Ion Beam Applications (“IBA”)

IFRS Condensed consolidated financial statements for the six months ended June 30, 2008

IFRS Condensed consolidated Financial Statements

In accordance with IAS 34.7, IBA S.A. has elected to publish its interim consolidated financial statements at June 30, 2008 in a condensed format.

Structure of the IFRS interim condensed consolidated financial statements

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General information

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

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

- **Pharmaceuticals** composed of production, development and distribution services for radiopharmaceuticals & bio-assays.

- **Technology & Equipment** forming the technology foundation of the Company's many businesses, including the development, manufacture, and service of medical and industrial particle accelerators, proton therapy systems, and a wide range of dosimetry products and solutions in radiation therapy.

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

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

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

- Making public its annual report including audited annual consolidated financial statements within four months from the end of the financial year

- Making public a half-yearly report, covering the first six months of such financial year, within two months from the end of the second quarter

- Publishing its half-year and annual consolidated financial statements under IFRS as from financial year 2005.

- Subjecting its annual consolidated financial statements to an audit performed by its auditors in accordance with the auditing standards set forth by the International Federation of Accountants (for purposes of this Chapter 7 referred to as "IFAC") or national Generally Accepted Auditing Standards (for purposes of this chapter 7 referred to as "GAAS"), as the case may be.

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 27, 2008. The Board of Directors of IBA is composed as follows:

- Internal Directors: Mrs. Pierre Mottet, Yves Jongen and Bayrime S.A. represented by Eric de Lamotte, its Managing Director. Mr. Pierre Mottet is Managing Director and Chief Executive Officer. His mandate was renewed at the Ordinary General Meeting of Shareholders on May 14, 2008 and will expire at the Ordinary General Meeting of 2011 deciding on the 2010 accounts. Mr. Yves Jongen is Managing Director and Chief Research Officer. His mandate was renewed at the Ordinary General Meeting of Shareholders on May 9, 2007 and will expire at the Ordinary General Meeting of 2010 deciding on the 2009 accounts. The mandate of Bayrime S.A. represented by Mr. Eric de Lamotte was renewed at the Ordinary General Meeting of Shareholders on May 14, 2008 and will expire at the Ordinary General Meeting of 2011 deciding on the 2010 accounts.

- Independent Directors: Innosté S.A. represented by Mr. Jean Stéphenne, its Managing Director, Mr. Peter Vermeeren, Mr. Pierre Scalliet and JJ Verdickt SPRL represented by Mr. Jean-Jacques Verdickt its General Manager were nominated as Independent Directors. The mandate of Innosté S.A. represented by Mr. Jean Stéphenne was renewed at the Ordinary General Meeting of May 14, 2008 and will expire at the ordinary General Meeting of 2011 deciding on the 2010 accounts. . The mandate of Mr. Peter Vermeeren was renewed at the Ordinary General Meeting of May 14, 2008 and will expire at the ordinary General Meeting of 2011 deciding on the 2010 accounts. Mr. Peter Vermeeren was also nominated as Chairman of the Board, Nomination Committee and Remuneration Committee. The mandate of JJ Verdickt SPRL represented by Mr. Jean-Jacques Verdickt was granted at the General Meeting of Shareholders of May 10, 2006. He was also nominated as Chairman of the Audit Committee. The mandate of JJ Verdickt SPRL was renewed at the Ordinary General Meeting of Shareholders on May 9, 2007 and will expire at the ordinary General Meeting of 2010 deciding on the 2009 accounts. The mandate of Mr. Pierre Scalliet was renewed at the Ordinary General Meeting of Shareholders of May 10, 2006 and will expire at the Ordinary General Meeting of 2009 deciding on the 2008 accounts.

- Other directors: The Institut National des Radioéléments (IRE) represented by Mrs. Nicole Destexhe, its Chief Financial Officer and Olivier Ralet BDM SPRL represented by Mr. Olivier Ralet, its General Manager. IRE's mandate was renewed at the Ordinary General Meeting of Shareholders on May 9, 2007 and will expire at the Ordinary General Meeting of 2010 deciding on the 2009 accounts. The mandate of Olivier Ralet BDM SPRL represented by Mr. Olivier Ralet was granted at the Ordinary General Meeting of Shareholders of May 10, 2006 and will expire at the Ordinary General Meeting of 2009 deciding on the 2008 accounts.

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

Interim Condensed Consolidated Balance Sheet as at June 30, 2008

The Group has chosen to present its balance sheet on a current/ non-current basis.
The notes on pages 9 to 21 are an integral part of these condensed consolidated financial statements.

	30 June 2008 (EUR '000)	31 December 2007 (EUR '000)
ASSETS		
Goodwill	28,971	26,538
Other intangible assets	39,432	4,619
Property, plant and equipment	76,996	59,792
Investments accounted for using the equity method	3,820	6,038
Investments third parties	5,624	2,343
Deferred tax assets	38,143	33,312
Other long-term receivables	28,824	18,641
Non-current assets	**221,810**	**151,283**
Inventories and contracts in progress	81,517	40,899
Accounts receivable	73,171	44,243
Other receivables	42,971	27,943
Short-term financial assets	2,668	1,860
Cash and cash equivalents	86,602	58,210
Current assets	**286,929**	**173,155**
TOTAL ASSETS	**508,739**	**324,438**

	30 June 2008 (EUR '000)	31 December 2007 (EUR '000)
EQUITY AND LIABILITIES		
Share capital	37,225	36,215
Share premium	124,248	115,199
Treasury shares	-7,245	-6,746
Hedging and other reserves	10,233	8,397
Cumulative translation differences	-17,049	-12,309
Retained earnings	3,817	70
Capital and reserves attributable to Company's equity holders	**151,229**	**140,826**
Minority interest	**698**	**655**
TOTAL EQUITY	**151,927**	**141,481**
Borrowings	18,148	17,854
Deferred tax liabilities	464	369
Provisions	99,464	12,313
Other long-term liabilities	39,748	33,763
Non-current liabilities	**157,824**	**64,299**
Borrowings	13,405	8,328
Other short-term financial liabilities	0	0
Accounts payable	70,057	51,191
Current income tax liabilities	1,582	1,115
Other payables	113,944	58,024
Current liabilities	**198,988**	**118,658**
TOTAL LIABILITIES	**356,812**	**182,957**
TOTAL EQUITY AND LIABILITIES	**508,739**	**324,438**

Interim Condensed Consolidated Income Statement

The Group has chosen to present its income statement by function of expenses.
The notes on pages 9 to 21 are an integral part of these condensed consolidated financial statements.

	30 June 2008 (EUR '000)	30 June 2007 (EUR '000)
Sales and contract revenue	133,121	96,699
Cost of sales and contract costs	90,157	65,125
Gross profit	**42,964**	**31,574**
Selling and marketing expenses	12,296	9,139
General and administrative expenses	14,030	9,102
Research and development expenses	11,279	7,756
Other operating expenses	2,967	4,497
Other operating (income)	-2,115	-3,809
Finance expenses	3,710	2,814
Finance (income)	-3,846	-2,756
Share of (profit)/loss of companies consolidated using equity method	1,894	-190
Profit before tax	**2,749**	**5,021**
Tax (income)/ expense	-2,126	-2,098
Profit for the period from continuing operations	**4,875**	**7,119**
Profit/ (loss) for the period from discontinued operations	0	0
Profit for the year	**4,875**	**7,119**
Attributable to :		
Equity holders of the parent	4,832	7,143
Minority interest	43	-24
	4,875	**7,119**
Earnings per share from continuing and discontinued operations (€ per share)		
- basic	**0.19**	**0.28**
- diluted	**0.18**	**0.26**
Earnings per share from continuing operations (€ per share)		
- basic	**0.19**	**0.28**
- diluted	**0.18**	**0.26**
Earnings per share from discontinued operations (€ per share)		
- basic	**0.00**	**0.00**
- diluted	**0.00**	**0.00**

Interim Condensed consolidated Statement of Changes in Shareholders' Equity

The notes on pages 9 to 21 are an integral part of these condensed consolidated financial statements.

	Notes	Attributable to equity holders of the Company							Minority Interest	Total Equity
		Share capital	Share premium	Treasury shares	Hedging reserve	Other Reserves	Cumulative translation differences	Retained Earnings		
Balance at 1 January 2007		**35,747**	**200,899**	**-256**	**220**	**4,525**	**-3,922**	**-101,384**	**500**	**136,329**
Cash flow hedges, net of tax					-215					-215
Other movements										0
Currency translation differences							-1,524			-1,524
Net income/(expenses) recognised directly in equity		**0**	**0**	**0**	**-215**	**0**	**-1,524**	**0**	**0**	**-1,739**
Profit/(loss) for the period								7,143	-24	7,119
Total recognised income/(expenses) for the period		**0**	**0**	**0**	**-215**	**0**	**-1,524**	**7,143**	**-24**	**5,380**
Employee share option scheme :										
- value of services provided										0
- proceeds from shares										0
Dividends										0
Employee share options						1,113				1,113
Issue/Reduction of share capital		366	-85,966					87,435		1,835
Balance at 30 June 2007		**36,113**	**114,933**	**-256**	**5**	**5,638**	**-5,446**	**-6,806**	**476**	**144,657**
Balance at 1 January 2008		**36,215**	**115,199**	**-6,746**	**1,802**	**6,595**	**-12,309**	**70**	**655**	**141,481**
Cash flow hedges, net of tax					1,127					1,127
Other movements				-499		-336		3,327		2,492
Currency translation differences							-4,740			-4,740
Net income/(expenses) recognised directly in equity		**0**	**0**	**-499**	**1,127**	**-336**	**-4,740**	**3,327**	**0**	**-1,121**
Profit/(loss) for the period								4,832	43	4,875
Total recognised income/(expenses) for the period		**0**	**0**	**-499**	**1,127**	**-336**	**-4,740**	**8,159**	**43**	**3,754**
Employee share option scheme :										
- value of services provided										0
- proceeds from shares										0
Dividends								-4,412		-4,412
Employee share options						1,045				1,045
Shares buy back										
Other movements										
Issue/Reduction of share capital		1,010	9,049							10,059
Balance at 30 June 2008		**37,225**	**124,248**	**-7,245**	**2,929**	**7,304**	**-17,049**	**3,817**	**698**	**151,927**

Interim Condensed Consolidated Cash Flow Statement

The Group has chosen to present the cash flow statement using the indirect method.
The notes on pages 9 to 21 are an integral part of these condensed consolidated financial statements.

	June 30, 2008 (EUR '000)	June 30, 2007 (EUR '000)
Cash flows from operating activities		
Net profit/ (loss) for the period	4,832	7,143
Adjustments for:		
+ depreciation/ amortization & impairments	5,807	4,842
+ other non-cash expenses	-1,193	-4,204
+/- changes in working capital	-12,391	1,556
Other non-operating	224	**0**
Net cash generated/ used from operating activities	**-2,721**	**9,337**
Cash flows from investing activities		
Acquisition/disposal of subsidiaries	42,833	0
Acquisition of property, plant and equipment (net)	-12,556	-11,362
Other investing cash flows, net	-76	-1,222
Net cash generated/ used in investing activities	**30,201**	**-12,584**
Cash flows from financing activities		
Capital reduction/increase	9,968	1,694
Proceeds less payments on long-term borrowings	-3,206	599
Treasury stock movements	-499	0
Dividend paid	-3,413	0
Other financing cash flows, net	340	29
Net cash generated/ used in financing activities	**3,190**	**2,322**
Net (decrease)/increase in cash and cash equivalents	**30,670**	**-925**
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	**58,210**	**67,600**
(Decrease)/ Increase during the period	30,670	-925
Effects of exchange rate changes	-2,278	98
Cash and cash equivalents at end of the period	**86,602**	**66,773**

Notes to the interim condensed consolidated financial statements

1 FINANCIAL STATEMENTS – BASIS OF PREPARATION

1.1 Basis of preparation

These interim condensed consolidated financial statements of IBA are for the six months period ended June 30, 2008. They have been prepared in accordance with IAS 34 "Interim Financial Reporting".
These interim financial statements have been prepared using the same accounting policies and methods of computation as compared with the 2007 consolidated financial statements.
Further to the integration of CIS Bio International SAS, IBA presents in 2008 post-employments benefits (defined benefit plans) for which IBA has chosen the SORIE accounting method.
The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007.

1.2 Translation of financial statements of foreign operations

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

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

	2008		2007	
	Closing rate at end June	**Average rate for the year**	**Closing rate at end December**	**Average rate for the year**
USD	1.5789	1.5303	1.4719	1.3701
SEK	9.4249	9.3823	9.4156	9.2523
GBP	0.7911	0.7751	0.7369	0.6846
CNY	10.8182	10.8187	10.7358	10.4317
INR	67.6380	62.3294	58.0314	56.6065
JPY	167.5550	160.5188	158.1280	161.2972

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

The IBA Group consists of IBA S.A. and a total of 39 companies and associated companies in 13 countries.
Of these, 33 are fully consolidated and 6 are accounted for using the equity method. The group has elected not to use the proportional method for any subsidiaries.

2.1 List of companies consolidated in IBA Group

List of subsidiaries

Name	Country of incorporation	Share of equity held (in %)	Variation in % held compared to 31 December 2007
<u>Consolidated subsidiaries</u>			
IBA RadioIsotopes S.A. (BE 0466.749.548)	BELGIUM	95%	-
IBA Molecular Holding (BE 0880.070.706)	BELGIUM	100%	-
IBA Pharma S.A. (BE 0860.215.596)	BELGIUM	100%	-
IBA Pharma Invest S.A. (BE 0874.830.726)	BELGIUM	61.90%	-
IBA Participations S.P.R.L. (BE 0465.843.290)	BELGIUM	100%	-
IBA Investment S.C.R.L. (BE 0471.701.397)	BELGIUM	100%	-
IBA Corporate Services S.A. (BE 0471.889.261)	BELGIUM	100%	-
Ion Beam Beijing Medical Appliance Technology Service Co. Ltd.	CHINA	100%	-
Ion Beam Applications Co Ltd	CHINA	100%	-
IBA RadioIsotopes France S.A.S.	FRANCE	100%	-
IBA Dosimetry Gmbh	GERMANY	100%	-
IBA Molecular Imaging (India) Pvt. Ltd.	INDIA	61.90%	-
IBA RadioIsotopi Italia S.r.L.	ITALY	100%	-
IBA Molecular Spain	SPAIN	100%	-
MediFlash Holding A.B.	SWEDEN	100%	-
IBA Dosimetry A.B	SWEDEN	100%	-
IBA Advanced Radiotherapy A.B. (formerly Gyrab International A.B.)	SWEDEN	100%	-
IBA Molecular UK limited	UNITED KINGDOM	100%	-
IBA Dosimetry North America Inc.	USA	100%	-
IBA Proton Therapy Inc.	USA	100%	-
IBA Industrial, Inc.	USA	100%	-
IBA Molecular North America	USA	100%	-
RadioMed Corporation	USA	100%	-
IBA USA Inc.	USA	100%	-
IBA Molecular Montreal Holding Corp.	USA	100%	-
Betaplus Pharma S.A. (BE 0479.037.569)	BELGIUM	75%	-
IBA Particle Therapy Gmbh	GERMANY	100%	100%
Radiopharma Partners SA (BE 0879.656.475)	BELGIUM	100%	80.1%

consolidated			
Cis Bio International France	FRANCE	100%	80.1%
Cis Bio Spa	ITALY	100%	80.1%
Cis Bio Gmbh	GERMANY	100%	80.1%
Cis Bio US inc.	USA	100%	80.1%
Positron Paris Nord SAS	FRANCE	100%	80.1%

List of equity-accounted investments

Name	**Country of incorporation**	**Share of equity held (in %)**	**Variation in % held compared to 31 December 2007**
Striba Gmbh	GERMANY	50%	-
Pharmalogic Pet Services of Montreal Cie	CANADA	48%	-
PetLinq L.L.C.	USA	40%	-
Molypharma	SPAIN	24.5%	
Sceti Medilabo KK	JAPAN	39.80%	19.90%
Radio Isotope Mediterrannée	MAROC	25%	25%

2.2 Changes in the composition of the IBA Group

In May 2006, IRE (Institut National des Radioéléments, related party – owner of 5.37% of IBA shares) and IBA purchased 100% of CIS Bio International SAS from Schering AG through their RadioPharmaPartners (RPP) consortium. This transaction gave IRE an 80.1% stake in the company and IBA, a 19.9 % stake. In 2006, IBA had also received an option to acquire 15% shares of RPP. In 2007, IBA was granted a buyout option on all the remaining of RPP which it was required to exercise before end of the first semester 2008.

On May 19, 2008, IBA exercised the options and acquired an additional 80.1 % stake into CIS Bio International SAS (and subsidiaries). The closing of the whole transaction has occurred on May 31, 2008. CIS Bio International SAS and subsidiaries integrate the consolidation scope of the IBA Group from that date onwards. The interim condensed financial statements include the consolidated results of CIS Bio International SAS under global consolidation for one month from the integration date and IBA stake in the 5 first months of the year presented under the equity method.

The acquisition of CIS Bio has been accounted for using the purchasing method of accounting.
In view of the recent date of the transaction, fair values could only be provisionally allocated as follows for the acquisition of the additional 80.1% stake into RadioPharmaPartners :

(EUR '000)	Fair value	Carrying amount
Cash & cash equivalents	66,603	66,603
Accounts receivables & accruals	45,645	45,645
Inventory	23,643	16,528
Net property, plant &equipment	18,098	16,615
Intangible assets	29,675	24,214
ICO Invest	0	0
Invest in Associates	133	133
Invest third party	0	0
Other LT assets	5,862	3,195
Accounts payable & accruals	-69,310	-69,310
Provisions	-87,749	-87,749
Borrowings	-9,626	-9,626
Other LT liabilities	-84	-84
Total assets acquired	**22,890**	**6,164**
Fair value of assets acquired (80.1%)	**18,335**	
Total purchase consideration	**22,178**	
- cash paid	18,736	
- valuation of the 15% option	2,784	
- direct costs related to the acquisition	658	
Goodwill	**3,843**	

In addition, at the same date, IBA took over the equity stake of 19.9% of IRE into the Japanese company “Sceti MediLabo KK” which raise the participation of IBA into that company to 39.8%.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

The Group has accumulated net operating losses useable to offset future taxable profits essentially in Belgium, France, Spain, United Kingdom, Sweden, and the US amounting to € 127.5 million at June 30, 2008. The company has recognized deferred tax assets amounting to € 38 million. The valuation of this asset depends on a number of judgmental assumptions regarding the future probable taxable profits of different group subsidiaries in different jurisdictions. These estimates are made prudently in the limit of the best current knowledge. Where circumstances should change and the final tax outcome would be different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax assets in the period in which such determination is made.

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

(b) Provision for decommissioning costs

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

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

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

At June 30, 2008 the amount of such provisions amounts to € 28.6 million (€25.5 million coming from the business combination of CIS bio International SAS) compared to €2.8 million at June 30, 2007.

(c) Revenue recognition

Contracts in progress are valued at their cost of production, increased by income accrued by reference to the percentage of completion of the contract activity at the balance sheet date to the extent that it is probable that the economic benefits associated with the contract will flow to the Group. Such probability requires some judgment. When some judgmental criteria change from those used for the recognized revenues, the Group's income statement is impacted.
When appropriate, the company revises its estimated margin at completion to take into account the evaluation of a residual risk that it may be subject to, for a certain number of years. When the final outcome of the uncertainties differs from the initial estimates, the Group's income statement is impacted.

(d) Defined benefit plans

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

Actuarial gain and losses are presented into the equity.

At June 30, 2008 the amount of such provisions amounts to € 24.6 million coming from the business combination of CIS Bio International SAS.
The valuation of this provision, based on estimates and judgments made by the Group, is subject to the recurring revision by an external actuarial consultant.

(e) Termination benefits

Prior to acquisition, CIS Bio International SAS has initiated a restructuring plan for which a remaining provision of €12.9 million is presented in the consolidated figures of the group. This provision is based on estimates and judgments made by the Group.

4 SEGMENT INFORMATION

At June 30, 2008, the Group is organized on a worldwide basis into two main business segments: (1) Technology and equipments and (2) Pharmaceuticals (i.e. businesses related to the radiopharmaceuticals & bio-assays).

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

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

Six month ended 30 June 2007	**TECHNOLOGY & EQUIPMENT (EUR '000)**	**PHARMACEUTICALS (EUR '000)**	**GROUP (EUR '000)**
Net sales	57,444	39,255	96,699
Inter-segment sales			0
External sales	**57,444**	**39,255**	**96,699**
Segment result	**7,494**	**2,316**	**9,810**
Unallocated expenses			-4,921
Financial (income)/expenses			58
Share of (profit)/loss of companies consolidated using equity method			-190
Profit before tax			**5,021**
Tax expense/(income)			-2,098
Profit for the period from discontinued operations			0
Minority Interest			-24
PROFIT FOR THE PERIOD			**7,143**

5 EARNINGS PER SHARE

5.1 Basic

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

BASIC EPS	30 June 2008	30 June 2007
Weighted average number of ordinary shares in issue	25,970,577	25,573,624
Profit attributable to equity holders of the Company (€ '000)	4,832	7,119
Basic earnings per share from continuing and discontinued operations (€ per share)	**0.19**	**0.28**
Profit from continuing operations attributable to equity holders of the Company (€ '000)	4,832	7,119
Weighted average number of ordinary shares in issue	25,970,577	25,573,624
Basic earnings per share from continuing operations (€ per share)	**0.19**	**0.28**
Profit from discontinued operations attributable to equity holders of the Company (€ '000)	0	0
Weighted average number of ordinary shares in issue	25,970,577	25,573,624
Basic earnings per share from discontinued operations (€ per share)	**0.00**	**0.00**

5.2 Diluted

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

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

DILUTED EPS	30 June 2008	30 June 2007
Weighted average number of ordinary shares in issue	25,970,577	25,573,624
Weighted average number of shares under option	1,876,164	1,829,251
Average share price over period	15.73	22.02
Dilution effect from weighted number of shares under option	1,074,745	1,384,697
Weighted average number of ordinary shares for diluted earnings per share	27,045,322	26,958,320
Profit attributable to equity holders of the Company (€ '000)	4,832	7,119
Diluted earnings per share from continuing and discontinued operations (€ per share)	**0.18**	**0.26**
Profit from continuing operations attributable to equity holders of the Company (€ '000)	4,832	7,119
Diluted earnings per share from continuing operations (€ per share)	**0.18**	**0.26**
Profit from discontinued operations attributable to equity holders of the Company (€ '000)	0	0

Diluted earnings per share from discontinued operations (€ per share)	**0.00**	**0.00**

6 OTHER SELECTED DISCLOSURES

6.1 Seasonality or cyclicality of interim operations

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

6.2 Cash and cash equivalent

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

	30 June 2008 (EUR '000)	**30 June 2007** (EUR '000)
Cash	13,746	28,402
Restricted cash	1,158	12,587
Short-term bank deposits and commercial papers	71,698	25,784
	86,602	**66,773**

6.3 Capital expenditure and commitments

Six month ended 30 June 2008	**Property, plant and equipment** (EUR '000)	**Intangible** (EUR '000)	**Goodwill** (EUR '000)
Opening net book amount	**59,792**	**4,619**	**26,538**
Additions	7,729	4,992	3,843
Disposals	-145	-20	0
Transfer	-1,288	1,288	0
CTA	-2,804	-141	-1,410
Change in consolidation scope	18,098	29,675	0
Depreciation/amortisation and impairment	-4,386	-981	0
Closing net book amount	**76,996**	**39,432**	**28,971**

6.4 Movements in borrowings

	30 June 2008 (EUR '000)	31 December 2007 (EUR '000)
Current	13,405	8,328
Non-current	18,148	17,854
Total	**31,553**	**26,182**

	30 June 2008 (EUR '000)	31 December 2007 (EUR '000)
Opening amount	**26,182**	**23,604**
New borrowing	895	9,402
Repayments of borrowings	-4,101	-8,173
Transfers	0	-1
Entry in consolidation scope	9,626	1,637
Exit of consolidation scope	0	0
Increase/(decrease) bank short term credit	-216	1,258
Currency translation difference	-833	-1,545
Closing amount	**31,553**	**26,182**

6.5. Inventories and Construction contracts

	30 June 2008 (EUR '000)	31 December 2007 (EUR '000)
Raw material and supplies	25,916	11,955
Finished products	11,075	2,265
Work in progress	23,455	5,895
Contracts in progress	26,574	22,267
Write-off on inventories	-5,503	-1,483
Inventories and contracts in progress	**81,517**	**40,899**

Contracts in progress	30 June 2008 (EUR '000)	31 December 2007 (EUR '000)
Costs to date and recognised profit	85,387	94,481
Less: progress billings	-58,813	-72,214
Contracts in progress	**26,574**	**22,267**
Gross amount due to customers for contract work	33,922	31,984

6.6 Other operating expenses and income

The other operating expenses 2008 represent a net charge of €0.85 million which represent the costs related to the valuation of the stock option plans for the IBA personnel for €1.05 million, to the takeover of CIS bio International for €1 million and to the integration of activities bought from Schering AG for €0.9 million. Those other operating charges are partially offset by the reversal of write off on assets for €1.95 million and other income for €0.15 million.

The other operating expenses 2007 represented a net charge of €0.7 million which represented the costs related to the valuation of the stock option plans for the IBA personnel for €1million, the impairment on current assets for €1.3 million and some legal costs for €1.7 million as well as other charges for €0.4 million. Those other operating charges were partially offset by the reversal of some impairments on inventory that were posted during the second semester 2006 (€3.3 million) and the reversal of some provisions for commitments taken upon the acquisition of the FDG business of Schering AG in 2006 (€0.5 million).

6.7 Ordinary shares, share premium and treasury shares

	Number of Ordinary shares	**Share capital (EUR '000)**	**Share premium (EUR '000)**	**Treasury shares (EUR '000)**	**Total (EUR '000)**
Closing balance at 31 December 2007	**25,800,252**	**36,215**	**115,199**	**-6,746**	**144,668**
Share options exercised	175,220	246	414		**660**
Capital increase	544,611	764	8,635		**9,399**
Purchase of treasury shares				-499	**-499**
Closing balance at 30 June 2008	**26,520,083**	**37,225**	**124,248**	**-7,245**	**154,228**

The board of directors of the 23rd of June 2008, approved the capital increase of €9.4 million. This has been officialized the same day into the by-laws of IBA SA, the mother company of the IBA Group.
In order to avoid any conflict of interest, IRE (Institut National des Radioéléments), shareholders of IBA and seller of the participation 80.1% of RadioPharma Partners SA to IBA didn't participate to the approval of the decision by the board.

6.8 Contingencies

The Group is currently involved in certain legal proceedings. The potential risks connected with these proceedings are deemed to be insignificant or unquantifiable or, where potential damages are quantifiable, adequately covered by provisions. Developments in litigation pending at end 2007 as well as the principal case pending at June 30, 2008 are presented in this Note.

Developments in litigation pending at June 30 2008 mentioned in the 2007 annual report.

Tax litigation in Sweden

The Company is involved in a tax dispute with the Swedish National Tax Board. The case involves interest paid by the Group from Belgium to a Group company in Sweden from 1999 to 2001. Tax was withheld in Belgium, and the income was released to the taxable income of the Swedish subsidiary.
IBA claimed that it was eligible for a tax credit on the amount withheld in Belgium. The Swedish tax board disputed this claim. IBA won its case in the court of first instance. However, the tax board has appealed the decision. The appeals court should issue a decision on the case in the course of 2008. A provision of EUR 1.4 million has been set aside for this litigation.

Litigation with Bayer Schering Pharma AG

Until April 30, 2006, IBA and Schering AG (now Bayer Schering Pharma AG) were partners in a joint venture to establish a network of FDG manufacturing sites in Italy and the United Kingdom.
On April 30, 2006, in the context of closing a package deal for the sale of its radiopharmaceutical business to IBA and IRE (Institut National des Radioéléments), Bayer Schering Pharma AG sold its British and Italian holdings to IBA for a symbolic Euro. During closing, the parties disagreed over the handling of loans made by each of the partners to their joint British subsidiary. Bayer Schering Pharma AG immediately initiated an arbitration procedure with the Association Française d'Arbitrage ("AFA"), which ruled in its favor in December 2007. This means that IBA's British subsidiary is required to repay a loan of GBP 1,144,000 to Bayer Schering Pharma AG. The loan should be repaid in the course of 2008.
The parties also disagreed as to the amount of the net cash position adjustment at closing. Bayer
Schering Pharma AG demanded a payment of EUR 300,000. The dispute was submitted to arbitration by KPMG France, which sided with IBA.
Despite this decision, Bayer Schering Pharma AG is still demanding payment of this amount. However, there are no proceedings pending and the file hasn't known any changes for several months.
Lastly, in connection with the takeover of the Japanese operation, the parties are involved in a dispute in which Bayer Schering Pharma AG maintains that IBA and IRE have not complied with their best effort obligation. However, there are no proceedings pending and the file hasn't known any changes for several months.

Action for damages against IBA Molecular North America

In 2005, IBA Molecular North America took over three FDG production facilities from the Pharmalogic Company. One of its facilities was involved in a suit for damages. A

Pharmalogic driver had used his vehicle without authorization outside working hours. He committed a theft, and while fleeing, caused an accident with a police vehicle and injured a police officer. The case went to jury trial. On February 19, 2008, the court found Pharmalogic negligent in hiring the driver and entrusting him with a vehicle. Rather surprisingly, this negligence was deemed a substantial cause of the injury to the police officer, and damages of USD 3 million were awarded for which Pharmalogic is responsible.
IBA has appealed to this decision and has launched a formal request to the previous insurers of Pharmalogic to cover this claim. These actions are in progress.

A provision of USD 3.0 million has been set aside to cover this litigation.

6.9 Income tax

	30 June 2008 (EUR '000)	**30 June 2007 (EUR '000)**
Current taxes	874	662
Deferred Taxes	-3,000	-2,760
TOTAL	**-2,126**	**-2,098**

The tax expenses for the 1st half of 2008 and for the corresponding period of 2007 differ significantly from the amounts that would arise from the simple calculation of the pre-tax profit multiplied by the parent company's local applicable rate (33.99%). This is due to the following facts:

- IBA is present in 13 different countries with different tax rates applicable that differ from the Belgian tax rate.
- The reported figures result from the consolidation of 39 entities, some reporting taxable profit and others reporting tax losses
- In the past, IBA accumulated significant tax losses that have been used to offset taxable income
- IBA has recognized deferred tax assets for a portion of these accumulated losses; adjustment of the amounts recognized as deferred tax assets due to change in circumstance has generated a positive P&L impacts of €3 million in the accounts reported for the first half of 2008.