886 220.31
11/08/2010 Exercise of options under 2005 Plan	1 000	26 992 015	1 404.20	37 887 624.51
02/21/2011 Exercise of options under 2002 Plan	6 140	26 998 155	8 545.04	37 896 169.55
02/21/2011 Exercise of options under 2004 Plan	4 000	27 002 155	5 617.20	37 901 786.75
02/21/2011 Exercise of options under 2005 Plan	12 000	27 014 155	16 850.40	37 918 637.15
04/29/2011 Exercise of options under short-term 2002 Plan	4 150	27 018 305	5 775.56	37 924 412.71
04/29/2011 Exercise of options under extended 2004 Plan	5 000	27 023 305	7 021.50	37 931 434.21
06/29/2011 ESP Plan (2011)	52 643	27 075 948	73 894.98	38 005 329.19
08/05/2011 Exercise of options under US (AP) long-term 2002 Plan	281 380	27 357 328	391 596.55	38 396 925.74
08/05/2011 Exercise of options under US (AP) short-term 2002 Plan	1 100	27 358 428	1 530.87	38 398 456.61
08/05/2011 Exercise of options under extended 2004 Plan	6 600	27 365 028	9 268.38	38 407 724.99
04/27/2012 Exercise of options under 2004 Plan	500	27 365 528	702.15	38 408 427.14
08/10/2012 Exercise of options under 2002 Plan	8 500	27 374 028	11 829.45	38 420 256.59
02/26/2013 Exercise of options under extended 2004 Plan	10 350	27 384 378	14 534.51	38 434 791.10
05/07/2013 Exercise of options under extended 2004 Plan	52 701	27 437 079	74 008.01	38 508 799.11
07/11/2013 ESP Plan (2013)	10 231	27 447 310	14 359.21	38 523 158.32
07/11/2013 Exercise of options under extended 2004 Plan	77 619	27 524 929	109 000.36	38 632 158.68
25/10/2013 Exercise of options under extended 2004 Plan	110 510	27 635 439	155 189.19	38 787 347.87

THE STOCK MARKET AND THE SHAREHOLDERS

IBA STOCK

IBA stock is quoted on the Euronext Brussels continuous market (Compartment B since January 17, 2013). It was introduced on the Stock Exchange on June 22, 1998 at a price of EUR 11.90 (adjusted for a 5 to 1 split in June, 1999). There were no convertible bonds or bonds with warrants issued or outstanding as of December 31, 2013.

IBA stock closed at EUR 7.80 at December 31, 2013.

At December 31, 2013, 2 212 335 options were issued and outstanding.

Situation as at	31/01/2014 Non diluted		31/01/2014 Fully diluted	
	Number of shares	%	Number of shares	%
Belgian Anchorage SCRL [1]	7 560 132	27.36%	7 560 132	27.36%
IBA Investments SCRL [2]	610 852	2.21%	610 852	2.21%
IBA SA	75 637	0.27%	75 637	0.27%
UCL ASBL	426 885	1.54%	426 885	1.54%
Sopartec SA	529 925	1.92%	529 925	1.92%
Institut des Radioéléments FUP	1 423 271	5.15%	1 423 271	5.15%
Sous total	**10 626 702**	**38.45%**	**10 626 702**	**38.45%**
Public	17 008 737	61.55%	19 221 072	69.55%
Total	**27 635 439**	**100.00%**	**29 847 774**	**108.00%**

[1] Belgian Anchorage is a company established and wholly owned by IBA Management and a number of IBA employees.
[2] IBA Investments is a second-tier subsidiary of IBA SA.

SHAREHOLDERS' SCHEDULE

Interim statements, first quarter 2014	May 14, 2014
2014 Annual Shareholders' Meeting	May 14, 2014
Publication of the semi-annual results as of June 30, 2014	August 29, 2014
Interim statements, third quarter 2014	November 14, 2014
Publication of the annual results on December 31, 2014	March 20, 2015

STOCK MARKET PRICES

A GLOBAL
PRESENCE

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Version française disponible sur demande.

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