ION BEAM APPLICATIONS (“IBA”)

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2017

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, 2017 in condensed form.

GENERAL INFORMATION

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

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

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

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

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

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

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

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

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on August 22, 2017. 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. His mandate was renewed at the Ordinary General Meeting of shareholders held on May 11, 2016, his term will expire at the Ordinary General Meeting of shareholders in 2020 which will approve the 2019 financial statements. Yves Jongen is Managing Director and Chief Research Officer. His mandate was renewed at the Ordinary General Meeting of shareholders of May 10, 2017, his term will expire at the Ordinary General Meeting of shareholders in 2021 which will approve the 2020 financial statements. The mandate of Saint-Denis SA was renewed as an internal director at the Ordinary General Meeting of shareholders of May 13, 2015, his term will expire at the Ordinary General Meeting of shareholders in 2019 which will approve the 2018 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Hedvig Hricak, Katleen Vandeweyer Comm. V. represented by Mrs. Katleen Vandeweyer, Jeroen Cammeraat, Bridging for Sustainability SPRL represented by Sibille Vandenhove d'Ertsenryck, 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 11, 2016, his term will expire at the Ordinary General Meeting of shareholders of 2020 which will approve the 2019 financial statements. Hedvig Hricak was appointed external director during the Ordinary General Meeting of shareholders held on May 10, 2017, her term will expire at the Ordinary General Meeting of shareholders of 2018 which will approve the 2017 financial statements. Katleen Vandeweyer Comm. V. was appointed external director during the Ordinary General Meeting of shareholders held on May 14, 2014, her term will expire at the Ordinary General Meeting of shareholders of 2018 which will approve the 2017 financial statements. Jeroen Cammeraat was renewed external director during the Ordinary General

Meeting of shareholders held on May 13, 2015, his term will expire at the Ordinary General Meeting of shareholders of 2019 which will approve the 2018 financial statements. Bridging for Sustainability SPRL takes over the mandate of Median Sustainability S.L. appointed external director during the Ordinary General Meeting of shareholders held on May 11, 2016, its term will expire at the Ordinary General Meeting of shareholders of 2020 which will approve the 2019 financial statements.

Other directors: Bayrime SA represented by Mr. Eric de Lamotte. Bayrime SA was renewed as other director during the Ordinary General Meeting of shareholders held on May 10, 2017, his term will expire at the Ordinary General Meeting of shareholders of 2021 which will approve the 2020 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, 2017

The Group has chosen to present its balance sheet on a current/non-current basis. The notes on pages 10 to 36 are an integral part of these condensed interim consolidated financial statements.

	Note	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
ASSETS			
Goodwill	6.3	3 821	3 821
Other intangible assets	6.3	9 972	10 577
Property, plant and equipment	6.3	16 322	21 780
Investments accounted for using the equity method		1 402	1 421
Other investments		8 909	8 909
Deferred tax assets	3.1	22 796	22 560
Long-term financial assets		2 171	1 037
Other long-term assets	6.4	18 467	18 947
Non-current assets		**83 860**	**89 052**
Inventories and contracts in progress	6.6	132 702	138 901
Trade receivables		65 736	51 863
Other receivables	6.7	22 409	30 153
Short-term financial assets		1 346	3 072
Cash and cash equivalents	6.2	74 564	49 959
Current assets		**296 757**	**273 948**
TOTAL ASSETS		**380 617**	**363 000**
EQUITY AND LIABILITIES			
Capital stock	6.10	41 776	41 899
Capital surplus	6.10	40 618	40 932
Treasury shares		-8 502	-8 502
Reserves		9 496	14 824
Currency translation difference		-1 367	-2 603
Retained earnings		68 370	55 201
Capital and reserves		**150 391**	**141 751**
Non-controlling interests		0	0
EQUITY		**150 391**	**141 751**
Long-term borrowings	6.5	27 750	26 750
Long-term financial liabilities		1 423	21
Deferred tax liabilities		582	520
Long-term provisions	6.11	10 112	5 792
Other long-term liabilities		3 916	9 185
Non-current liabilities		**43 783**	**42 268**
Short-term provisions	6.11	6 311	5 961
Short-term borrowings	6.5	2 151	2 040
Short-term financial liabilities		3 006	94
Trade payables		56 041	51 816
Current income tax liabilities		90	74
Other payables	6.8	118 844	118 996
Current liabilities		**186 443**	**178 981**
TOTAL LIABILITIES		**230 226**	**221 249**
TOTAL EQUITY AND LIABILITIES		**380 617**	**363 000**

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2017

The Group has chosen to present its income statement using the “function of expenses” method. The notes on pages 10 to 36 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	June 30, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Sales		104 873	107 731
Services		40 255	43 882
Cost of sales and services (-)		-80 881	-96 663
Gross profit		**64 247**	**54 950**
Selling and marketing expenses		13 615	14 332
General and administrative expenses		19 422	21 743
Research and development expenses		16 077	16 974
Other operating expenses	6.9	4 512	7 077
Other operating (income)	6.9	-40	-4 660
Financial expenses		2 664	2 227
Financial (income)		-1 191	-298
Share of (profit)/loss of companies consolidated using the equity method		-41	-71
Profit/(loss) before taxes		**9 229**	**-2 374**
Tax (income)/expenses	6.13 & 3.1	888	2 256
Profit/(loss) for the period from continuing operations		**8 341**	**-4 630**
Profit/(loss) for the period from discontinued operations		-44	-25
Profit/(loss) for the period		**8 297**	**-4 655**
Attributable to :			
Equity holders of the parent		8 297	-4 655
Non-controlling interests		0	0
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	5.1	0.2901	-0.1598
- Diluted	5.2	0.2816	-0.1598
Earnings per share from continuing (EUR per share)			
- Basic	5.1	0.2916	-0.1590
- Diluted	5.2	0.2831	-0.1590
Earnings per share from discontinued operations (EUR per share)			
- Basic	5.1	-0.0015	-0.0008
- Diluted	5.2	-0.0015	-0.0008

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2017

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

	June 30, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Profit/(loss) for the period	**8 297**	**-4 655**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	-131	-1 237
Exchange differences on translation of foreign operations	*-131*	*-1 237*
- Reserves movements of investments accounted for using the equity method	0	0
Currency translation difference	*0*	*0*
Cash flow hedges	*0*	*0*
Other	*0*	*0*
- Exchange difference related to permanent financing	0	0
- Net (loss)/gain on available for sale financial assets	0	0
- Net movement on cash flow hedges	3 082	5 098
- Gain on sales of treasury shares	0	0
- Other	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**2 951**	**3 861**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	0	0
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))	0	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**0**	**0**
Total comprehensive income for the period	**11 248**	**-794**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER’S EQUITY

	Attributable to equity holders of the parent										
	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – reserves movements of investment accounted for using the equity method	Other reserves – defined benefit plans	Other reserves - Other	Currency translation difference	Retained earnings	**TOTAL** Shareholders’ equity and reserves
Balance at 01/01/16	**40 864**	**37 329**	**-8 502**	**-3 236**	**14 736**	**0**	**-1 166**	**175**	**-1 993**	**84 259**	**162 466**
Other comprehensive income	0	0	0	3 082	0	0	0	0	-131	0	2 951
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	8 297	8 297
Comprehensive income for the period	**0**	**0**	**0**	**3 082**	**0**	**0**	**0**	**0**	**-131**	**8 297**	**11 248**
Dividends	0	0	0	0	0	0	0	0	0	-40 329	-40 329
Employee stock options and share-based payments	0	0	0	0	263	0	0	0	0	0	263
Increase/ (decrease) in capital stock/ capital surplus	574	2 133	0	0	0	0	0	0	0	0	2 707
Other changes	0	0	0	0		0	0	0	0	0	0
Balance at 30/06/16	**41 438**	**39 462**	**-8 502**	**-154**	**14 999**	**0**	**-1 166**	**175**	**-2 124**	**52 227**	**136 355**
Balance at 01/01/17	**41 776**	**40 618**	**-8 502**	**-2 501**	**15 285**	**0**	**-3 463**	**175**	**-1 367**	**68 370**	**150 391**
Other comprehensive income	0	0	0	5 098	0	0	0	0	-1 237	0	3 861
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	-4 655	-4 655
Comprehensive income for the period	**0**	**0**	**0**	**5 098**	**0**	**0**	**0**	**0**	**-1 237**	**-4 655**	**-794**
Dividends	0	0	0	0	0	0	0	0	0	-8 515	-8 515
Employee stock options and share-based payments	0	0	0	0	230	0	0	0	0	0	230
Increase/ (decrease) in capital stock/ capital surplus	123	315	0	0	0	0	0	0	0	0	438
Other changes	0	0	0	0	0	0	0	0	0	1	1
Balance at 30/06/17	**41 899**	**40 933**	**-8 502**	**2 597**	**15 515**	**0**	**-3 463**	**175**	**-2 604**	**55 201**	**141 751**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2017

The group has chosen to present the cash flow statement using the indirect method. The notes on pages 10 to 36 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	June 30, 2016 (EUR '000)	June 30, 2017 (EUR '000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**8 297**	**-4 655**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.3	1 079	1 551
Amortization and impairment of intangible assets	6.3	1 252	1 274
Write-off on receivables		1	1 152
Changes in fair values of financial assets (gains)/losses		154	191
Changes in provisions		262	-3 427
Deferred taxes	6.13	-146	-9
Share of results of associates and joint ventures accounted for using the equity method		-41	-71
Other non-cash items		-263	47
Net cash flow changes before changes in working capital		**10 595**	**-3 947**
Trade receivables, other receivables, and deferrals		-8 671	2 526
Inventories and contracts in progress		-22 358	-6 957
Trade payables, other payables, and accruals		11 805	555
Other short-term assets and liabilities		-3 162	-710
Changes in working capital		**-22 386**	**-4 586**
Income tax paid / received, net		-1 778	-2 391
Interest paid/ Interest received		702	438
Net cash (used in)/generated from operations		**-12 867**	**-10 486**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment continuing activities	6.3	-3 633	-7 078
Acquisitions of intangibles assets continuing activities	6.3	-1 143	-1 908
Disposals of assets		1	0
Acquisitions of subsidiaries, net of acquired cash		0	0
Acquisitions of third party and equity-accounted investments		0	0
Disposals of subsidiaries and equity-accounted companies, and other investments net of cash disposed		63 437	0
Acquisitions of non-current financial assets and loan granted		0	0
Other investing cash-flows		-390	-2
Net cash (used in)/generated from investing activities		**58 272**	**-8 988**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.5	15 750	0
Repayment of borrowings	6.5	-16 463	-1 110
Net interest (paid)/received		-545	-397
Capital increase (or proceeds from issuance of ordinary shares)		2 707	438
(Purchase)/sales of treasury shares		0	0
Dividends paid		-40 332	-8 515
Other financing cash flows		561	4 327
Net cash (used in)/generated from financing activities		**-38 322**	**-5 257**
Net cash and cash equivalents at the beginning of the period		**81 715**	**74 564**
Change in net cash and cash equivalents		7 083	-24 731
Exchange gains/(losses) on cash and cash equivalents		710	126
Net cash and cash equivalents at the end of the period		**89 508**	**49 959**

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, 2017. 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, 2016.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

New standards and amendments:

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

Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- Amendments to IAS 7[1] Statement of Cash Flows – Disclosure Initiative, effective 1 January 2017
- Amendments to IAS 12[1] Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses, effective 1 January 2017
- Annual Improvements Cycle - 2014-2016[1], effective 1 January 2017

Amendments to IAS 7 *Statement of Cash Flows* – Disclosure Initiative[1]

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

Amendments to IAS 12 *Income Taxes* – Recognition of Deferred Tax Assets for Unrealised Losses[1]

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

[1] *Not yet endorsed by the EU as at 30 March 2017.*

Annual Improvements Cycle - 2014-2016[1]

Amendments to IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in disposal group that is classified) as held for sale. The Group has adopted the amendments retrospectively. The disclosure requirements in IFRS 12 do not specifically apply to the interim condensed consolidated financial statements. The Group will disclose the required information in its annual consolidated financial statements for the year ended 31 December 2017.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions[1], effective 1 January 2018
- IFRS 9 Financial Instruments, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customer**Error! Bookmark not defined.**, effective 1 January 2018
- IFRS 16 Leases[1], effective 1 January 2019
- IFRIC 22 Foreign Currency Transactions and Advance Consideration[1], effective 1 January 2018
- Annual Improvements to IFRS 2014-2016[1] Cycle (issued December 2016), effective 1 January 2017 and 1 January 2018

Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions[1]

The amendments address three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- The classification of a share-based payment transactions with net settlement features for withholding tax obligations; and
- Accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on its consolidated financial statements.

IFRS 9 Financial Instruments

The final version of IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (and all previous versions of IFRS 9). IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group expects to apply the option to present fair value changes in OCI, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Group were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to

[1] Not yet endorsed by the EU as at 30 March 2017.

[2] IFRS 15 including Amendments to IFRS 15: Effective date of IFRS 15 has been endorsed by the EU. The Clarifications to IFRS 15 have not yet been endorsed by the EU as at 30 March 2017.

cash flows representing solely payments of principal and interest.

The Group believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Group does not expect a significant impact as a result of applying IFRS 9. The Group will assess possible changes related to the accounting for the time value of options, forward points or the currency basis spread in more detail in the future.

IFRS 15 Revenue from Contracts with Customers[2]

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group plans to adopt the new standard on the required effective date using the modified retrospective method. During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB and will monitor any further developments.

The Group is in the business of providing equipment and services. The equipment and services are sold both on its own in separate identified contracts with customers and together as a bundled package of goods and/or services.

(a) Sale of goods

Contracts with customers in which equipment sale is generally expected to be the only performance obligation are not expected to have any impact on the Group's profit or loss. The Group expects the revenue recognition to occur over time due to the fact that the Group has an enforceable right to payment for performance completed to date.

In preparing to IFRS 15, the Group is considering the following:

(i) Variable consideration

A limited number of contracts with customers provide a volume rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under IFRS 15, and will be required to be estimated at contract inception.

IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group continues to assess individual contracts to determine the estimated variable consideration and related constraint.

(ii) Warranty

The Group provides warranties for general repairs in its contracts with customers. As such, the Group determines that such warranties are assurance-type warranties which will continue to be accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with its current practice.

(b) Rendering of services

The Group provides operation and maintenance services. These services are sold either on their own in contracts with the customers or bundled together with the sale of equipment to a customer. Currently, the Group accounts for the equipment and service as separate performance obligation and allocates consideration between these deliverables using the relative fair value approach. The Group recognises service revenue by reference to the stage of completion. Under IFRS 15, allocation will be made based on relative stand-alone selling prices which is actually already the case. The Group has preliminarily assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group would continue to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point of time.

(c) Equipment received from customers

Non cash consideration are not applicable in the Group sales contracts.

(d) Presentation and disclosure requirements

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increase the volume of disclosures required in Group's financial statements. Many of the disclosure requirements in IFRS 15 are completely

[1] Not yet endorsed by the EU as at 30 March 2017.

[2] IFRS 15 including Amendments to IFRS 15: Effective date of IFRS 15 has been endorsed by the EU. The Clarifications to IFRS 15 have not yet been endorsed by the EU as at 30 March 2017.

new. In 2016, the Group developed and started testing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

IFRS 16 Leases[1]

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to recognise separately the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's lessor accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The new standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15 Revenue from Contract with Customers. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2017, the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration[1]

IFRIC 22 addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The interpretation is effective 1 January 2018. The interpretation will not have any impact on the Group.

Improvements to IFRS 2014-2016 Cycle (issued December 2016)[1]

The IASB issued the 2014-2016 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements include:

- IFRS 12 Disclosure of Interests in Other Entities: The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to interests that are classified as held for sale or discontinued operations. The amendments are effective for annual periods beginning on or after 1 January 2017.
- IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the measurement election, ie. measuring investees at fair value through profit or loss, is available on an investment-by-investment basis. Additionally, the amendment clarify that the choice, for an entity that is not an investment entity, to retain the fair value measurements used by that investment entity associate or joint venture when applying the equity method is also available on an investment-by-investment basis. The amendments are effective for annual periods beginning on or after 1 January 2018.

These amendments are not expected to have any impact on the Group.

[1] *Not yet endorsed by the EU as at 30 March 2017*

1.3 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

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

	Closing rate at June 30, 2016	Average rate for the 6 months period at June 30, 2016	Closing rate at December 31, 2016	Average annual rate 2016	Closing rate at June 30, 2017	Average rate for the 6 months period at June 30, 2017
USD	1.1102	1.1161	1.0541	1.1068	1.1412	1.0825
SEK	9.4242	9.2961	9.5524	9.4613	9.6398	9.5912
CNY	7.3755	7.2947	7.3202	7.3493	7.7385	7.4403
RUB	71.5200	78.1635	64.3000	74.1017	67.5449	62.6922
INR	74.9603	74.8966	71.5935	74.2467	73.7445	71.0314
JPY	114.0500	124.5580	123.4000	120.2978	127.7500	121.6277
CAD	1.4384	1.4848	1.4188	1.4662	1.4785	1.4440
GBP	0.8265	0.7787	0.8562	0.8188	0.8793	0.8600
ARS			16.7134	16.6779(1)	18.8659	16.8146
THB			37.7260	37.8500(2)	38.7440	37.4777

(1) Average rate calculated on the basis of 6 months of activity
(2) Average rate calculated on the basis of 2 months of activity

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 23 companies and associated companies in 12 countries. Of these, 20 are fully consolidated and 3 are accounted for using the equity method.

2.1 LIST OF SUBSIDIARIES IN IBA GROUP

NAME	Assets held for sale	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2016
IBA Molecular Holding (BE 0880.070.706) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Participations SPRL (BE 0465.843.290) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Investments SCRL (BE 0471.701.397) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
Ion Beam Beijing Applications Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
Striba GmbH *Waidmarkt 11, 50676 KÖLN, GERMANY*	No	Germany	100%	-
IBA RadioIsotopes France SAS *59 Blvd Pinel, 69003 LYON*	No	France	100%	-
IBA Dosimetry GmbH *Bahnhofstrasse 5, 90592 Schwarzenbruck. Germany*	No	Germany	100%	-
IBA Dosimetry America Inc. *3150 Stage Post 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%	-
Normandy Hadrontherapy SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	100%	-
LLC Ion Beam Applications *1st Magistralny tupik, 5A* *123290 Moscow, Russia*	No	Russia	100%	-
IBA Particle Therapy India Private Limited *Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights, Chennai - 600006, Tamil Nadu, INDIA*	No	India	100%	-
IBA (Thailand) Co., Ltd N°888/70, Mahatun Plaza, 7th floor, Ploenchit Road Lumpini Sub-district, Parthumwan district, Bangkok	No	Thailand	100%	-
Ion Beam Application SRL Ortiz de Ocampo 3302 Modulo 1 Buenos Aires (1425), ARGENTINA	No	Argentina	100%	-
IBA Mexico DE R.L.DE C.V. Paseo de la Reforma 126 (internal number 4) 06600 Cuauhtemoc, City of Mexico, MEXICO	No	Mexico	100%	+100%
IBA Japan KK 3/F Shiodome Building, 1-2-20 Kaigan Minato-ku, Tokyo, JAPAN	No	Japan	100%	+100%

2.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2016
CONTINUING OPERATIONS			
Sceti Medical Labo KK	Japan	39.80%	-
Cyclhad SAS	France	33.33%	-
DISCONTINUING OPERATIONS			
PharmaLogic Pet Services of Montreal Cie	Canada	48.00%	-

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

2.3.1 ACQUISITIONS OF COMPANIES

No acquisition of company was completed during the 6 first months of 2017.

2.3.2 DISPOSAL OF COMPANIES

No disposal of company was completed during the 6 first months of 2017

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

3.1 INCOME TAX – DEFERRED TAX

At June 30, 2017, the Group has accumulated net operating losses available to offset future taxable profits mainly in Belgium and Russia for a total of EUR 91.6 million and temporary differences amounting to EUR 5.7 million in the United States and in China. The Group recorded deferred tax assets amounting to EUR 20.3 million with the view to use the tax losses carried forward of IBA SA and EUR 2.3 million as temporary differences as at June 30, 2017.

The June 30, 2017, income statement was positively impacted by the decrease of deferred tax assets on temporary differences in China for EUR 0.05 million and the decrease of deferred tax liabilities on temporary differences in Germany for EUR 0.06 million.

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.

Evolution of the tax legislation in Belgium (in particular the evolution of the patent income deduction, tax rate) may affect the deferred tax assets recognized by IBA SA.

3.2 REVENUE RECOGNITION

Contracts in progress are valued at their cost of production, increased by income accrued as determined by the stage of completion of the contract activity at the balance sheet date, to the extent that it is probable that the economic benefits associated with the contract will flow to the Group. This probability is based on judgment. If certain judgmental criteria differ from those used for previously recognized revenues, the Group’s income statement is affected.

When appropriate, the Company revises its estimated margin at completion to take into account the assessment of residual risk arising from this contract over several years. When the final outcome of these uncertainties differs from initial estimations, the Group’s income statement is affected.

3.3 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.

3.4 LONG TERM INCENTIVE PLAN

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

The cash-based incentive was implemented in 2014 and is linked to actual cumulative profit before tax over the period 2014 – 2017 compared to a predefined target aligned to the Group strategic plan and the guidance provided to the market in this respect. Vesting occurs in full at the end of 2017, subject to each participant’s continued service up to that date and subject to a threshold backlog requirement being met on the same date. The target payout varies between 30% and 100% of annual fixed remuneration directly or indirectly received, except for the Chief Executive Officer, for whom it is 200%. The maximum payout upon superior performance is set at 200% of the target payout. Poor performance results in a zero payout. Satisfactory individual performance, for each calendar year included in the performance period, operates as an additional threshold under the plan, reducing the actual payout by 25% for each year that the individual performance is below expectations. Individual overachievement does not result in an increased payout under the plan. No new cash-based incentive has been implemented in 2015, 2016 and 2017.

As at June 2017, the provision amounts to EUR 0.6 million (EUR 4.3 million in 2016).

3.5 LOCAL TAXES IN COUNTRIES OTHER THAN BELGIUM

In 2015, the Company initiated an analysis on the Group exposure in countries other than Belgium to be potentially obliged to pay certain local taxes whereas the payment of those taxes has been transferred to the Group's customers. Exposure identified as of December 31, 2015, has been reduced as a result of further investigation performed in 2016 and 2017. Based on the data available, it is still not possible to make a reliable estimate of the remaining exposure and therefore no provision has been accrued for in the Group financial statements.

3.6 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

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

(EUR '000)	Category	December 31, 2016 Net carrying value	December 31, 2016 Fair value	June 30, 2017 Net carrying value	June 30, 2017 Fair value
FINANCIAL ASSETS					
Trade receivables	Loans and receivables	65 736	65 736	51 863	51 863
Long-term receivables on contracts in progress	Loans and receivables	837	837	814	814
Available-for-sale financial assets	Available for sale	0	0	0	0
Long-term receivables for decommissioning of sites	Loans and receivables	0	0	0	0
Other long-term receivables	Loans and receivables	17 630	17 630	18 133	18 133
Non-trade receivables and advance payments	Loans and receivables	16 403	16 403	23 555	23 555
Other short-term receivables	Loans and receivables	6 006	6 006	6 598	6 598
Other investments	Available for sale	8 909	8 909	8 909	8 909
Cash and cash equivalents	Loans and receivables	74 564	74 564	49 959	49 959
Hedging derivative products	Hedge accounting	3 224	3 224	3 977	3 977
Derivative products – other	FVPL2	293	293	132	132
TOTAL		**193 602**	**193 602**	**163 940**	**163 940**
FINANCIAL LIABILITIES					
Bank and other borrowings	FLAC	29 750	29 750	28 750	28 750
Financial lease liabilities	FLAC	151	151	40	40
Trade payables	FLAC	56 041	56 041	51 816	51 816
Hedging derivative products	Hedge accounting	4 021	4 021	34	34
Derivative products – other	FVPL2	408	408	81	81
Other long-term liabilities	FLAC	3 916	3 916	9 185	9 185
Amounts due to customers for contracts in progress	FLAC	85 516	85 516	85 007	85 007
Social debts	FLAC	14 737	14 737	15 588	15 588
Other short-term liabilities	FLAC	18 591	18 591	18 401	18 401
Short-term tax liabilities	FLAC	90	90	74	74
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**213 221**	**213 221**	**208 976**	**208 976**

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

At December 31, 2016 and June 30, 2017, the net carrying value of these financial assets and liabilities did not differ significantly from their fair value.

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

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

3.7 CATEGORIES OF FINANCIAL INSTRUMENTS

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

The fair value of derivative financial instruments is either the quoted market price or is calculated using pricing models taking into account current market rates. Fair values of hedging instruments are determined by valuation techniques widely used in financial markets and are provided by reliable financial information sources. Fair values are based on the trade dates of the underlying transactions.

The fair value of these instruments generally reflects the estimated amount that IBA would receive on the settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the balance sheet date, and thereby takes into account any unrealized gains or losses on open contracts.

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

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

During the 6 first months of the year, there was no transfer between the various categories for the financial instruments existing as of June 30, 2017.

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

(EUR '000)	Level 1	Level 2	Level 3	June 30, 2017
- Forward foreign exchange contracts		3 825		3 825
- Foreign exchange rate swaps		152		152
Hedge-accounted financial assets		**3 977**		**3 977**
- Forward foreign exchange contracts		54		54
- Foreign exchange rate swaps		78		78
Financial assets at fair value through the income statement		**132**		**132**
- Forward foreign exchange contracts		34		34
- Foreign exchange rate swaps		0		0
Hedge-accounted financial liabilities		**34**		**34**
- Forward foreign exchange contracts		48		48
- Foreign exchange rate swaps		33		33
Financial liabilities at fair value through the income statement		**81**		**81**

4. OPERATING SEGMENTS

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

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

4.1 BUSINESS SEGMENTS

The operating segments are parts of the Company's business. Distinct financial information is available for these segments and is regularly checked by the Management.

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

- **Protontherapy and other accelerators**: This segment constitutes the technological basis of the Group's many businesses and encompasses development production, and services associated with medical and industrial particle accelerators and proton therapy solutions.
- **Dosimetry**: this segment includes the activities that offer a full range of innovative high-quality solutions and services that maximize efficiency and minimize errors in radiation therapy and medical imaging Quality Assurance and calibration procedures.

The segment results, assets and liabilities include the items directly related to a segment, as well as those that may be allocated on a reasonable basis. The non-allocated assets mainly include deferred tax assets and some assets of companies that have a cross-segment role.

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

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

Six months ended June 30, 2017	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Sales	82 381	25 350	107 731
Services	40 879	3 003	43 882
External sales	**123 260**	**28 353**	**151 613**
REBIT	**-3 548**	**5 449**	**1 901**
Other operating (expenses)/income	-1 601	-381	-1 982
Segment results	**-5 149**	**5 068**	**-81**
Unallocated (expenses)/income (1)			-435
Financial (expenses)/income (2)			-1 929
Share of profit/(loss) of companies consolidated using the equity method			71
Result before taxes			**-2 374**
Tax (expenses)/income (2)			-2 256
Result for the period from continuing operations			**-4 630**
Profit/(loss) for the period from discontinued operations			-25
Profit/(loss) for the period			**-4 655**

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

Six months ended June 30, 2017	Protonherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	81 083	6 548	87 631
Current assets	253 004	20 944	273 948
Segment assets	**334 087**	**27 492**	**361 579**
Investments accounted for using the equity method			1 421
TOTAL ASSETS	**334 087**	**27 492**	**363 000**
Non-current liabilities	41 513	755	42 268
Current liabilities	170 050	8 931	178 981
Segment liabilities	**211 563**	**9 686**	**221 249**
TOTAL LIABILITIES	**211 563**	**9 686**	**221 249**

Six months ended June 30, 2017			
Capital expenditure	8 826	160	
Depreciation and impairment of property, plant and equipment	1 323	228	
Depreciation of intangible assets and goodwill	1 214	60	
Salary expenses	57 557	8 451	
Non-cash expenses/(income)	-1 448	-578	
Headcount at period-end	1 326	216	

Six months ended June 30, 2016	Protontherapy and other accelerators EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Sales	84 440	20 433	104 873
Services	36 792	3 463	40 255
External sales	**121 232**	**23 896**	**145 128**
REBIT	**12 904**	**2 229**	**15 133**
Other operating (expenses)/Income	-3 753	-330	-4 083
Segment results	**9 151**	**1 899**	**11 050**
Unallocated (expenses)/income (1)			-389
Financial (expenses)/income (2)			-1 473
Share of profit/(loss) of companies consolidated using the equity method			41
Result before taxes			**9 229**
Tax (expenses)/income (2)			-888
Result for the period from continuing operations			**8 341**
Profit/(loss) for the period from discontinued operations			-44
Profit/(loss) for the period			**8 297**

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

Year ended December 31, 2016	Protontherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	63 258	6 326	69 584
Current assets	304 303	19 577	323 880
Segment assets	**367 561**	**25 903**	**393 464**
Investments accounted for using the equity method			1 888
TOTAL ASSETS	**367 561**	**25 903**	**395 352**
Non-current liabilities	24 617	1 237	25 854
Current liabilities	195 894	9 972	205 866
Segment liabilities	**220 511**	**11 209**	**231 720**
TOTAL LIABILITIES	**220 511**	**11 209**	**231 720**
Other segment information			
Six months ended June 30, 2016			
Capital expenditure	4 188	588	
Depreciation and impairment of property, plant and equipment	869	210	
Depreciation of intangible assets and goodwill	1 156	96	
Salary expenses	51 343	8 066	
Non-cash expenses/(income)	540	226	
Headcount at period-end	1 104	207	

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, 2016	June 30, 2017
Earnings attributable to parent equity holders (EUR '000)	8 297	-4 655
Weighted average number of ordinary shares	28 596 543	29 124 307
Basic earnings per share from continuing and discontinued operations (EUR per share)	**0.2901**	**-0.1598**
Earnings from continuing operations attributable to parent equity holders (EUR '000)	8 341	-4 630
Weighted average number of ordinary shares	28 596 543	29 124 307
Basic earnings per share from continuing operations (EUR per share)	**0.2916**	**-0.1590**
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	-44	-25
Weighted average number of ordinary shares	28 596 543	29 124 307
Basic earnings per share from discontinued operations (EUR per share)	**-0.0015**	**-0.0008**

5.2 DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. In 2014, the Company had two categories of potential dilutive ordinary shares: stock options and the SRIW reverse convertible bond. Since end 2015, the Company has only one category of potential dilutive ordinary shares: stock options.

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

DILUTED EARNINGS PER SHARE	June 30, 2016	June 30, 2017
Weighted average number of ordinary shares	28 596 543	29 124 307
Average share price over period	35.98	48.43
Weighted average diluted shares	867 920	452 903
Weighted average number of ordinary shares for diluted earnings per share	29 464 463	29 577 210
Earnings attributable to parent equity holders (EUR '000)	8 297	-4 655
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**0.2816**	**-0.1598**
Earnings from continuing operations attributable to parent equity holders (EUR '000)	8 341	-4 630
Diluted earnings per share from continuing operations (EUR per share)	**0.2831**	**-0.1590**
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	-44	-25
Diluted earnings per share from discontinued operations (EUR per share)	**-0.0015**	**-0.0008**

(*) In compliance with IAS33, which stipulates that the diluted earnings per share does not take into account assumptions for conversion, financial year, or other issuing of potential ordinary shares which may have an anti-dilutive effect on the earnings per share (shares whose conversion involves a decrease in the loss per share).

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, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Bank balances and cash	69 446	49 931
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	20 062	28
	89 508	**49 959**
Cash and cash equivalents attributable to assets held for sale	0	0
	89 508	**49 959**

6.3 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2017	Property, plant and equipment (EUR '000)	Intangible (EUR '000)	Goodwill (EUR '000)
Net carrying amount at opening	**16 322**	**9 972**	**3 821**
Additions	7 078	1 908	0
Disposals	0	0	0
Transfers	0	0	0
Currency translation difference	-69	-29	0
Depreciation/amortisation and impairment	-1 551	-1 274	0
Net carrying amount at closing	**21 780**	**10 577**	**3 821**

2017 investments mainly relate to the production capacity scale up including the emphyteusis right for land located in Louvain-la-Neuve, Belgium. The right has been granted for a period of 99 years.

No impairment losses are recognized on property, plant and equipment or intangible assets in the 2017 interim financial statement.

6.4 OTHER LONG-TERM ASSETS

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Long-term receivables on contracts in progress	837	814
Research and development tax credit	9 077	9 338
Other assets	8 553	8 795
TOTAL	**18 467**	**18 947**

As at June 30, 2017, "Other assets" mainly consist of EUR 0.8 million in receivables with an associated company, a loan (principal and interest) and receivables for a total amount of EUR 7.6 million in a company in which the Group holds an investment and bank deposits to EUR 0.3 million.

As at December 31, 2016, "Other assets" mainly consists of EUR 0.8 million in receivables with an associated company, a loan (principal and interest) and receivables for a total amount of EUR 7.5 million in a company in which the Group holds a participation and bank deposits of EUR 0.2 million.

6.5 MOVEMENT ON BANK AND OTHER BORROWINGS

6.5.1 BANK AND OTHER BORROWINGS

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Current	2 000	2 000
Non-current	27 750	26 750
Total	**29 750**	**28 750**
Opening amount	**31 250**	**29 750**
New borrowings	15 750	0
Repayment of borrowings	-17 250	-1 000
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing balance[1]	**29 750**	**28 750**

[1]*Including 2 subordinated loans of EUR 15 million from S.R.I.W.at June 2017 (2 loans for a total amount of EUR 15 million at end 2016).*

S.R.I.W.:

In 2012, IBA strengthened the availability of financing resources by obtaining a long-term credit facility of EUR 20 million from the S.R.I.W.. Under the terms of this financing, the Group agreed to comply with specific covenants relating to IBA SA's level of equity.

On June 30, 2014, the Group has strengthened its equity with a capital increase from two leading regional and federal investment companies in Belgium for a total amount of EUR 6 million (EUR 5 million from S.R.I.W. and 1 million from S.F.P.I.) and with a ''reverse convertible bond'' subscribed by S.R.I.W. for EUR 5 million. EUR 10 million were used to repay outstanding other borrowings.

December 31, 2015 was the latest possible date for converting the EUR 5 million S.R.I.W. bond into equity. At that time, the Group decided not to exercise its right to convert the ''reverse convertible bond'' into equity. As a consequence, the ''reverse convertible bond'' has been reclassified from equity to bank and other borrowings.

Bank borrowings :

In April 2016 IBA borrowed EUR 10 million from a Belgian bank in order to partially refinance the early repayment of E.I.B. outstanding amount. This loan has a 5 years repayment period and will be repaid through 20 equal quarterly instalments in principal starting end of July 2016. The last instalment will be in April 2021.

In February 2016 IBA issued a private 5 years bond for a total subscribed amount of EUR 5.75 million. The purpose is to partially refinance the E.I.B. early repayment. This loan will be repaid in one instalment in February 2021. Some financial covenants apply.

At June 30, 2017, the Group has at its disposal credit lines and credit facilities up to EUR 58,8 million of which 48.94% are used to date.

Utilized credit facilities are as follows:

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
FLOATING RATE		
– expiring within one year	0	0
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**0**	**0**
FIXED RATE		
– expiring within one year	2 000	2 000
– expiring beyond one year	27 750	26 750
TOTAL FIXED RATE	**29 750**	**28 750**
TOTAL	**29 750**	**28 750**

The bank and other borrowings include loans from S.R.I.W. for EUR 15 million in 2017 (EUR 15 million in 2016), a bank loan for an amount of EUR 8 million in 2017 (EUR 9 million in 2016) and an issued bond for an amount of EUR 5.75 million.

Unutilized credit facilities are as follows:

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
FLOATING RATE		
– expiring within one year	30 000	30 000
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**30 000**	**30 000**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	0	0
TOTAL FIXED RATE	**0**	**0**
TOTAL	**30 000**	**30 000**

6.5.2 FINANCIAL LEASE LIABILITIES

(EUR 000)	December 31, 2016	June 30, 2017
Current	151	40
Non-current	0	0
TOTAL	**151**	**40**

Changes in financial lease liabilities as follows:

(EUR 000)	December 31, 2016	June 30, 2017
Opening balance	**424**	**151**
New borrowings	0	0
Repayment of borrowings	-273	-111
Currency translation difference	0	0
Closing balance	**151**	**40**

6.6 INVENTORIES AND CONTRACTS IN PROGRESS

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Raw materials and supplies	60 548	72 622
Finished products	4 929	2 246
Work in progress	2 562	3 938
Contracts in progress (in excess of billing)	72 961	68 596
Write-off of inventories	-8 298	-8 501
Inventories and contracts in progress	**132 702**	**138 901**

Contracts in progress	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Costs to date and recognized revenue	564 062	418 475
Less : progress billings	-491 101	-349 879
Contracts in progress	**72 961**	**68 596**
Net amounts due to customers for contracts in progress	85 516	85 007

6.7 OTHER RECEIVABLES

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Non-trade receivables	16 403	23 555
Prepaid Expenses -Third Party	2 625	2 915
Accrued Income – Third Party	853	1 064
Current income tax receivable	1 496	1 480
Other current assets	1 032	1 139
Other receivables	**22 409**	**30 153**

Main movement on ''non-trade receivables" is explained by the increase of advance payment to suppliers and VAT to be received.

6.8 OTHER PAYABLES AND ACCRUALS

	December 31, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Amounts due to customers for contracts in progress (or advances received on contracts in progress)	85 516	85 007
Social debts	14 737	15 588
Accrued charges	2 736	2 701
Accrued interest charges	247	143
Deferred income	7 272	8 016
Capital grants	830	775
Non-trade payables	3 816	3 412
Other	3 690	3 354
Other payables and accruals	**118 844**	**118 996**

6.9 OTHER OPERATING INCOME AND EXPENSES

The other operating expenses of EUR 7.1 million in 2017 include the valuation of stock option plans offered to IBA employees for EUR 0.23 million, a special discretionary bonus granted to IBA employees excluding management for EUR 2.85 million, reorganization expenses for EUR 0.53 million, new provision for tax risk for EUR 0.9 million, write offs for EUR 1.83 million and other expenses for EUR 0.8 million.

The other operating income of EUR 4.7 million in 2017 mainly includes a partial reversal of the accrued expenses related to the long-term incentive plan for EUR 3.62 million and the reversal of a tax risk provision for EUR 1.0 million.

The other operating expenses of EUR 4.5 million in 2016 included the valuation of stock option plans offered to IBA employees for EUR 0.3 million, a special discretionary bonus granted to IBA employees excluding management for EUR 2.3 million, accrued expenses related to the long term incentive plan for EUR 0.4 million, reorganization expenses for EUR 0.3 million, commitments on Protontherapy and other accelerators projects for EUR 0.3 million and other expenses for EUR 0.9 million.

6.10 ORDINARY SHARES, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Issued Capital stock (EUR)	Capital surplus (EUR)	Treasure shares (EUR)	Total (EUR)
Balance at December 31, 2016	**29 764 396**	**41 775 555**	**40 617 898**	**-8 501 979**	**73 891 474**
Stock options exercised	88 153	123 723	314 526	0	438 249
Capital increase	0	0	0	0	0
Balance at June 30, 2017	**29 852 549**	**41 899 278**	**40 932 424**	**-8 501 979**	**74 329 723**

6.11 PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
At January 1, 2017	**607**	**2 989**	**140**	**3 425**	**4 424**	**4 838**	**16 423**
Additions (+)	0	712	0	0	35	896	1 643
Write-backs (-)	0	-475	0	0	-3 618	-977	-5 070
Utilizations (-)	-168	-308	0	0	-26	-660	-1 162
Actuarial (gains)/losses	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Currency translation difference	0	-13	0	0	-26	-42	-81
Total movement	**-168**	**-84**	**0**	**0**	**-3 635**	**-783**	**-4 670**
At June 30, 2017	**439**	**2 905**	**140**	**3 425**	**789**	**4 055**	**11 753**

Main movement on "other provisions" can be detailed as follows:

- Additional provisons amounting to EUR 0.9 million for tax risk.
- Reversal of provisions amounting to EUR -1.0 million for tax risk.
- Use of provisions amounting to EUR -0.66 million for contractual commitments under the agreement of the disposal of IBA Molecular business.

Main movements on ''other employee benefits'' are as follows:

- Partial reversal of the provision related to the long-term incentive plan for EUR -3.62 million.

6.12 LITIGATION

The Group is not involved in any significant litigation currently.

6.13 INCOME TAX

	June 30, 2016 (EUR '000)	June 30, 2017 (EUR '000)
Current taxes	1 034	2 265
Deferred taxes (income)/expense	-146	-9
Total	**888**	**2 256**

6.14 EMPLOYEE BENEFITS

For more information on employee benefits see annual report point 28 as movements in employee benefits are not significant.

6.15 PAID AND PROPOSED DIVIDENDS

The dividend of 0.29 cents per share proposed at the Ordinary General Meeting of May 10, 2017 was approved.

IBA confirms a future dividend payout target of 30% for the foreseeable future.

6.16 RELATED PARTY TRANSACTIONS

6.16.1 CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted companies is provided in Note 2.

6.16.2 TRANSACTIONS WITH AFFILIATED COMPANIES

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

	June 30, 2016 (EUR '000)	June 30, 2017 (EUR '000)
ASSETS		
Receivables		
Long-term receivables	858	766
Trade and other receivables	377	251
Impairment of receivables	0	0
TOTAL RECEIVABLES	**1 235**	**1 017**
LIABILITIES		
Payables		
Trade and other payables	0	0
TOTAL PAYABLES	**0**	**0**
INCOME STATEMENT		
Sales	3 578	5 547
Costs	-1 033	-2 612
Financial income	124	0
Financial expense	0	-38
Other operating income	0	0
Other operating expense	0	0
TOTAL INCOME STATEMENT	**2 669**	**2 897**

6.16.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at June 30, 2017

	Number of shares	%
Belgian Anchorage SCRL	6 204 668	20.78%
IBA Investments SCRL	610 852	2.05%
IBA SA	63 519	0.21%
UCL ASBL	426 885	1.43%
Sopartec SA	180 000	0.60%
Institut des Radioéléments FUP	1 423 271	4.77%
Société Régionale d'Investissement de Wallonie (S.R.I.W.)	704 491	2.36%
Société Fédérale de Participation et d'investissement (S.F.P.I.)	58 200	0.20%
Capfi Delen Asset Management	1 457 915	4.88%
Norges Bank Investment Management	903 074	3.03%
Public	17 819 674	59.69%
TOTAL	**29 852 549**	**100.00%**

The transactions completed with the shareholders are the following:

	June 30, 2016 (EUR '000)	June 30, 2017 (EUR '000)
ASSETS		
Receivables		
Long-term receivables	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**0**
LIABILITIES		
Payables		
Bank borrowings	15 000	15 000
Trade and other payables	117	75
TOTAL PAYABLES	**15 117**	**15 075**
INCOME STATEMENT		
Sales	0	0
Costs	0	0
Financial income	0	0
Financial expense	-403	-348
Other operating income	0	0
Other operating expense	0	0
TOTAL INCOME STATEMENT	**-403**	**-348**

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at June 30, 2017.

7. INTERIM MANAGEMENT REPORT

7.1 FIGURES AND SIGNIFICANT EVENTS:

	H1 2016 (EUR '000)	H1 2017 (EUR '000)	Variation (EUR '000)	Variation %
Sales & Services	145 128	151 613	6 485	4.5%
REBITDA	**17 970**	**5 264**	**-12 706**	**-70.7%**
% of Sales	*12.4%*	*3.5%*		
REBIT	**15 133**	**1 901**	**-13 232**	**-87.4%**
% of Sales	*10.4%*	*1.3%*		
Net Profit	**8 297**	**-4 655**	**-12 952**	**-156.1%**
% of Sales	*5.7%*	*-3.1%*		

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

Business Highlights

- H1 order intake comprising two Proteus®ONE* systems sold in Egypt and Spain and one Proteus®PLUS* solution sold in Virginia, USA

- Completion of review into Proton Therapy project management; enhanced systems in place and all projects on track with revised timelines

- Updated guidelines from the American Society for Radiation Oncology (ASTRO) and National Comprehensive Cancer Network (NCCN) further endorse proton therapy as a treatment option in the fight against cancer

Financial Highlights

- Total Group H1 revenues of EUR 151.6 million, up 4.5% (H1 2016: EUR 145.1 million) impacted by Proton Therapy project delays
  - Proton Therapy and Other Accelerators revenue of EUR 123.3 million, up 1.7%
  - Dosimetry revenue up 18.7% to EUR 28.4 million

- REBIT margin of 1.3% impacted by slow order intake, revenue recognition delays and one off exceptional items

- Over EUR 1 billion equipment and service backlog comprising a growing period-end equipment backlog for Proton Therapy and Other Accelerators of EUR 321 million and growing services backlog of EUR 689 million, up 21% from H1 2016

- Gross cash of EUR 50 million and net cash position of EUR 21.2 million

- Guidance updated to:
  - FY17: 5-10% revenue growth and a low to mid-single digit REBIT margin
  - 2018/2019: flat to mid-single digit revenue growth and a mid to high single digit REBIT margin
  - Mid-term: High single-digit to low double-digit revenue growth and 13 to 15% REBIT margin
  - Dividend policy remains unchanged

7.2 OPERATING REVIEW

PROTON THERAPY AND OTHER ACCELERATORS

	H1 2016 (EUR '000)	H1 2017 (EUR '000)	Change (EUR '000)	Change %
Net Sales	**121 232**	**123 260**	**2 028**	**1.7%**
- Protontherapy	96 637	105 030	8 393	8.7%
- Other accelerators	24 595	18 230	-6 365	-25.9%
REBITDA	**15 255**	**-372**	**-15 627**	**-102.4%**
% of Sales	12.6%	-0.3%		
REBIT	**12 904**	**-3 548**	**-16 452**	**-127.5%**
% of Sales	10.6%	-2.9%		

IBA continues to be at the forefront of the significant growth experienced in the proton therapy market, driven largely by smaller, less expensive compact systems like Proteus®ONE and an expansion of the range of indications being treated with this more precise modality. This has led to a surge in the volume of systems being purchased globally and IBA is currently installing or constructing a record 25 systems of which 15 are Proteus®ONE solutions.

The prospects for the proton therapy market remain strong, the Company has a combined backlog of future project revenues in service and equipment worth over EUR 1 billion, a significant backlog and IBA is confident that the Company will retain its leading position in the market going forward.

Projects update

As detailed at the time of the Company's July trading update, delays in project execution related to project construction timelines by several of its customers continued over the period. With so much revenue recognition reliant on commencing installation, the delays have had a knock-on effect on IBA's operational leverage and profitability. In addition, the Company has incurred one-off costs related to project management issues in emerging markets. Due to these issues, a number of productivity initiatives aimed at reducing product costs have not been realized as quickly as anticipated.

IBA has conducted a thorough review of its interface with customer's project management processes and has adopted a number of new measures to address the issues identified in the first half and to protect the Company in the future. These include:

- Construction and installation timeline adjustments to accurately reflect timings experienced in recent projects. These have already been made across all 25 ongoing projects and are reflected in our guidance
- Updated project management information systems and enhanced processes for managing the risk of customer construction delays. Dedicated project directors have been appointed in each region to address project management closely with customer's project managers as have specific staff to support them during the construction period and proactively address any issues as they come up
- Discussion with construction companies to provide a dedicated construction service to customers

Total net sales were up 1.7% in the first half to EUR 123.3 Million, aided by growth in Proton Therapy and particularly strong growth in Other Accelerator services of 21.9%, boosted by recognition of revenues on multiple high margin upgrades and maintenance services.

The decline in Other Accelerators is due to the slow conversion of the backlog. Services revenues contributed one third of segment revenues this half.

REBIT for the business segment declined to a loss of EUR 3.5 million due to project shifts, delays in productivity and one-off costs affecting margins across Proton Therapy and Other Accelerators.

Over the period, five new proton therapy contracts were awarded globally, with IBA winning three of these, demonstrating IBA's continued market appeal and leadership in proton therapy. The PT solutions sold by IBA in this period are spread over customer sites in the US and Europe and the first proton therapy system in Egypt.

Updates to US proton therapy policies and guidelines

During the period, both ASTRO and NCCN expanded their indication policies for proton therapy, leading to greater penetration of the market for proton therapy in the US. The guidelines further endorse proton therapy as an important treatment option in the fight against cancer.

Proton Therapy Strategy for Growth

To support the continued growth in the proton therapy market, IBA has invested in its proton therapy business to provide an enhanced on-the-ground regional support network and implemented new information systems, notably for installation, services and sales and marketing organizations which are being decentralized to better serve customers.

IBA's scale-up program to increase production capacity continues on track. The construction of a new testing vault was completed during the first half while the new building is coming up on schedule. The assembly line should be operational in Q1 2018 with the rest of the infrastructure following in the course of the same year. The capital expenditure related to this infrastructure will be recorded over 2017 and 2018.

Recruitment to support the business in its strategy for Growth has been slowed in line with the project execution delays, however, this will resume in line with project progress.

Radiopharma Solutions and Industrial Accelerators

IBA sold four systems in the first half of 2017. Tests are being conducted on several new systems. Tests on the new Cyclone®KIUBE are progressing on the prototype at UZ Brussels, Belgium. The new Synthera®+ prototype has been installed and is under testing at a site in Turkey. The new TT50 Beta Unit has also started testing in Louvain-la-Neuve.

DOSIMETRY

	H1 2016 (EUR '000)	H1 2017 (EUR '000)	Change (EUR '000)	Change %
Net Sales	**23 896**	**28 353**	**4 457**	**18.7%**
REBITDA	**2 715**	**5 636**	**2 921**	**107.6%**
% of Sales	11.4%	19.9%		
REBIT	**2 229**	**5 449**	**3 220**	**144.5%**
% of Sales	9.3%	19.2%		

In the first half, Dosimetry sales were up 18.7% versus H1 2016 with high conversion rates on the 2014-2016 backlog, in particular in Europe. The high order intake of EUR 25.8 million is up EUR 2.6 million from H1 2016.

REBIT margins have grown significantly, boosted by revenue growth and the stable cost structure, and further demonstrating the strength of the diversified business units in smoothing out the typically lumpy sales cycles.

The backlog of EUR 15 million remains high (EUR 17.9 million at the end of 2016) and we expect the Dosimetry business (excluding temporary periodic effects) to continue to show low single-digit growth, in line with the radiotherapy market.

IBA now has more than 1 000 worldwide customers using its myQA® quality assurance platform, a unique platform that connects QA applications and data through a central database and software application.

Financial Review

IBA reported a 4.5% increase in total revenues to EUR 151.6 million during the first half (H1 2016: EUR 145.1 million).

Recurring operating results before interest and taxes (REBIT) were significantly impacted by delays in project execution, one-off cost increases and productivity delays in the Proton Therapy business. The Company's REBIT decreased to EUR 1.9 million from EUR 15.1 million in H1 2016.

Sales and marketing and general and administrative expenses increased in absolute values, however, they remain comparable to 2016 as a percentage of sales. R&D expenditure continued at around 11% of sales. The level of CAPEX was mostly due to investment in the new production infrastructure, manufacturing equipment and IT projects, hardware and software.

Other operating income and expenses in 2017 were mainly related to a reversal of accruals for long-term incentives, reorganizational costs and write-offs on accounts receivable.

Net financial expenses amounted to EUR 1.9 million in H1 2017 compared to expenses of EUR 1.5 million a year earlier.

The net cash position remains positive, with a period-end figure of EUR 21.2 million compared to EUR 44.5 million at the end of FY16. Cash flow from investing includes mainly the dividend paid in H1 2017.

The Group booked current income tax charges of EUR 2.3 million during H1 2017 mainly in the US, China and Germany.

Cash flow from operations was negative EUR 10.5 million at the end of June 2017 (negative EUR 12.9 million at the end of June 2016), mostly due to the negative variation of working capital stemming from inventory build-up on projects.

Cash flow from investments is negative at EUR 9.0 million due to CAPEX reflecting investment in the scale-up program including the production infrastructure and investment in software for client relationship management and computerized maintenance management. H1 2016 was positive at EUR 58.3 million thanks to a payment of EUR 62.3 million received following the disposal of IBA Molecular and a deferred dividend payment received from Pharmalogic of EUR 1.2 million, slightly offset by CAPEX of EUR 4.8 million reflecting the start of investment in the scale-up program.

Cash flow from financing was negative at EUR 5.3 million in H1 2017, following the EUR 8.5 million dividend payment and EUR 1.1 million of borrowing repayments partially compensated by EUR 4.1 million related to emphyteutic leasing rights for land related to the upcoming new infrastructure.

IBA had a cash position of EUR 50.0 million at the end of H1 2017, after a dividend payout of EUR 8.5 million.

Guidance

The Company bases its guidance upon the following:

- The soft near-term market for Proton Therapy and a strong competitive market leading to limited short-term visibility on the timing of new orders, which could affect short-term guidance
- The slower backlog conversion and delays in productivity initiatives resulting from project shifts
- The one-off costs experienced in the first half

Balanced by:

- The over EUR 1 billion backlog in equipment and services expected to be converted over the next 10 years
- The various investments made by the Company to structure itself for growth while maintaining profitability
- The continuing positive mid-term trend in proton therapy, most recently again supported by the expansion of indication policies for proton therapy by ASTRO and NCCN

IBA therefore reports the following guidance:

- 5-10% revenue growth and a low to mid-single digit operating margin for the full year 2017
- A flat to mid-single digit growth and a mid to high single digit REBIT margin for 2018/2019
- After this transition period, thanks to the growing importance of the service component and benefiting from the rescheduled productivity program, the Company expects to see high single-digit to low double-digit revenue growth while it remains confident on its previous target of 13 to 15% REBIT in the mid-term
- The Company's dividend policy remains unchanged

7.3 SUBSEQUENT EVENT

- No subsequent event.

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) Soumya Chandramouli. 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 2017 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 2017 General Meeting, the following changes occurred in the management of the Company:

- The mandate of Yves Jongen as internal director was renewed,
- The mandate Bayrime SA as other director was renewed,
- Hedvig Hricak was appointed external director,
- Bridging for Sustainability SPRL takes over the mandate of Median Sustainability S.L. as external director.

AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2017

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Report of the statutory auditor to the shareholders of the limited company Ion Beam Applications on the review of the Interim Condensed Consolidated Financial Statements as of 30 June 2017 and for the six months 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 as of 30 June 2017 and the related interim condensed consolidated income statement, comprehensive income, statement of changes in Shareholder's equity and cash flows for the six months period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position amounting to a total assets of € (thousand) 363,000 and a consolidated loss for the six months period then ended of € (thousand) 4,655.

The board of directors 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* as adopted by 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Diegem 22 August 2017

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

Vincent Etienne
Partner*

* Acting on behalf of a BVBA/SPRL

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