Ion Beam Applications
("IBA")

IFRS Interim Condensed Consolidated Financial Statements as of June 30, 2013

IFRS Interim Condensed Consolidated Financial Statements

In accordance with IAS 34, IBA SA has chosen to publish its interim consolidated financial statements as of June 30, 2013 in condensed form.

General information

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

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

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

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

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

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

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

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

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 27, 2013. The Board of Directors of IBA is composed as follows:

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

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

Other directors: Bayrime SA represented by Mr. Eric de Lamotte, and Mr. Pierre Scaillet. Bayrime SA was renewed as other director during the Ordinary General Meeting of shareholders held on May 8, 2013, his term will expire at the Ordinary General Meeting of shareholders of 2017 which will approve the 2016 financial statements. Mr. Pierre Scaillet was appointed as other director during the Ordinary General Meeting of shareholders held on May 8, 2013, his term will expire at the Ordinary General Meeting of shareholders of 2014 which will approve the 2013 financial statements.

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

Interim consolidated statement of Financial Position as of June 30, 2013

The Group has chosen to present its balance sheet on a current/non-current basis. The notes on pages 11 to 38 are an integral part of these interim consolidated financial statements.

	Note	December 31, 2012 (EUR '000)	June 30, 2013 (EUR '000)
ASSETS			
Goodwill	6.3	3 878	3 844
Other intangible assets	6.3	8 949	9 082
Property, plant and equipment	6.3	10 203	8 211
Investments accounted for using the equity method		31 256	33 486
Other investments		465	437
Deferred tax assets		13 624	15 941
Long-term financial assets		5	1
Other long-term assets		26 213	21 377
Non-current assets		**94 593**	**92 379**
Inventories and contracts in progress	6.5	83 923	102 135
Trade receivables		49 371	35 225
Other receivables		80 398	49 672
Short-term financial assets		121	104
Cash and cash equivalents	6.2	42 494	17 522
Assets held for sale	2.3	35 299	38 031
Current assets		**291 606**	**242 689**
TOTAL ASSETS		**386 199**	**335 068**
EQUITY AND LIABILITIES			
Capital stock	6.9	38 420	38 509
Capital surplus	6.9	25 032	25 178
Treasury shares		-8 612	-8 612
Reserves		9 756	11 483
Currency translation difference		-10 135	-10 286
Retained earnings		3 831	7 967
Reserves for assets held for sale		- 632	- 610
Capital and reserves		**57 660**	**63 629**
Non-controlling interests		**0**	**0**
EQUITY		**57 660**	**63 629**
Long-term Borrowings	6.4	36 814	41 154
Long-term financial liabilities		1 868	1 925
Deferred tax liabilities		1 083	1 104
Long-term provisions	6.10	19 377	10 636
Other long-term liabilities		861	958
Non-current liabilities		**60 003**	**55 777**
Short-term provisions	6.10	46 917	26 064
Short-term borrowings	6.4	33 665	38 471
Short-term financial liabilities		1 041	111
Trade payables		45 947	38 611

Current income tax liabilities		1 741	2 559
Other payables	6.7	127 755	98 556
Liabilities directly related to assets held for sale	2.3	11 470	11 290
Current liabilities		**268 536**	**215 662**
TOTAL LIABILITIES		**328 539**	**271 439**
TOTAL EQUITY & LIABILITIES		**386 199**	**335 068**

Interim consolidated Income Statement for the six months ended June 30, 2013

The Group has chosen to present its income statement using the "function of expenses" method. The notes on pages 11 to 38 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	**June 30, 2012 (EUR '000)**	**June 30, 2013 (EUR '000)**
Sales and services		106 091	97 379
Cost of sales and services		63 765	56 269
Gross profit		**42 326**	**41 110**
Selling and marketing expenses		9 944	8 851
General and administrative expenses		14 793	14 440
Research and development expenses		11 248	9 528
Other operating expenses	6.8	22 562	5 625
Other operating (income)	6.8	-180	- 910
Financial expenses		4 728	3 126
Financial (income)		-3 990	-2 619
Share of (profit)/loss of companies consolidated using the equity method		1 766	1 954
Profit/(loss) before taxes		**-18 545**	**1 115**
Tax (income)/ expenses	6.12	3 128	- 679
Profit/(loss) for the period from continuing operations		**-21 673**	**1 794**
Profit/(loss) for the period from discontinued operations	2.3	20 266	2 335

Profit/(loss) for the period		**-1 407**	**4 129**
Attributable to :			
Equity holders of the parent		-1 407	4 129
Non-controlling interests		0	0
Earnings per share from continuing and discontinued operations (€ per share)			
- basic	5.1	-0.052	0.155
- diluted	5.2	-0.052	0.154
Earnings per share from continuing operations (€ per share)			
- basic	5.1	-0.812	0.067
- diluted	5.2	-0.807	0.067
Earnings per share from discontinued operations (€ per share)			
- basic	5.1	0.760	0.088
- diluted	5.2	0.755	0.087

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

Interim consolidated statement of Comprehensive Income for the six months ended June 30, 2013

	June 30, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Profit/(loss) for the period	**-1 407**	**4 129**
Changes in available-for-sale financial asset reserves	-1 350	2
Reclassification of changes in reserves taken in the income statement for activities sold	835	0
Changes in strategic hedging reserves	- 587	638
Changes in post-employment benefits reserves	363	-4
Share of other comprehensive income of associates accounted for under equity method	- 80	95
Reclassification of changes on currency translation difference taken in the income statement for activities sold	-1 722	0
Changes in currency translation difference	371	187
Permanent financing related changes	356	104
Net Profit/(loss) recognized directly in equity	**-1 814**	**1 022**
Comprehensive income	**-3 221**	**5 151**
Attributable to :		
Equity holders of the parent	-3 221	5 151
Non-controlling interests	0	0

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

Interim consolidated statement of changes in Shareholder's Equity

EUR '000	Attributable to equity holders of the parent: Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves (1)	Currency translation difference (1)	Retained earnings	Reserves for assets held for sale	Non-controlling interests	Total shareholder's equity
Balance at January 1, 2012	**38 408**	**126 366**	**-8 612**	**-1 683**	**13 541**	**-9 282**	**-91 687**	**524**	**1 143**	**68 718**
Net income/(expenses) recognized directly in equity	**0**	**0**	**0**	**- 587**	**- 232**	**- 995**	**0**	**0**	**0**	**-1 814**
Profit/(loss) for the period	0	0	0	0	0	0	-1 407	0	388	-1 019
Comprehensive income for the period	**0**	**0**	**0**	**- 587**	**- 232**	**- 995**	**-1 407**	**0**	**388**	**-2 833**
Dividends	0	0	0	0	0	0	0	0	0	0
Employee stock options & share based payments	0	0	0	0	610	0	0	0	0	610
Activities Held for sale	0	0	0	0	-1 198	1 722	0	- 524	0	0
Purchase & sale of treasury shares	0	0	0	0	0	0	0	0	0	0
Other changes in non-controlling interests	0	0	0	0	0	0	0	0	-1 531	-1 531
Other movements	0	0	0	0	0	0	62	0	0	62
Increase/(reduction) of capital stock/capital surplus	1	27	0	0	0	0	0	0	0	28
Balance at June 30, 2012	**38 409**	**126 393**	**-8 612**	**-2 270**	**12 721**	**-8 555**	**-93 032**	**0**	**0**	**65 054**
Balance at January 1, 2013	**38 420**	**25 032**	**-8 612**	**-2 750**	**12 506**	**-10 135**	**3 831**	**- 632**	**0**	**57 660**
Net income/(expenses) recognized directly in equity				**638**	**513**	**- 151**	**0**	**22**		**1 022**
Profit/(loss) for the period							4 129			4 129
Comprehensive income for the period	**0**	**0**	**0**	**638**	**513**	**- 151**	**4 129**	**22**	**0**	**5 151**
Dividends	0	0	0	0	0	0	0	0	0	0
Employee stock options & share based payments	0	0	0	0	576	0	0	0	0	576
Activities Held for sale	0	0	0	0	0	0	0	0	0	0
Purchase & sale of treasury shares	0	0	0	0	0	0	0	0	0	0
Other changes in non-controlling interests	0	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	7	0	0	7
Increase/(reduction) of capital stock/capital surplus	89	146	0	0	0	0	0	0	0	235
Balance at June 30, 2013	**38 509**	**25 178**	**-8 612**	**-2 112**	**13 595**	**-10 286**	**7 967**	**- 610**	**0**	**63 629**

(1) A transfer was done at the opening of January 1, 2012 between the accounts "other reserves" and "currency translation difference"

Interim consolidated statement of Cash Flow for the six months ended June 30, 2013

The group has chosen to present the cash flow statement using the indirect method. The notes on pages 11 to 38 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	**June 30, 2012 (2)** **(EUR '000)**	**June 30, 2013** **(EUR '000)**
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period attributable to equity holders of the parent		**-1 407**	**4 129**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.3	1 534	1 047
Amortization and impairment of intangible assets	6.3	981	1 157
Write-off on receivables		469	296
Changes in fair values of financial assets (gains)/losses		1 009	-215
Changes in provisions		17 562	5 039
Deferred taxes	6.10	1 486	-2 257
Share of results of associates and joint ventures accounted for using the equity method		1 766	1 558
(Profit)/loss on disposal of assets held for sale		-25 576	0
Other non-cash items		-1 710	-1 263
Net profit/(loss) before changes in working capital		**-3 886**	**9 491**
Trade receivables, other receivables, and deferrals		-33 185	-7 357
Inventories and contracts in progress		-21 373	-7 753
Trade payables, other payables, and accruals		6 119	-9 114
Other short-term assets and liabilities		-5 638	-11 058
Changes in working capital		**-54 077**	**-35 282**
Income tax paid / received, net		0	0
Interest paid/ Interest received		- 30	569
Net cash (used in)/generated from operations		**-57 993**	**-25 222**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment continuing activities	6.3	-684	-717
Acquisitions of property, plant and equipment discontinued activities		-122	-346
Acquisitions of intangibles assets continuing activities	6.3	-1 387	-1 294
Acquisitions of intangibles assets discontinued activities		-13	-13
Disposals of assets		5	113
Acquisitions of subsidiaries, net of acquired cash		0	0
Acquisitions of third party and equity-accounted investments		-21 304	0
Disposals of subsidiaries and equity-accounted companies, and other investments net of cash disposed	2.3	75 809	169
Acquisitions of non-current financial assets and loan granted		0	0
Other investing cash-flows		-1 630	-5 014
Net cash (used in)/generated from investing activities		**50 674**	**-7 102**

CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.4	18 252	10 000
Repayment of borrowings	6.4	- 125	-1 356
Net interest paid/received		- 721	-571
Capital increase (or proceeds from issuance of ordinary shares)		19	235
Purchase of treasury shares		0	0
Dividends paid		0	0
Other financing cash flows		1 628	140
Net cash (used in)/generated from financing activities		**19 053**	**8 448**
Net cash and cash equivalents at the beginning of the period		**20 410**	**45 733**
Change in net cash and cash equivalents		11 734	-23 876
Exchange gains/(losses) on cash and cash equivalents		- 123	-255
Net cash and cash equivalents at the end of the period		**32 021**	**21 602**

[2] Cash-flow at June 30, 2012 and June 30, 2013 include cash flows of assets held for sale. Impact on cash flow of assets held for sale is explained in note 2.3

Notes to Interim Condensed Consolidated Financial Statements

1. Financial Statements – Basis of preparation

1.1 Basis of preparation

These interim condensed consolidated financial statements of IBA cover the six months ended June 30, 2013. They have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2012.

1.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC Interpretations effective as of 1 January 2013:

- 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)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or the performance of the Group, its impact is described below:

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 recognize 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 when fair value is required or permitted. The application of IFRS 13 did not materially impact the fair value measurements carried out by the Group.
IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. The Group provides these disclosures in notes 3.9, 3.10 and 3.11.

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

The amendment changes the grouping of items presented in other comprehensive income. Items that could be reclassified ('or recycled') to profit or loss at a future point in time would be presented separately from items that will never 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 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 recognized in other comprehensive income and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit or loss, instead, there is a requirement to recognize 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 recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The impact of IAS 19 amended is not significant on the Group as the Group previously did not use the corridor approach. There were no unvested past service costs and the plans are unfunded.

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

IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The 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.

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, its impact is described below :

– IAS 1 Presentation of Financial Statements: The amendment clarifies 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 additional information does not need to be presented in a complete set of financial statements. An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. The improvement is not applicable to the Group.
– 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. This amendment has no significant impact on the Group.
– 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.
– IAS 34 Interim Financial Reporting : The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group does not

regularly provide this disclosure as total segment assets to the chief operating decision maker of the Group.

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 Instruments1, effective 1 January 2015
- IFRS 10 Consolidated Financial Statements, effective 1 January 2014
- IFRS 11 Joint Arrangements, effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014
- IFRS 10-12 - Transition Guidance, effective 1 January 2014
- IFRS 10, IFRS 12 and IAS 27 - Investment Entities1, effective 1 January 2014
- IAS 27 Separate Financial Statements, effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures, effective 1 January 2014
- IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets1, effective 1 January 2014
- IFRIC 21 Levies, effective 1 January 2014

1.3 Translation of financial statements of foreign operations

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

	2013		**2012**	
	Closing rate at end June	**Average rate for the 6 months period**	**Closing rate at end December**	**Average rate for the year**
USD	1.3080	1.3135	1.3194	1.2860
SEK	8.7773	8.5291	8.582	8.7043
GBP	0.8572	0.8504	0.8161	0.8113
CNY	8.028	8.1959	8.2207	8.1054
INR	77.721	72.0962	72.56	68.6849
RUB	42.845	40.6826	40.3295	40.2052
JPY	129.3900	125.3650	113.61	102.6342
CAD	1.3714	1.2852	1.3137	1.2852

2. Consolidation scope and the effects of changes in the composition of the Group

IBA Group consists of IBA S.A. and a total of 26 companies and associated companies in 10 countries. Of these, 21 are fully consolidated and 5 are accounted for using the equity method.

2.1 List of subsidiaries in IBA Group

Name	Registered office	Assets held for sale	Country of incorporation	Share of equity held (%)	Variation in % held compared to 31 December 2012
IBA Molecular Holding (BE 0880.070.706)	Chemin du cyclotron, 3, B-1348 LLN	No	Belgium	100%	-
IBA Participations S.P.R.L. (BE 0465.843.290)	Chemin du cyclotron, 3, B-1348 LLN	No	Belgium	100%	-
IBA Investments S.C.R.L. (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 S.A.S.	59 Blvd Pinel, 69003 LYON	Yes	France	100%	-
IBA Dosimetry Gmbh	Bahnhofstrasse 5, 90592 Schwarzenbruck Germany	No	Germany	100%	-
MediFlash Holding A.B.	c/o PwC Box 179 S-751 04 Uppsala Sweden	No	Sweden	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	100%	-
IBA Bio Assays S.A.S.	Parc Marcel Boiteux BP 84175 30200 CODOLET	Yes	France	100%	-
IBA Hadronthérapie S.A.S.	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)	100%	-
Cyclhad S.A.S.	9 rue Ferdinand Buisson, 14280 Saint-Contest	No	France	60%	-
Cisbio China	1299 Zhangheng Road, Building #2, Suite 40I, ZhangSiang Hi-Tech Park Pudong disctrict, Shanghai	Yes	China	100%	-
Particle Engineering Solutions, LLC	1st Magistralny tupik, 5A 123290 Moscow	No	Russia	100%	-

2.2 List of equity-accounted investments

Name	Assets held for sale	Country of incorporation	Share of equity held (%)	Variation in % held compared to 31 December 2012
Rose Holding SARL	No	Luxemburg	40%	-
IBA Molecular Compounds Development SARL	No	Luxemburg	60%	-
Striba Gmbh	No	Germany	50%	-
Pharmalogic Pet Services of Montreal Cie	Yes	Canada	48,00%	-
Sceti Medical Labo KK	No	Japan	39,80%	-

2.3 Business combinations and other changes in the composition of IBA group

In compliance with IFRS 5, all of the business over which IBA will lose control has been reclassified in the income statement as « income 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 year 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 SAS should be divested. In October 2012, a contract has been agreed with ING Investment Bank to advise on the disposal.

The statement of the financial position of the Cisbio Bioassays SAS business held for sale and intended to be sold, excluding royalties for the use of patents held by the Parent Company (which amounted to EUR 1.3 million in 2013 and EUR 2.1 million in 2012), is as follows :

	June 30, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Sales and services	16 478	18 096
Cost of sales and services	6 821	5 656
Gross profit	**9 657**	**12 440**
Selling and marketing expenses	3 532	3 301
General and administrative expenses	3 498	3 543
Research and development expenses	1 305	1 139
Other operating expenses/(income)	103	2 148

Financial expenses/(income)	53	-2
Profit/(loss) on disposal of assets held for sale	0	0
Share of (profit)/loss of companies consolidated using the equity method	0	0
Profit/(loss) before taxes from discontinued operations	**1 166**	**2 311**
Tax (income)/expense	304	459
Profit/(loss) for the period from discontinued operations	**862**	**1 852**

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

The statement of the financial position of the Radiopharmaceutical business sold in 2012 to SK Capital Partners and the Radiopharmaceutical business held for sale and intended to be sold is as follows:

	June 30, 2012 (EUR '000)	**June 30, 2013 (EUR '000)**
Sales and services	46 174	0
Cost of sales and services	32 781	0
Gross profit	**13 393**	**0**
Selling and marketing expenses	3 158	0
General and administrative expenses	8 459	-2
Research and development expenses	1 953	0
Other operating expenses/(income)	4 818	-118
Financial expenses/(income)	1 536	32
Profit/(loss) on disposal of assets held for sale	-25 576	0
Share of (profit)/loss of companies consolidated using the equity method	- 608	-395
Profit/(loss) before taxes from discontinued operations	**19 653**	**483**
Tax (income)/expense	249	0
Profit/(loss) for the period from discontinued operations	**19 404**	**483**

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

(EUR '000)	Bioassays	Other	December 31, 2012 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**
EQUITY AND 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 June 30, 2013 are the following:

			June 30, 2013
(EUR '000)	**Bioassays**	**Other**	**TOTAL**
ASSETS			
Other intangible assets	2 780		2 780
Property, plant and equipment	6 410	1 562	7 972
Investments accounted for using the equity method	0	2 879	2 879
Deferred tax assets	87		87
Other long-term assets	3 819	11	3 830
Non-current assets	**13 096**	**4 452**	**17 548**
Inventories and contracts in progress	6 194		6 194
Trade receivables	7 026	106	7 132
Other receivables	2 951	126	3 077
Cash and cash equivalents	3 921	159	4 080
Current assets	**20 092**	**391**	**20 483**
TOTAL ASSETS HELD FOR SALE	**33 188**	**4 843**	**38 031**
EQUITY AND LIABILITIES			
Long-term provisions	3 848	200	4 048
Other long-term liabilities	530	0	530
Deferred tax liabilities	47	0	47
Non-current liabilities	**4 425**	**200**	**4 625**
Short-term provisions	0	14	14
Trade payables	861	34	895
Tax liabilities	16	0	16
Other liabilities	5 612	128	5 740
Current liabilities	**6 489**	**176**	**6 665**
TOTAL LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE	**10 914**	**376**	**11 290**
NET ASSETS DIRECTLY RELATED TO OPERATIONS HELD FOR SALE	**22 274**	**4 467**	**26 741**

Included in the overall statement of comprehensive income for the financial year ending December 31, 2012 and June 30, 2013:

(EUR '000)	December 31, 2012	June 30, 2013
Actuarial reserves	- 708	-708
Revaluation reserves	0	0
Currency translation differences	76	98
Reserves for assets held for sales	**-632**	**-610**

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

(EUR '000)	December 31, 2012	June 30, 2013
Cash flow from operating activities	2 767	1 074
Cash flow from investing activities	74 186	-364
Cash flow from financing activities	279	131
Net change in cash flow from discontinued operations	**77 232**	**841**

3. Critical accounting estimates and judgments

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

3.1 Income Tax – deferred tax

The Group has accumulated net operating losses available to offset future taxable profits mainly in Belgium and the United States for a total of EUR 106.9 million at June 30, 2013. The Company recorded deferred tax assets amounting to EUR 15.6 million with the view to use the tax losses carried forward and EUR 0.32 million as temporary differences as at June 30, 2013. The valuation of these assets depends on several assumptions and judgments about the probable future taxable profits of the Group's subsidiaries in different countries. These estimates are established with prudence and are based on the latest information available to the Company. If conditions change and the final amount of the future profits differs from the original estimate, such differences will impact the income tax and deferred tax assets during the period in which such determination is made.

June 30th, 2013 income statement was positively impacted by the recording of deferred tax assets based on new estimates of the potential future utilization of tax losses carried forward for the years 2014 to 2016.

3.2 Provisions for decommissioning costs

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

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

Provisions have been recorded to cover the necessary costs of dismantling the sites where radiopharmaceuticals are produced. These provisions are measured at the net present value of the best estimate of the cost required.

Following the sale of 60% of its Pharmaceuticals activity (except the Bio Assays activity) to “SK Capital Partners”, the majority of the provisions for decommissioning were transferred in 2012 to the company ''Rose Holding SARL''. As of June 30, 2013, the remaining amount of these provisions amounted to EUR 5.1 million and relate to the site remaining within the Group.

Under the sale of its Radiopharmaceutical business, IBA has retained the obligation until March 2017 to fund the deficit if any and if requested by the French regulatory authorities that would occur between the funds pledged to cover the decommissioning of the facilities at Saclay in France and the provision discounted over a period running to 2021 or 2042 depending on the case in point. The risks result on the one hand from a possible change in the interest rate used in the discount calculation (TEC30) and on the other hand from the yield that will be obtained on the assets entrusted to an independent asset management company.

3.3 Provision for obligation to take over radioactive equipment and sources.

In the context of the gradual disengagement from radioactive source production (cesium and cobalt) at the Saclay site in France, a provision has been made to meet the obligations of takeover and disposal of used radioactive sources and certain equipment (irradiators) in France. This provision is valued at the net present value of the most probable estimates of unavoidable costs for the treatment and disposal of these used sources. This provision is discounted based on the estimated plan for source recovery.

Following the sale of 60% of its Pharmaceuticals activity (except for the Bio Assays activity) to “SK Capital Partners”, almost all of these provisions have been transferred to the company “Rose Holding SARL” in

2012. IBA, however, undertook to indemnify Rose Holding for 7 years for the negative cash flows which would result from the reprocessing of its sources as follows:

- 50% of the amounts between EUR 101 000 and EUR 1 000 000.
- 90% of the amounts in excess of EUR 1 000 000.

A provision of EUR 5.3 million was recognized in the books at June 30, 2013.

3.4 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. If certain judgmental criteria differ from those used for previously recognized revenues, the Group's income statement is affected. When appropriate, the Company revises its estimated margin at completion to take into account the assessment of residual risk arising from this contract over several years. When the final outcome of these uncertainties differs from initial estimations, the Group's income statement is affected.

3.5 Provision for 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.

Actuarial gains and losses are recognized in the statement of comprehensive income.

At June 30, 2012 the amount of provisions for defined benefit plans amounted to EUR 3.0 million. The valuation of this provision, based on estimates and judgments made by the Group, is subject to recurring revision by an external actuarial consultant.

At June 30, 2013, the amount of provisions for defined benefit plan of EUR 3.8 million is included in the liabilities directly related to assets held for sale.

3.6 Estimating the value in use of intangible and tangible fixed assets

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

3.7 Valuation of private equity instruments

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

3.8 Risk on Proton Therapy projects

For more information about this risk, please refer to Note 6.11 of this report.

3.9 Valuation of the amount receivables in the framework of the sale of Molecular activities

A deferred remuneration element depends on whether the sale price has been reached when taken out of the Radiopharmaceutical segment investment funds. In this framework, the market value used to determine the value of the byproduct associated to it has been based on a model of discounted future cash flows and of multiples.
A probability of an outflow that varies depending on the year was later finalized: 10% in 2014, 60% in 2015, 25% in 2016 and 5% in 2017.
The deferred remuneration element on the Company's balance sheet which would be realized in the event of a complete exit from the business through the sale of the 40% stake retained amounts to EUR 17.8 million. If the multiple expected by the partner were not to be achieved, a portion of the assets in the books at the closing date could be reduced in value.
The instrument has been recognized in the balance sheet under the heading ''Investments accounted for using the equity method''.

3.10 Financial assets and liabilities – additional information

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

		December 31, 2012		June 30, 2013	
EUR 000	Category	Net carrying value	Fair value	Net carrying value	Fair value
FINANCIAL ASSETS					
Trade receivables	loan and receivables	49 371	49 371	35 225	35 225
Long-term receivables on contracts in progress	loan and receivables	5 818	5 818	581	581
Available-for-sale financial assets	Available for sale	0	0	0	0
Long-term receivables for decommissioning of sites	loan and receivables	0	0	0	0
Other long-term receivables	loan and receivables	20 395	20 395	20 796	20 796
Non-trade receivables and advance payments	loan and receivables	15 906	15 906	20 015	20 015
Other short-term receivables	loan and receivables	64 492	64 492	29 657	29 657

Other investments	Available for sale	465	465	437	437
Cash and cash equivalents	Loan and receivables	42 494	42 494	17 522	17 522
Hedging derivative products	Hedge accounting	95	95	8	8
Derivative products – other	FVPL1	31	31	97	97
TOTAL		**199 067**	**199 067**	**124 338**	**124 338**
FINANCIAL LIABILITIES					
Bank borrowings	FLAC	69 502	69 502	78 754	78 754
Financial lease liabilities	FLAC	977	977	871	871
Trade payables	FLAC	45 947	45 947	38 611	38 611
Hedging derivative products	Hedge accounting	2 806	2 806	1 928	1 928
Derivative products – other	FLAC	103	103	108	108
Other long-term liabilities	FLAC	861	861	958	958
Amounts due to customers for contracts in progress	FLAC	61 513	61 513	71 187	71 187
Social debts	FLAC	11 621	11 621	9 808	9 808
Other short-term liabilities	FLAC	54 621	54 621	17 561	17 561
Short-term tax liabilities	FLAC	1 741	1 741	2 559	2 559
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**249 692**	**249 692**	**222 345**	**222 345**

At December 31, 2012 and June 30, 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.

3.11 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 for the financial instruments existing as of December 31, 2012. However, new financial instruments were acquired and are classified in levels 2 and 3.

	Level 1	Level 2	Level 3	June 30, 2013
- Forward foreign exchange contracts		1		1
- Foreign exchange rate swaps		7		7
- Interest rate caps		0		0
Hedge-accounted financial assets		**8**		**8**
Other long term assets		**9 561**	**0**	**9 561**
Instrument classified under equity method (see note 3.9)			**17 829**	**17 829**
Other available-for-sale assets			**437**	**437**
- Forward foreign exchange contracts		0		0
- Foreign exchange rate swaps		97		0
Financial assets at fair value through the income statement		**97**		**97**
- Forward foreign exchange contracts		1 925		1 925
- Foreign exchange rate swaps		3		3
Hedge-accounted financial liabilities		**1 928**		**1 928**
- Forward foreign exchange contracts		1		1
- Foreign exchange rate swaps		107		107
Financial liabilities at fair value through the income statement		**108**		**108**

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

	June 30, 2013 (EUR '000)
Opening balance	**14 088**
Net unrealised gain/(loss) recognized in income statement	3 741
Closing balance	**17 829**

During the six month period ended June 30, 2013, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

4. Operating Segments

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

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

Six months ended June 30, 2013	**Proton therapy/Particle accelerators**	**Dosimetry**	**GROUP**
	(EUR '000)	**(EUR '000)**	**(EUR '000)**
Net sales	56 473	19 396	75 869
Services	19 069	3 021	22 090
Inter-segment sales	-580	0	-580
External sales	**74 962**	**22 417**	**97 379**
Segment results	**913**	**3 075**	**3 988**
Unallocated other operating income/(expenses)			-412
Financial income/(expenses)			-507
Share of profit/(loss) of companies consolidated using the equity method			-1 954
Profit/(loss) before tax			**1 115**
Tax (expense)/income			679
Profit for the period from discontinued operations			2 335
PROFIT/(LOSS) FOR THE PERIOD			**4 129**

Six months ended June 30, 2012	Proton therapy/Particle accelerators EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Net sales	69 545	21 404	90 949
Services	14 691	2 577	17 268
Inter-segment sales	- 2 126	0	-2 126
External sales	**82 110**	**23 981**	**106 091**
Segment results	**-19 845**	**3 804**	**-16 041**
Financial income/(expenses)			- 738
Share of profit/(loss) of companies consolidated using the equity method			-1 766
Profit/(loss) before tax			**-18 545**
Tax (expense)/income			-3 128
Profit for the period from discontinued operations			20 266
PROFIT/(LOSS) FOR THE PERIOD			**-1 407**

5. Earnings per share

5.1 Basic earnings per share

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

BASIC EARNINGS PER SHARE	June 30, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Weighted average number of ordinary shares	26 678 716	26 710 479
Earnings attributable to parent equity holders (€ '000)	-1 407	4 129
Basic earnings per share from continuing and discontinued operations (€ per share)	**-0.052**	**0.155**
Earnings from continuing operations attribuable to parent equity holders (€' 000)	-21 673	1 794
Weighted average number of ordinary shares	26 678 716	26 710 479
Basic earnings per share from continuing operations (€ per share)	**-0.812**	**0.067**

Earnings from discontinued operations attribuable to parent equity holders (€' 000)	20 266	2 335
Weighted average number of ordinary shares	26 678 716	26 710 479
Basic earnings per share from discontinued operations (€ per share)	**0.760**	**0.088**

5.2 Diluted earnings per share

Diluted earnings are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: stock options.

A calculation is performed for the stock options to determine the number of shares that could have been acquired at fair value (determined as the average 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 above is compared with the number of shares that would have been issued assuming the exercise of the stock options.

DILUTED EARNINGS PER SHARE	**June 30, 2012 (EUR '000)**	**June 30, 2013 (EUR '000)**
Weighted average number of ordinary shares	26 678 716	26 710 479
Weighted average number of stock options	992 195	1 354 983
Average share price over period	5.48	5.58
Dilution effect from weighted number of stock options	178 294	192 270
Weighted average number of ordinary shares for diluted earnings per share	26 857 010	26 902 750
Earnings attributable to parent equity holders (€ '000)	-1 407	4 129
Diluted earnings per share from continuing and discontinued operations (€ per share)	**-0.052**	**0.154**
Earnings from continuing operations attributable to parent equity holders (€ '000)	-21 673	1 794
Diluted earnings per share from continuing operations (€ per share)	**-0.807**	**0.067**
Earnings from discontinued operations attributable to parent equity holders (€ '000)	20 266	2 335
Diluted earnings per share from discontinued operations (€ per share)	**0.755**	**0.087**

6. Other selected disclosures

6.1 Seasonality or cyclicality of interim operations

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

6.2 Cash and cash equivalents

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

	June 30, 2012	June 30, 2013
	(EUR '000)	**(EUR '000)**
Bank balances and cash	11 704	14 725
Accounts with restrictions shorter than 3 months	281	281
Short-term bank deposits and commercial paper	19 010	2 516
	30 995	**17 522**
Cash and cash equivalents attributable to assets held for sale	1 026	4 080
	32 021	**21 602**

6.3 Capital expenditure and commitments

Six months ended June 30, 2013	**Property, plant and equipment**	**Intangible**	**Goodwill**
	(EUR '000)	**(EUR '000)**	**(EUR '000)**
Net carrying amount at opening	**10 203**	**8 949**	**3 878**
Additions continuing activities	717	1 294	0
Disposals	- 113	0	0
Transfers	- 8	8	0
Currency translation difference	9	- 12	- 35
Revaluation	0	0	0
Assets reclassified to held for sale	- 1 550	0	0
Depreciation/amortisation and impairment	-1 047	- 1 157	0
Net carrying amount at closing	**8 211**	**9 082**	**3 844**

No impairment losses are recognized on property, plant and equipment or intangible assets in the 2013 interim financial statement.

6.4 Movement on borrowings

	December 31, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Current	33 665	38 471
Non-current	36 814	41 154
Total	**70 479**	**79 625**
Opening amount	**52 549**	**70 479**
New borrowings [(1)]	19 410	10 502
Repayment of borrowings	-1 479	-1 356
Entry in consolidation scope	0	0
Transfer to liabilities directly related to assets held for sale	0	0
Increase/(decrease) bank short-term loans	0	0
Currency translation difference	0	0
Closing amount	**70 479**	**79 625**

[(1)] The amount of new debt includes € 0.5 million in June 2013 and € 0.6 million in June 2012 of capitalized interest expenses (no cash movement involved)

The Group has credit lines totaling EUR 84.5 million, including a long-term credit facility of EUR 50 million from the EIB (European Investment Bank) to provide financing for research and development projects and a EUR 20 million long-term subordinated credit facility from the SRIW (Société Régionale d'Investissement de Wallonie or Regional Investment Company of Wallonia). Under the terms of credit of the EIB and the SRIW, the Group has agreed to comply with certain covenants regarding the Group's debt. To date, 56.2% of these credit lines have been used.

In addition, in the context of its proton therapy contracts, IBA holds a manufacturing credit facility of EUR 60 million of which EUR 31.3 million has been utilized to date.

6.5 Inventories and contracts in progress

	December 31, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Raw material and supplies	36 108	37 001
Finished products	2 681	4 596
Work in progress	2 383	4 755
Contracts in progress (in excess of billing)	48 144	61 046
Write-off on inventories and contracts in progress	-5 393	-5 263
Inventories and contracts in progress	**83 923**	**102 135**

The increase of the inventories and contract in progress is mainly explained by the fact that over the period, the work in progress on Protontherapy projects has not been fully covered by down payments received from customers. In particular, the project in Trento shows an advance of EUR 5.7 million with no down payment due to the fact that the project is financed through a supplier credit to be reimbursed (up to EUR 30.2 million) through a payment from the customer (EUR 41.3 million) in the course of the second half of the year.

Contracts in progress (in excess of billing)	December 31, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Costs to date and recognized profit	227 115	341 790
Less: progress billings	-178 971	-280 744
Contracts in progress (in excess of billing)	**48 144**	**61 046**
Net amounts due to customers for contract in progress	61 513	71 187

6.6 Other receivables

	December 31, 2012 (EUR '000)	June, 30 2013 (EUR '000)
Non Trade Receivable	15 906	20 015
Prepaid Expenses - Third Parties	1 743	1 374
Accrued Income - Third Party	367	1 683
Accrued Interest Income - Third Party	167	346
Other Current Assets	62 215	26 254
Other receivables	**80 398**	**49 672**

The decrease in other current assets is mainly due to the netting of the current assets with the current liabilities, trade receivables, other provisions and other long-term assets related to the Essen contract following the signed letter of intents between all parties for an amount of EUR -41.1 million and to the reclassification of EUR +5.1 million from other long-term assets.

6.7 Other payables and accruals

	December 31, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Non-trade payables	44	473
Advances received on contracts in progress (in excess of CIP)	61 513	71 187
Social security liabilities	11 621	9 808
Accrued charges	2 831	2 749
Accrued interests charges	132	305
Deferred income	3 207	2 856
Capital grants	1 406	1 355
Other current liabilities	47 001	9 823
Other payables and accruals	**127 755**	**98 556**

The decrease in other current liabilities is mainly due to the netting of the current liabilities with the current assets related to the Essen contract following the signed letter of intents between all parties for an amount of EUR 36 million.

6.8 Other operating income and expenses

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

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

The other operating expenses of EUR 22.6 million in 2012 included the valuation of stock option plans offered to IBA employees for EUR 0.7 million, provisions for potential contractual penalties or expected losses on projects for EUR 21.1 million at June 30, 2012 and other expenses for EUR 0.9 million.

Other operating income in 2012 amounted to EUR 0.2 million.

6.9 Ordinary shares, share premium and treasury shares

	Number of ordinary shares	Capital Stock (EUR '000)	Capital surplus (EUR '000)	Treasury shares (EUR '000)	Total (EUR '000)
Balance at December 31, 2012	**27 374 028**	**38 420 256**	**25 032 123**	**-8 612 421**	**54 839 958**
Stock options exercised	63 051	88 543	146 007	0	234 550
Sale of treasury shares					
Balance at June 30, 2013	**27 437 079**	**38 508 799**	**25 178 130**	**-8 612 421**	**55 074 508**

6.10 Provisions

	Environment (EUR '000)	Guarantees (EUR '000)	Litigation (EUR '000)	Employee Benefits (EUR '000)	Other (EUR '000)	Total (EUR '000)
At January 1, 2013	**5 773**	**2 908**	**135**	**196**	**57 282**	**66 294**
Additions (+)	0	1 013	0	20	8 440	**9 472**
Write-backs (-)	-553	-964	-135	0	-2 948	**-4 600**
Utilisations (-)	0	-533	0	-41	-33 874	**-34 448**
Actuarial (gain)/loss	0	0	0	0	0	**0**
Reclassifications	0	646	0	0	-680	**-34**
Currency translation difference	0	3	0	0	13	**16**
Total Movement	**-553**	**165**	**-135**	**-21**	**-29 050**	**-29 594**
At June 30, 2013	**5 220**	**3 073**	**0**	**175**	**28 233**	**36 700**

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

- New provisions amounting to EUR 5.2 million in respect of the Group’s commitments under several agreements with business partners, EUR 1.8 million in respect of non-recurring commitments on proton therapy projects, EUR 1.0 million for potential tax risk in foreign subsidiaries and EUR 0.3 million for completion of works.
- Reversal of provisions amounting to EUR -2.9 million mostly resulting from actualization of the Group’s estimated long term contingent receivables.
- Use of provisions amounting to EUR -0.3 million for completion of works, amounting to EUR -7.7 million for contractual commitments under the agreement with SK Capital Partners and amounting to EUR -25.9 million for non-recurring commitments on proton therapy projects.

6.11 Litigation

The Group is currently involved in a certain number of litigation. The risks incurred by those disputes are either judged to be insignificant or non-assessable or - when potential damage can be assessed - are adequately covered by provisions. The evolution of pending litigation at the end of the year 2012 mentioned in the 2012 Annual Report is included in this note.

a) Arbitration proceedings relating to Westdeutsches Protonentherapiezentrum Essen GmbH

In November 2009, Striba Protonentherapiezentrum GmbH, a joint venture in which IBA holds a 50 percent 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 positive progress in negotiations with WPE with a view to having the center accepted by WPE. Likewise, the parties asked the arbitrators to suspend delivery of any arbitration ruling on the points not yet addressed in the first ruling. Detailed letters of intent have been signed but the formal documented agreements are complex and are not yet finalized. Closing of that formal documentation is expected before the end of 2013. In the meantime, WPE has started to treat patients.

b) SK Capital

On September 11, 2012, Rose Holding SARL, the vehicle for investment of SK Capital Partners in IBA Molecular, sent a "Notice of Claims" to IBA demanding, as a protective measure, cover of alleged losses of the order of EUR 24 million. These demands (formulated either as breach of representations or as execution of post-closing undertakings of IBA) cover various items such as regulatory affairs, decommissioning obligations, waste management and accounting treatments. IBA has officially rejected all such demands, either because they are unfounded (with respect to the breach of representations), or because they were insufficiently documented (with respect to the post closing undertakings). No proceedings have been instituted by SK to date. Upon submission of supporting documentation for some of the post-closing undertakings discussions have been opened. As of today, almost all the demands have been either solved or became inapplicable with a limited cash impact to the exception of one alleged breach of representation (ie. the accounting treatment of the decommissioning obligations) and one post-closing undertaking (ie. the calculation method of the contributions to be made by IBA to cover part of the cash drain if any related to the activity for the recycling of nuclear sources). Relations with SK remain however complex and other points of disagreements are not excluded.

6.12 Income tax

	June 30, 2012 (EUR '000)	June 30, 2013 (EUR '000)
Current taxes	1 642	1 579
Deferred taxes (income)/expense	1 486	-2 258
Total	**3 128**	**- 679**

6.13 Paid and proposed dividends

No dividend distribution was proposed at the Ordinary General Meeting of May 8, 2013. The Group dividend distribution policy remains unchanged, and it intends to resume distribution as soon as possible.

6.14 Transactions with affiliated companies

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

	June 30, 2013
BALANCE SHEET	**(EUR '000)**
ASSETS	
Receivables	
Long-term receivables classified under equity method	17 829
Long-term receivables	12 343
Trade and other receivables	3 678
Impairment on receivables	-588
TOTAL RECEIVABLES	**33 262**
LIABILITIES	
Debts	
Borrowings	0
Trade and other payables	333
TOTAL PAYABLES	**333**
INCOME	
Sales	792
Purchases	-535
Financial income	628
Financial expenses	-386

Impairment on receivables	-92
Share of (profit)/loss companies	3 741
NET INCOME	**4 148**

The table above does not list an off-balance sheet commitment allocated for an amount of EUR 1.26 million in favor of Bio Molecular SDN.

7. Interim Management report

7.1 Figures and significant events:

	H1 2013	H1 2012	Variation	
	(EUR 000)	(EUR 000)	(EUR 000)	%
Sales & Services	97.379	106.091	-8.712	-8,2%
REBITDA	**10.297**	**8.672**	**1.626**	**18,7%**
% of Sales	*10,6%*	*8,2%*		
REBIT	**8.291**	**6.341**	**1.951**	**30,8%**
% of Sales	*8,5%*	*6,0%*		
Net Profit	**4.129**	**-1.407**	**5.536**	**N/A**
% of Sales	*4,2%*	*-1,3%*		

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

REBIT: Recurring earnings before interest and taxes

2012 numbers restated to reclassify Bioassays in "Discontinued operations"

Business Highlights

- Good growth in Accelerators (up 13.7% in H1), but low conversion rate of proton therapy (PT) order book due to customer production planning (PT sales down 14.4% in H1)
- Uncertainties in the US medical device market and USD to EUR FX rate led to a decline in Dosimetry revenues (-6.5%) despite good performance in the emerging markets
- Efficiency programmes generating strong growth in REBIT (up 30.8%). IBA on track to reach 10% REBIT margin in 2014
- Strong interest in IBA's smaller and more affordable compact system, Proteus®ONE*, with new contract signed in Taiwan

- Significant progress made in resolution of legacy issues and refocusing the business on proton therapy
    - Essen litigation close to final settlement
    - Term sheet signed for sale of Bioassays business
    - SK Capital disputed claims reduced and, to the extent estimated necessary by the management, provisioned
- International PT market bolstered by broader use of proton therapy in more cancer indications and Government support in key markets

Financial Highlights

- Revenues of EUR 97.4 million, down 8.2% compared to first half 2012, due to low conversion of backlog and decline in revenues for Dosimetry in the US
- Operating margins rise to 8.5% from 6.0% in 2012 (restated) despite lower revenues
- Reported net profit of EUR 4.1 million (H1 2012: loss of EUR 1.4 million)
- Net debt (including Bioassays) of EUR 58.0 million, due to reduce in the second half post EUR 31.2 million Trento debt repayment, expected by end of October 2013
- Sales guidance revised to a mid-single digit decrease in 2013 versus the mid-single digit growth guidance given in March

7.2 Operating Review:

Proton Therapy and Accelerators

	H1 2013 (EUR 000)	H1 2012 (EUR 000)	Change (EUR 000)	Change %
Net Sales	**74.962**	**82.110**	**-7.148**	**-8,7%**
- Protontherapy	56.100	65.527	-9.427	-14,4%
- Other accelerators	18.862	16.583	2.279	13,7%
REBITDA	**6.900**	**4.436**	**2.464**	**55,5%**
% of Sales	*9,2%*	*5,4%*		
REBIT	**5.196**	**2.534**	**2.662**	**105,0%**
% of Sales	*6,9%*	*3,1%*		

Proton Therapy

PT equipment sales during the first half of 2013 were relatively weak compared to the prior year, with low conversion of the order book largely due to customer production planning. The new contract for Proteus®ONE placed in Taiwan demonstrates the global potential for this more compact PT system. The order book for PT & other accelerators remains strong, with a total backlog of EUR 211 million at the half year end (including the Taiwan order). We are also very encouraged by the potential for new sales generation in the UK and the Netherlands, following statements by the Governments in those countries that they recognise the medical value of PT and intend to invest substantial amounts in PT equipment.

The new Proteus®ONE proton therapy solution, launched during 2012, is progressing well, with strong interest from both clinical hospital groups and academic institutions. From a technology standpoint major milestones were achieved on Proteus®ONE during the first half of the year, with the compact gantry being shipped to Shreveport in the US and the compact accelerator entering into the factory testing phase. Proteus®ONE is a compact single-room solution which is smaller, more affordable, easier to install, easier to operate and ultimately easier to finance. Proteus®ONE also offers extended treatment solutions (IMPT, IGPT) enabling physicians to leverage the clinical effectiveness offered by proton beam precision.

In June 2013, at IBA's annual proton therapy users conference, 60 radiation therapy leaders from 15 countries gather in Belgium for an exclusive in-factory demonstration of Proteus®ONE. This visit and the quality of the participants attending, underlines the significant interest that the worldwide radiation therapy community takes in proton therapy and the advances that IBA is making.

The first half of 2013 continued to demonstrate IBA's leadership in new technology deployment. Almost all proton therapy centers currently built by IBA are about to be equipped with IBA's unique technology, Pencil Beam Scanning (PBS). Nine centers benefit already from the PBS technology and eight additional centers will be equipped in the coming months. PBS technology enables millimeter precision allowing for the proton dose to be sculpted with very high levels of conformality and dose uniformity, even in complex-shaped tumors.

IBA has continued to demonstrate during the first half of the year, 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. As with the ProCure Proton Therapy Center in Seattle, IBA is now able to install a clinically functioning cyclotron, beam line and the first state-of-the art treatment room at the accelerated pace of just 12 months from the delivery of the building (Building Occupancy Date), an unrivalled time period.

IBA is also pleased to announce that it has received the acceptance certificate for the delivery of the first PBS treatment room in the proton therapy center in Trento, Italy. This milestone allows IBA to initiate the payment process that will end in October and will lead to the full repayment of the EUR 31.2 million loan currently financing the project and carried on IBA's balance sheet. The ATreP (Agenzia Provinciale Per la Protonterapia) center in Trento features the world's most advanced proton therapy equipment, including the latest generation of IBA's PBS technology that allows to deliver spots of different sizes in order to further optimize target coverage and treatment time in IMPT. IBA continues to drive innovation in this industry.

We are pleased to report that IBA has made further good progress towards reaching a final settlement with Westdeutsches Protonentherapiezentrum Essen GmbH (WPE). Letters of intent have been signed between the parties, with the final documentation due for signature and closing by the end of September. The first patient at Essen was treated on 29 May and services supplied by IBA under a standard operating and maintenance contract will commence as of the closing date of the settlement. The final 2013 pre-tax costs of implementing the settlement, already reflected in the Company's financial statements, amount to EUR 1.8 million.

Accelerators

Thanks to a good order intake during 2012, accelerator revenues showed strong growth during the first half of the year, with sales up 13.7% to EUR 18.9 million (H1 2012: EUR 16.6 million). Four machines were sold with a total value of EUR 9.5 million, compared to six machines in the first half of 2012 with a total value of EUR 11.3 million.

Dosimetry

	H1 2013 (EUR 000)	H1 2012 (EUR 000)	Change (EUR 000)	Change %
Net Sales	**22.417**	**23.981**	**-1.564**	**-6,5%**
REBITDA	**3.398**	**4.236**	**-838**	**-19,8%**
% of Sales	*15,2%*	*17,7%*		
REBIT	**3.096**	**3.807**	**-711**	**-18,7%**
% of Sales	*13,8%*	*15,9%*		

Dosimetry sales were impacted by the slowdown in the global radiotherapy market, now growing at just 1% per annum. There was strong regional variation, with good growth in China and Latin America offset by flat markets in Europe and the Middle East and uncertainties over medical spending cuts causing steep falls in the US. As a result of this trend, combined with drop of the USD vs EUR rate, sales fell 6.5% to EUR 22.4 million (H1 2012: EUR 24.0 million) although there was an improving trend in the second quarter over the first. Currently, there is low order intake in Dosimetry for PT against a good first half in the comparative period last year, but the pipeline is strong, with anticipation of an improvement in sales during the second half of 2013.

IBA Dosimetry launched the new COMPASS 3.0 plan verification system at the 55th American Association for Physicists in Medicine (AAPM) Annual Meeting & Exhibition held at the beginning of August in Indianapolis (USA). Compass is the first patient anatomy-centric and most sophisticated solution for advanced IMRT and rotational plan verification.

IBA Molecular

During the first half of 2013, IBA Molecular activity represented for the consolidation of the group a loss of EUR 2.0 million compared with a loss of EUR 1.7 million in the same period last year. Of the EUR 2.0

million, EUR 1.4 million relates to the new molecules development joint venture (JV) which has already been downsized from expenditure of approximately EUR 2.0 million incurred in the second half of 2012. Further downsizing of the JV is under discussion, dependent upon the evolution of the molecules under development in the portfolio.

We continue to make good progress to resolve the litigation with SK Capital Partners who filed claims against IBA in November 2012 alleging losses of approximately EUR 24 million. This figure has now been reduced to a disputed amount of approximately EUR 4.4 million but a final conclusion might take a while. All anticipated impacts on IBA, to the extent estimated necessary by the management, are provisioned.

Discontinued Operations

IBA Bioassays

The disposal of Bioassays is now well under way. Exclusivity was granted to a private equity firm in May which has now been extended to the end of September. Due diligence is presently being undertaken and a further announcement will be made when discussions with the potential acquirer of the business are concluded.

Following the decision to divest the business, the results of IBA Bioassays are now reported in Discontinued Operations. During the first half of the year, Biosassays activity and anticipated impact of the sales transaction contemplated represents a net profit amounting to EUR 2.0 million.

Pharmalogic

The Board has also concluded that Pharmalogic should be divested and, whilst no significant progress has been made in finding a buyer, discussions are now under way with the majority shareholder of the company. Also reported under Discontinued Operations, Pharmalogic positive contribution to IBA consolidated profit amounts to EUR 0.4 million in the first half of 2013.

Financial Review

IBA reported a 8.2% decline in revenues to EUR 97.4 million during the first half of 2013 (H1 2012: EUR 106.1 million, restated in both 2013 and 2012 post the disposal of the 60% interest in IBA Molecular and reclassifying Bioassays under “Discontinued Operations”). The decrease in revenues is due to low conversion of the order book in PT and challenging market conditions in Dosimetry, particularly in the US, offset by good growth in Accelerators.

Recurring operating profits before interest and taxes (REBIT) continued to improve compared with the first half of 2012, benefiting from the implementation of the Company’s productivity and efficiency programme. On a like-for-like basis, gross margin improved from 39.9% in the first half of 2012 to 42.2% in the first half of 2013 and operating expenses decreased by EUR 3.2 million (down 8.8%). As a result, the Company’s REBIT grew by 30.8% in H1 2013 from EUR 6.3 million in H1 2012 to EUR 8.3 million in the first half 2013, with REBIT margins improving to 8.5% in the first half of 2013 from 6.0% in the comparative period last year.

Non-recurring events, mostly relating to the Essen project litigation (EUR 1.8 million) and restructuring expenses (redundancies and factory closure in China amounting to EUR 1.2 million), totalled EUR 4.7 million (H1 2012: EUR 22.4 million). The net profit after tax from continuing operations reaches EUR 1.8 million (H1 2012: net loss of EUR 21.7 million) positively impacted by recording of deferred tax assets based on new estimates of the potential future utilization of tax losses carried forward. After taking into account the profit contribution from Discontinued Operations of EUR 2.3 million (H1 2012: profit of EUR 20.3 million), the Company reported a net profit for the period of EUR 4.1 million (H1 2012: net loss of EUR 1.4 million).

The net cash flow for the first six months of 2013 is negative EUR 25.2 million and detailed as follows:

- A positive operating cash flow of EUR 9.5 million (versus negative EUR 3.9 million last year)
- A negative working capital variation of EUR 35.3 million (versus negative EUR 54.1 million last year)

Cash flow from investing amount for the period EUR 7.1 million of which EUR 1.3 million investment in the JV for development of new molecules with IBA Molecular and EUR 3.8 million lent to Procure as agreed in the existing partnership agreements between the two parties, in order for Procure to develop the proton therapy market in the United States. The positive EUR 50.7 million cash flow in H1 2012 included the upfront payment received from SK Capital Partners for the acquisition of 60% of IBA Molecular.

The EUR 8.4 million cash inflow from financing is explained by the additional draw down made on the SRIW loan for EUR 10 million (bringing the outstanding amount to EUR 20 million) of which is deducted the repayments made to EIB as planned and the interests paid over the period.

The net debt, including Bioassays, at the end of June was EUR 58.0 million (EUR 28.3 million at 31 December 2012) including the EUR 31.2 million of supplier credit on the Trento contract.

Guidance

The market for proton therapy continues to develop positively and we are particularly encouraged by the recent commitments of the UK and Dutch Governments to major expenditure on proton therapy equipment in the near future. We also look forward to our further penetration into the compact system market on the receipt of FDA approval of Proteus®ONE in 2014.*

The backlog of EUR 211 million in the Proton Therapy and Accelerators division's order book continues to provide good visibility, although the precise timing of conversion from backlog to revenues remains sometimes uncertain due to customers' planning. For the year as a whole, IBA still expects to sell about eight PT treatment rooms and a good order intake is expected for accelerators in the first half, especially in emerging countries. This, combined with the slowdown in Dosimetry, has led the Company to review its sales guidance to a mid-single digit decrease in 2013 versus the mid-single digit growth guidance given in March. However, the Company expects to continue showing improvements in operational profitability during the second half of the year as the restructuring and efficiency improvement initiatives in Belgium, China and the US are implemented. IBA continues to expect to report positive net profits for 2013. The Company also confirms its guidance of 10% REBIT margin in 2014. Over the medium term, IBA is confident it can achieve an annual compound revenue growth of 5% to 10% over the next three years and resume its dividend payout program.

The Company's net debt position is expected to be reduced to between EUR 10 and 25 million by the end of the year post the payment due from Trento, the proceeds expected from the disposal of Bioassays and the signature of additional PT rooms.

** 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.*

7.3 Subsequent event:

There are no subsequent events after June 30, 2013.

7.4 Statement by the directors:

These interim condensed consolidated financial statements have been prepared by the Chief Executive Officer (CEO) Olivier Legrain and Chief Financial Officer (CFO) Jean-Marc Bothy. To their knowledge: they are prepared in accordance with applicable accounting standards, give a true and fair view of the consolidated results. The interim management report includes a fair review of important events and significant transactions with related parties for the first half of 2013 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties that the Company faces.

7.5 Corporate Governance:

On the occasion of the 2013 General Meeting, the following changes occurred in the management of the Company:

- the mandate of Yves Jongen as internal director was renewed
- the mandate of Professor Mary Gospodarowicz, appointed external director by the Board of Director of August 29, 2012, was confirmed
- Katleen Vandeweyer Comm. V. was appointed external director
- the taking over of the mandate of Pierre Mottet (internal director) by Saint-Denis SA, represented by Mr. Pierre Mottet was acknowledged
- the mandate of Bayrime SA as other director was renewed
- Mr. Pierre Scaillet was appointed as other director

Auditor's report on the IFRS Interim Condensed Consolidated Financial Statements at June 30, 2013

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

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

Report of the statutory auditor to the shareholders of Ion Beam Applications SA on the review of the interim condensed consolidated financial statements as of 30 June 2013 and for the 6 month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ion Beam Applications SA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position total of € (thousand) 335.068 and a consolidated profit for the 6 month period then ended of € (thousand) 4.129. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

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

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Report of the statutory auditor dated 28 August 2013 on the interim condensed consolidated financial statements of Ion Beam Applications SA for the 6 month period ended 30 June 2013 (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the entity as at 30 June 2013, and of its financial performance and its cash flows for the 6 month period in accordance with IAS 34 as adopted for use in the European Union.

Emphasis of matter

Without qualifying our conclusion, we draw the attention to Note 6.11 to the Interim Condensed Consolidated Financial Statements which describes the uncertainty linked to the damages claimed by the buyer of the radiopharmaceutical activities which were disposed of in 2012. The Board of Directors took certain assumptions regarding the resolution of the dispute which could significantly differ from the effective resolution.

Diegem, 28 August 2013

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

Martine Blockx
Partner

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