ION BEAM APPLICATIONS ("IBA")

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016

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, 2016 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 23, 2016. 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 8, 2013, his term will expire at the Ordinary General Meeting of shareholders in 2017 which will approve the 2016 financial statements. The mandate of Saint-Denis SA was renewed as an internal director at the Ordinary General Meeting of shareholders of May 13, 2015, his term will expire at the Ordinary General Meeting of shareholders in 2019 which will approve the 2018 financial statements.

External Directors: Consultance Marcel Miller SCS represented by Mr. Marcel Miller, Professor Mary Gospodarowicz, Katleen Vandeweyer Comm. V. represented by Mrs. Katleen Vandeweyer, Jeroen Cammeraat, Median Sustainability S.L. represented by Mrs. Sybille van den Hove, have been appointed external directors. Consultance Marcel Miller SCS was renewed as an external director during the Ordinary General Meeting of shareholders held on May 11, 2016, his term will expire at the Ordinary General Meeting of shareholders of 2020 which will approve the 2019 financial statements. Professor Mary Gospodarowicz was appointed external director by the Board of Director of August 29, 2012, appointment confirmed during the Ordinary General Meeting of shareholders held on May 8, 2013, her term will expire at the Ordinary General Meeting of shareholders of 2017 which will approve the 2016 financial statements. Katleen Vandeweyer Comm. V. was appointed external director during the Ordinary

General Meeting of shareholders held on May 14, 2014, her term will expire at the Ordinary General Meeting of shareholders of 2018 which will approve the 2017 financial statements. Jeroen Cammeraat was renewed external director during the Ordinary General Meeting of shareholders held on May 13, 2015, his term will expire at the Ordinary General Meeting of shareholders of 2019 which will approve the 2018 financial statements. Median Sustainability S.L. was 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 8, 2013, his term will expire at the Ordinary General Meeting of shareholders of 2017 which will approve the 2016 financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2016

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	January 1, 2016 (*) (EUR '000)	June 30, 2016 (EUR '000)
ASSETS			
Goodwill	6.3	3 821	3 821
Other intangible assets	6.3	8 629	8 520
Property, plant and equipment	6.3	9 327	11 866
Investments accounted for using the equity method		1 888	1 571
Other investments		7 116	7 116
Deferred tax assets	3.1	23 221	23 319
Long-term financial assets		779	2 497
Other long-term assets	6.4	16 691	18 576
Non-current assets		**71 472**	**77 286**
Inventories and contracts in progress	6.6	99 959	118 977
Trade receivables		59 938	66 233
Other receivables	6.7	81 846	18 855
Short-term financial assets		422	930
Cash and cash equivalents	6.2	81 715	89 508
Assets held for sale	2.3	0	0
Current assets		**323 880**	**294 503**
TOTAL ASSETS		**395 352**	**371 789**
EQUITY AND LIABILITIES			
Capital stock	6.10	40 864	41 438
Capital surplus	6.10	37 329	39 462
Treasury shares		-8 502	-8 502
Reserves		10 509	13 854
Currency translation difference		-1 993	-2 124
Retained earnings		84 259	52 227
Reserves for assets held for sale		0	0
Capital and reserves		**162 466**	**136 355**
Non-controlling interests		**0**	**0**
EQUITY		**162 466**	**136 355**
Long-term borrowings	6.5	15 220	28 814
Long-term financial liabilities		879	215
Deferred tax liabilities		697	697
Long-term provisions	6.11	7 062	6 488
Other long-term liabilities		3 162	3 263
Non-current liabilities		**27 020**	**39 477**
Short-term provisions	6.11	7 007	6 043
Short-term borrowings	6.5	16 454	2 147
Short-term financial liabilities		2 110	2 073
Trade payables		44 887	48 022
Current income tax liabilities		75	17
Other payables	6.8	135 333	137 655
Liabilities directly related to assets held for sale		0	0
Current liabilities		**205 866**	**195 957**
TOTAL LIABILITIES		**232 886**	**235 434**
TOTAL EQUITY AND LIABILITIES		**395 352**	**371 789**

(*) see note 1.2 change in accounting policy for employee benefit.

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2016

The Group has chosen to present its income statement using the “function of expenses” method. The notes on pages 10 to 34 are an integral part of these IFRS interim condensed consolidated financial statements.

	Note	June 30, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Sales		86 565	104 873
Services		34 432	40 255
Cost of sales and services (-)		-67 655	-80 881
Gross profit		**53 342**	**64 247**
Selling and marketing expenses		11 842	13 615
General and administrative expenses		15 600	19 422
Research and development expenses		13 286	16 077
Other operating expenses	6.9	5 512	4 512
Other operating (income)	6.9	-5 792	-40
Financial expenses		3 146	2 664
Financial (income)		-5 710	-1 191
Share of (profit)/loss of companies consolidated using the equity method		-1 072	-41
Profit/(loss) before taxes		**16 530**	**9 229**
Tax (income)/expenses	6.13 & 3.1	2 039	888
Profit/(loss) for the period from continuing operations		**14 491**	**8 341**
Profit/(loss) for the period from discontinued operations		-41	-44
Profit/(loss) for the period		**14 450**	**8 297**
Attributable to :			
Equity holders of the parent		14 450	8 297
Non-controlling interests		0	0
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	5.1	0.517	0.2901
- Diluted	5.2	0.491	0.2816
Earnings per share from continuing (EUR per share)			
- Basic	5.1	0.518	0.2916
- Diluted	5.2	0.492	0.2831
Earnings per share from discontinued operations (EUR per share)			
- Basic	5.1	-0.001	-0.0015
- Diluted	5.2	-0.001	-0.0015

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2016

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

	June 30, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Profit/(loss) for the period	**14 450**	**8 297**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	554	-131
Exchange differences on translation of foreign operations	*554*	*-131*
- Reserves movements of investments accounted for using the equity method	-139	0
Currency translation difference	*0*	*0*
Cash flow hedges	*0*	*0*
Other [1]	*-139*	*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	-1 338	3 082
- Gain on sales of treasury shares	120	0
- Other	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**13 647**	**11 248**
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	**13 647**	**11 248**

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

			Attributable to equity holders of the parent									
(EUR '000)	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – reserves movements of investment accounted for using the equity method	Other reserves – defined benefit plans	Other reserves - Other	Reverse convertible Bond SRIW	Currency translation difference	Retained earnings	TOTAL Shareholders' equity and reserves
Balance at 01/01/15	**39 852**	**32 431**	**-8 612**	**-2 891**	**14 167**	**4 335**	**0**	**175**	**5 000**	**-3 725**	**26 794**	**107 526**
Net profit/(loss) recognized directly in equity	0	0	0	-1 338	0	-139	0	0	0	554	120	-803
Profit/(loss) for the period	0	0	0	0	0	0	0	0	0	0	14 450	14 450
Comprehensive income for the period	**0**	**0**	**0**	**-1 338**	**0**	**-139**	**0**	**0**	**0**	**554**	**14 570**	**13 647**
Dividends	0	0	0	0	0	0	0	0	0	0	-4 999	-4 999
Employee stock options and share-based payments	0	0	110	0	330	0	0	0	0	0	0	440
Increase/ (decrease) in capital stock/ capital surplus	875	4 061	0	0	0	0	0	0	0	0	0	4 936
Other changes	0	0		0	0	0	0	0	0	0	41	41
Balance at 30/06/15	**40 727**	**36 492**	**-8 502**	**-4 229**	**14 497**	**4 196**	**0**	**175**	**5 000**	**-3 171**	**36 406**	**121 591**
Balance at 31/12/15	**40 864**	**37 329**	**-8 502**	**-3 236**	**14 736**	**0**	**0**	**175**	**0**	**-1 993**	**84 259**	**163 632**
Change in accounting policcies (*)	0	0	0	0	0	0	-1 166	0	0	0	0	-1 166
Balance at 01/01/16	**40 864**	**37 329**	**-8 502**	**-3 236**	**14 736**	**0**	**-1 166**	**175**	**0**	**-1 993**	**84 259**	**162 466**
Net profit/(loss) recognized directly in equity	0	0	0	3 082	0	0	0	0	0	-131	0	2 951
Profit/(loss) for the period	0	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**	**0**	**-131**	**8 297**	**11 248**
Dividends	0	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	0	263
Increase/ (decrease) in capital stock/ capital surplus	574	2 133	0	0	0	0	0	0	0	0	0	2 707
Other changes	0	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**	**0**	**-2 124**	**52 227**	**136 355**

In 2014 the Group's equity was strengthened through a new financing arrangement with the S.R.I.W. A ''reverse convertible bond'' was put in place allowing the Group to ask the conversion of this bond into ordinary shares at any time before December 31, 2015.

As at December, 31 2015, the conversion has not taken place therefore the ''reverse convertible bond'' has been reclassified as bank and other borrowings.

(*) see note 1.2 change in accounting policy for employee benefit.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED JUNE 30, 2016

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, 2015 (EUR '000)	June 30, 2016 (EUR '000)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) for the period		**14 450**	**8 297**
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	6.3	924	1 079
Amortization and impairment of intangible assets	6.3	1 012	1 252
Write-off on receivables		53	1
Changes in fair values of financial assets (gains)/losses		816	154
Changes in provisions		-4 988	262
Deferred taxes	6.13	346	-146
Share of results of associates and joint ventures accounted for using the equity method		-1 102	-41
(Profit)/loss on disposal of assets held for sale		0	0
Other non-cash items		1 079	-263
Net cash flow changes before changes in working capital		**12 590**	**10 595**
Trade receivables, other receivables, and deferrals		-9 821	-8 671
Inventories and contracts in progress		20 933	-22 358
Trade payables, other payables, and accruals		-7 231	11 805
Other short-term assets and liabilities		963	-3 162
Changes in working capital		**4 844**	**-22 386**
Income tax paid / received, net		-388	-1 778
Interest paid/ Interest received		558	702
Net cash (used in)/generated from operations		**17 604**	**-12 867**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment continuing activities	6.3	-1 080	-3 633
Acquisitions of property, plant and equipment discontinued activities		0	0
Acquisitions of intangibles assets continuing activities	6.3	-472	-1 143
Acquisitions of intangibles assets discontinued activities		0	0
Disposals of assets		12	1
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		20	63 437
Acquisitions of non-current financial assets and loan granted		0	0
Other investing cash-flows		-1	-390
Net cash (used in)/generated from investing activities		**-1 521**	**58 272**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	6.5	0	15 750
S.R.I.W. reverse convertible bond		0	0
Repayment of borrowings	6.5	-2 596	-16 463
Net interest (paid)/received		-549	-545
Capital increase (or proceeds from issuance of ordinary shares)		4 936	2 707
(Purchase)/sales of treasury shares		230	0
Dividends paid		-4 999	-40 332
Other financing cash flows		-308	561
Net cash (used in)/generated from financing activities		**-3 286**	**-38 322**
Net cash and cash equivalents at the beginning of the period		**37 176**	**81 715**
Change in net cash and cash equivalents		12 797	7 083
Exchange gains/(losses) on cash and cash equivalents		-43	710
Net cash and cash equivalents at the end of the period		**49 930**	**89 508**

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, 2016. 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, 2015.

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 2015, except for the change presented below and for the adoption of new standards and interpretations effective as of 1 January 2016.

Change in accounting policy for employee benefit:

The Group operates a contribution based plan funded through payments to an insurance company. The employer guarantees a minimum return of 3.25% on employer contributions resulting in a financial risk to be borne by the Group.

Up to December 31, 2015, the Group had opted to account for these plans using the intrinsic value method.

Following the evolution with respect of minimum guaranteed return, the plans are to be considered as defined benefit plans instead of contribution plans following IAS 19. As a result, the Group has changed its valuation rule and has adopted the projected unit credit method.

The impact on the financial statements is a provision of EUR 1.16 million recorded against reserves in equity in the restated financial position as of January 1, 2016. The impact on the income statement and other comprehensive income as of June 30, 2016 is not deemed to be significant.

The employee benefit provisions were calculated on the basis of the following assumptions:

Discount rate: 0.7% or 1.5% based the respective duration of each plan
Mortality table: IABE
Inflation rate: 1.6%
Salary adjustment rate: 2% per annum
Retirement age: 60

New standards and amendments:

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

- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception[1], effective 1 January 2016
- Amendments to IFRS 11 *Joint Arrangements* – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January 2016
- Amendments to IAS 1 *Presentation of Financial Statements* – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 19 *Employee Benefits* – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Amendments to IAS 27 *Separate Financial Statements* – Equity Method in Separate Financial Statements, effective 1 January 2016
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014), effective 1 January 2016

[1] Not yet endorsed by the EU as per 28 June 2016.

Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

This amendment is not relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

The amendments require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments did not have any impact on the Group’s financial position and performance as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income. These amendments did not have any impact on the presentation and disclosures in the Group’s financial statements, as it has applied these items consistent with the clarifications to IAS 1 in prior years.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments had no impact on the Group’s financial position and performance given that the Group has not used a revenue-based method to depreciate its non-current assets.

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

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. These amendments did not have any impact on the Group's financial statements.

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

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. The improvements became effective for financial years beginning on or after 1 February 2015.

- IFRS 2 Share-based Payment: This improvement is applied prospectively and clarifies various issues, including:
  - A performance condition must contain a service condition
  - A performance target must be met while the counterparty is rendering service
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
  - A performance condition may be a market or non-market condition
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

  The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods, and thus these amendments do not impact the Group's accounting policies.
- IFRS 3 Business Combinations: This improvement is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.
- IFRS 8 Operating Segments: These improvements are applied retrospectively and clarify that:
  - An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8.12, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ''similar''
  - The reconciliation of segment assets to total assets is only required to be disclosed if this reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

  The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in note 4 in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.
- IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets: This improvement is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by either adjusting the gross carrying amount of the asset to market value, or determining the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current period.
- IAS 24 Related Party Disclosures: This improvement is applied retrospectively and clarifies that a management entity - an entity that provides key management personnel services - is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)

The IASB issued the 2012-2014 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements cover the following standards and subjects. The improvements became effective for financial years beginning on or after 1 January 2016.

- IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal: Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. This improvement is applied prospectively and clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This is consistent with the Group's current accounting policy, and thus this amendment did not impact the Group's accounting policy.
- IAS 19 Employee Benefits - Regional market issue: This improvement is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The Group does not currently have any defined benefit plan obligations that are denominated in a currency other than the currency of the country where the obligation is located.
- IAS 34 Interim Financial Reporting - Disclosure of information "elsewhere in the interim financial report": This improvement is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is consistent with how the Group has made similar disclosures and cross-references to its interim financial report in previous periods, and thus these amendments do not impact the Group's interim financial statements.

New and amended standards and interpretations, issued but not yet effective for financial years starting after 1 January 2016

New and amended 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.

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions6, effective 1 January 2018
- IFRS 9 Financial Instruments (2), 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 Customers, effective 1 January 2018
- IFRS 16 Leases, effective 1 January 2019
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative6, effective 1 January 2017
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses6, effective 1 January 2017

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

The amendments clarify how to account for certain types of share-based payment transactions and provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments
- Share-based payment transactions with a net settlement feature for withholding tax obligations
- A modification to the terms and conditions of a share-based payment that changes the

[2] Not yet endorsed by the EU as per 28 June 2016.

classification of the transaction from cash-settled to equity-settled.

The above amendments are consistent with how the Group has applied IFRS 2 Share-based Payment transactions in previous periods, and thus these amendments do not impact the Group's accounting policies. The amendments become effective for financial years beginning on or after 1 January 2018, with early adoption permitted. The amendments are to be applied prospectively. However, retrospective application is allowed if this is possible without the use of hindsight. If an entity applies the amendments retrospectively, it must do so for all of the amendments described above.

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments 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 financial years 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 plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from Contracts with Customers

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 financial years 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 full retrospective method. The Group will start the assessment of IFRS 15 during the second semester of 2016. Furthermore, the Group is considering the clarifications issued by the IASB and will monitor any further developments.

IFRS 16 Leases

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17 with recognition exemptions for leases of ''low-value'' assets and short-term leases. Lessees recognize a liability to pay rentals with a corresponding asset, and recognize interest expense and depreciation separately. Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The lease expense recognition pattern for lessees might be accelerated as compared to today. Key balance sheet metrics such as leverage and finance ratios, debt covenants and income statement metrics, such as earnings before interest, taxes, depreciation and amortization (EBITDA), might be impacted. Also, the cash flow statement for lessees might be affected as payments for the principal portion of the lease liability will be presented within financing activities. The Group is currently assessing the impact of IFRS 16. The new standard is effective for financial years beginning on or after 1 January 2019, with certain transition reliefs permitted. Early application is permitted, but not before an entity applies IFRS 15 Revenue from Contract with Customers. Entities that are lessees are allowed to choose either a full retrospective or a modified retrospective transition approach.

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

The amendments require a reconciliation of the amounts in the opening and closing statements of financial position for each item classified as financing in the statement of cash flows. The reconciliations will be included in the notes to the financial statements once the amendments become effective. The amendments are effective for financial years beginning on or after 1 January 2017.

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

The narrow-scope amendments to IAS 12 clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for financial years beginning on or after 1 January 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, 2015	Average rate for the 6 months period at June 30, 2015	Closing rate at December 31, 2015	Average annual rate 2015	Closing rate at June 30, 2016	Average rate for the 6 months period at June 30, 2016
USD	1.1189	1.1171	1.0887	1.1105	1.1102	1.1161
SEK	9.2150	9.3423	9.1895	9.3512	9.4242	9.2961
CNY	6.9366	6.8293	7.0608	6.9026	7.3755	7.2947
INR	71.1873	70.0886	72.0215	71.0845	74.9603	74.8966
JPY	137.010	134.2967	131.0700	134.3683	114.0500	124.5580
CAD	1.3839	1.3783	1.5116	1.4181	1.4384	1.4848
RUB	62.3550	64.5882	80.6736	67.8946	71.5200	78.1635
GBP	0.7114	0.7331	0.7340	0.7264	0.8265	0.7787

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 19 companies and associated companies in 9 countries. Of these, 16 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, 2015
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%	-

2.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2015
CONTINUING OPERATIONS			
Sceti Medical Labo KK	Japan	39.80%	-
Rose Holding SARL	Luxembourg	0.00%	-40.00%
Cyclhad SAS	France	33.33%	-
DISCONTINUING OPERATIONS			
PharmaLogic Pet Services of Montreal Cie	Canada	48.00%	-

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

2.3.1 ACQUISITIONS OF COMPANIES

No acquisition of company was completed during the 6 first months of 2016.

2.3.2 DISPOSAL OF COMPANIES

No disposal of company was completed during the 6 first months of 2016. In March 2016, IBA collected the cash for the disposal of IBA Molecular and the deferred dividend of Pharmalogic for a total amount of 63.4 million.

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, 2016, the Group has accumulated net operating losses available to offset future taxable profits mainly in Belgium and Russia for a total of EUR 90 million and temporary differences amounting to EUR 7.5 million. The Group recorded deferred tax assets amounting to EUR 20.5 million with the view to use the tax losses carried forward of IBA SA and EUR 2.8 million as temporary differences as at June 30, 2016.

The June 30, 2016 income statement was positively impacted by the increase of deferred tax assets on temporary differences in Germany for EUR 0.1 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) 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.

As at June 2016, the provision amounts to EUR 2.8 million. The provision is calculated on a prorate basis of the achieved objectives versus targeted objectives.

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. 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, 2015 Net carrying value	December 31, 2015 Fair value	June 30, 2016 Net carrying value	June 30, 2016 Fair value
FINANCIAL ASSETS					
Trade receivables	Loans and receivables	59 938	59 938	66 233	66 233
Long-term receivables on contracts in progress	Loans and receivables	882	882	861	861
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	15 809	15 809	17 715	17 715
Non-trade receivables and advance payments	Loans and receivables	11 927	11 927	12 412	12 412
Other short-term receivables	Loans and receivables	69 919	69 919	6 442	6 442
Other investments	Available for sale	7 116	7 116	7 116	7 116
Cash and cash equivalents	Loans and receivables	81 715	81 715	89 508	89 508
Hedging derivative products	Hedge accounting	1 065	1 065	3 381	3 381
Derivative products – other	FVPL2	136	136	47	47
TOTAL		**248 507**	**248 507**	**203 715**	**203 715**
FINANCIAL LIABILITIES					
Bank and other borrowings	FLAC	31 250	31 250	30 750	30 750
Financial lease liabilities	FLAC	424	424	211	211
Trade payables	FLAC	44 887	44 887	48 022	48 022
Hedging derivative products	Hedge accounting	2 836	2 836	2 102	2 102
Derivative products – other	FVPL2	153	153	186	186
Other long-term liabilities	FLAC	3 162	3 162	3 263	3 263
Amounts due to customers for contracts in progress	FLAC	104 620	104 620	102 351	102 351
Social debts	FLAC	11 930	11 930	14 328	14 328
Other short-term liabilities	FLAC	18 783	18 783	20 976	20 976
Short-term tax liabilities	FLAC	75	75	17	17
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**218 120**	**218 120**	**222 206**	**222 206**

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, 2015 and June 30, 2016, 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, 2016.

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

(EUR '000)	Level 1	Level 2	Level 3	June 30, 2016
- Forward foreign exchange contracts		3 348		3 348
- Foreign exchange rate swaps		33		33
Hedge-accounted financial assets		**3 381**		**3 381**
- Forward foreign exchange contracts		45		45
- Foreign exchange rate swaps		2		2
- Other financial assets at fair value through the income statement				
Financial assets at fair value through the income statement		**47**		**47**
- Forward foreign exchange contracts		2 063		2 063
- Foreign exchange rate swaps		39		39
Hedge-accounted financial liabilities		**2 102**		**2 102**
- Forward foreign exchange contracts		153		153
- Foreign exchange rate swaps		33		33
Financial liabilities at fair value through the income statement		**186**		**186**

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, 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.

Six months ended June 30, 2016	Protonherapy and other accelerators (EUR '000)	Dosimetry (EUR '000)	GROUP (EUR '000)
Non-current assets	69 039	6 676	75 715
Current assets	274 713	19 790	294 503
Segment assets	**343 752**	**26 466**	**370 218**
Investments accounted for using the equity method			1 571
Unallocated assets			0
TOTAL ASSETS	**343 752**	**26 466**	**371 789**
Non-current liabilities	38 190	1 287	39 477
Current liabilities	187 946	8 011	195 957
Segment liabilities	**226 136**	**9 298**	**235 434**
Unallocated liabilities			
TOTAL LIABILITIES	**226 136**	**9 298**	**235 434**

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	

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

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

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, 2015	June 30, 2016
Earnings attributable to parent equity holders (EUR '000)	14 450	8 297
Weighted average number of ordinary shares	27 954 969	28 596 543
Basic earnings per share from continuing and discontinued operations (EUR per share)	**0.517**	**0.2901**
Earnings from continuing operations attributable to parent equity holders (EUR '000)	14 491	8 341
Weighted average number of ordinary shares	27 954 969	28 596 543
Basic earnings per share from continuing operations (EUR per share)	**0.518**	**0.2916**
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	-41	-44
Weighted average number of ordinary shares	27 954 969	28 596 543
Basic earnings per share from discontinued operations (EUR per share)	**-0.001**	**-0.0015**

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 dilutive potential on ordinary shares: stock options and the SRIW reverse convertible bond. Since end 2015, the Company has only one category of dilutive potential on 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, 2015	June 30, 2016
Weighted average number of ordinary shares	27 954 969	28 596 543
Average share price over period	20.59	35.98
Weighted average diluted shares	1 552 139	867 920
Weighted average number of ordinary shares for diluted earnings per share	29 507 108	29 464 464
Earnings attributable to parent equity holders (EUR '000)	14 450	8 297
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**0.491**	**0.2816**
Earnings from continuing operations attributable to parent equity holders (EUR '000)	14 491	8 341
Diluted earnings per share from continuing operations (EUR per share)	**0.492**	**0.2831**
Earnings from discontinued operations attributable to parent equity holders (EUR '000)	-41	-44
Diluted earnings per share from discontinued operations (EUR per share)	**-0.001**	**-0.0015**

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, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Bank balances and cash	40 883	69 446
Accounts with restrictions shorter than 3 months	0	0
Short-term bank deposits	9 047	20 062
	49 930	**89 508**
Cash and cash equivalents attributable to assets held for sale	0	0
	49 930	**89 508**

6.3 CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended June 30, 2016	Property, plant and equipment (EUR '000)	Intangible (EUR '000)	Goodwill (EUR '000)
Net carrying amount at opening	**9 327**	**8 629**	**3 821**
Additions continuing activities	3 633	1 143	0
Disposals	-2	0	0
Transfers	0	0	0
Currency translation difference	-13	0	0
Revaluation	0	0	0
Assets reclassified to held for sale	0	0	0
Depreciation/amortisation and impairment	-1 079	-1 252	0
Net carrying amount at closing	**11 866**	**8 520**	**3 821**

No impairment losses are recognized on property, plant and equipment or intangible assets in the 2016 interim financial statement.

6.4 OTHER LONG-TERM ASSETS

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Long-term receivables on contracts in progress	882	861
Research and development tax credit	7 643	8 814
Other assets	8 166	8 901
TOTAL	**16 691**	**18 576**

As at June 30, 2016, “Other assets” mainly consist of EUR 0.9 million in receivables with an associated company, a loan (principal and interest) and receivables for a total amount of EUR 7.8 million in a company in which the Group holds an investment and bank deposits to EUR 0.14 million.

As at December 31, 2015, “Other assets” mainly consisted of EUR 0.7 million in receivables with an associated company, a loan (principal and interest) and receivables for a total amount of EUR 7.0 million in a company in which the Group holds an investment and bank deposits to EUR 0.4 million.

6.5 MOVEMENT ON BANK AND OTHER BORROWINGS

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Current	16 250	2 000
Non-current	15 000	28 750
Total	**31 250**	**30 750**
Opening amount	**31 250**	**31 250**
New borrowings	5 000	15 750
Repayment of borrowings	-5 000	-16 250
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing amount	**31 250**	**30 750**

European Investment Bank:

The Group had borrowed EUR 30 million from the European Investment Bank (E.I.B.) and made repayments for a total of EUR 13.75 million at end 2015. In January 2016, the Group introduced a notice of early repayment of the total outstanding amount with the purpose to partially refinance this amount in the financial markets at a lower average cost of financing (repayment of EUR 10 million at end February 2016 and repayment of EUR 6.25 million at end March 2016). At June 30, 2016, the E.I.B. bank borrowing is fully repaid.

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 S.R.I.W. 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. The first repayment in principal of EUR 0.5 million occurred at the 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, 2016, the Group has at its disposal credit lines and credit facilities up to EUR 69.8 million of which 44.09% are used to date.

Utilized credit facilities are as follows:

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
FLOATING RATE		
– expiring within one year	16 250	0
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**16 250**	**0**
FIXED RATE		
– expiring within one year	0	2 000
– expiring beyond one year	15 000	28 750
TOTAL FIXED RATE	**15 000**	**30 750**
TOTAL	**31 250**	**30 750**

The bank and other borrowings include loans from European Investment Bank for EUR 0 million in 2016 (EUR 16.25 million in 2015) and from S.R.I.W. for EUR 15 million in 2016 (EUR 15 million in 2015) and a bank loan for an amount of EUR 10 million and an issued bond for an amount of EUR 5.75 million.

Unutilized credit facilities are as follows:

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
FLOATING RATE		
– expiring within one year	30 000	30 000
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**30 000**	**30 000**
FIXED RATE		
– expiring within one year	9 000	9 000
– expiring beyond one year	0	0
TOTAL FIXED RATE	**9 000**	**9 000**
TOTAL	**39 000**	**39 000**

In 2014, IBA strengthened the availability of financing by obtaining a long-term subordinated facility bond of EUR 9 million from the S.F.P.I.. As at June 30, 2016, the Group had not drawn up on it.

6.6 INVENTORIES AND CONTRACTS IN PROGRESS

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Raw materials and supplies	50 872	63 957
Finished products	6 178	5 063
Work in progress	3 353	3 676
Contracts in progress (in excess of billing)	47 202	54 420
Write-off of inventories	-7 646	-8 139
Inventories and contracts in progress	**99 959**	**118 977**

Contracts in progress	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Costs to date and recognized revenue	519 437	534 600
Less : progress billings	-472 235	-480 180
Contracts in progress	**47 202**	**54 420**
Net amounts due to customers for contracts in progress	104 620	102 351

6.7 OTHER RECEIVABLES

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Non-trade receivables	11 927	12 412
Prepaid Expenses -Third Party	1 175	2 134
Accrued Income – Third Party	824	783
Current income tax receivable	1 455	2 369
Other current assets	66 465	1 157
Other receivables	**81 846**	**18 855**

The decrease in other current assets during the 6 first months of 2016 is mainly explained by the payment of the receivable resulting from the disposal in December 2015 of IBA Molecular by IBA and SK Capital Partners to Funds advised by CapVest Partners LP ("CapVest") for EUR 64 million and by the payment of the discounted earn-out related to the disposal of Pharmalogic Montreal assets concluded in March 2014 for EUR 1.15 million.

6.8 OTHER PAYABLES AND ACCRUALS

	December 31, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Amounts due to customers for contracts in progress (or advances received on contracts in progress)	104 620	102 351
Social debts	11 930	14 328
Accrued charges	2 760	2 562
Accrued interest charges	134	193
Deferred income	6 480	8 002
Capital grants	142	477
Non-trade payables	3 039	6 009
Other	6 228	3 733
Other payables and accruals	**135 333**	**137 655**

6.9 OTHER OPERATING INCOME AND EXPENSES

The other operating expenses of EUR 4.5 million in 2016 include 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.

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

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

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, 2015	**29 115 067**	**40 864 186**	**37 328 740**	**-8 501 979**	**69 690 947**
Stock options exercised	408 817	573 800	2 133 053	0	2 706 853
Capital increase	0	0	0	0	0
Balance at June 30, 2016	**29 523 884**	**41 437 986**	**39 461 793**	**-8 501 979**	**72 397 800**

6.11 PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits (*)	Other employee benefits	Other	Total
At January 1, 2016	**558**	**3 872**	**140**	**1 166**	**2 529**	**5 804**	**14 069**
Additions (+)	48	795	0	0	458	7	1 308
Write-backs (-)	0	-778	0	0	0	-268	-1 046
Utilizations (-)	0	-1 043	0	0	-27	-685	-1 755
Actuarial (gains)/losses	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Currency translation difference	-1	-3	0	0	4	-45	-45
Total movement	**47**	**-1 029**	**0**	**0**	**435**	**-991**	**-1 538**
At June 30, 2016	**605**	**2 843**	**140**	**1 166**	**2 964**	**4 813**	**12 531**

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

- Reversal of provisions amounting to EUR -0.25 million covering an unrecoverable risk in full on a contractual commitment on a proton therapy project.
- 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:

- Additional provisions amounting to EUR 0.4 million for the Group Long Term Incentive plan.

6.12 LITIGATION

The Group is currently not involved in any significant litigation.

(*) see note 1.2 change in accounting policy for employee benefit.

6.13 INCOME TAX

	June 30, 2015 (EUR '000)	June 30, 2016 (EUR '000)
Current taxes	1 693	1 034
Deferred taxes (income)/expense	346	-146
Total	**2 039**	**888**

6.14 PAID AND PROPOSED DIVIDENDS

The dividend of 1.39 cents per share proposed at the Ordinary General Meeting of May 11, 2016 was approved.

Given the excellent financial performance expected by the company, IBA confirms a future dividend payout target of 30%.

6.15 RELATED PARTY TRANSACTIONS

6.15.1 CONSOLIDATED COMPANIES

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

6.15.2 TRANSACTIONS WITH AFFILIATED COMPANIES

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

	June 30, 2015 (EUR '000)	June 30, 2016 (EUR '000)
ASSETS		
Receivables		
Long-term receivables	2 628	858
Trade and other receivables	1 297	377
Impairment of receivables	-588	0
TOTAL RECEIVABLES	**3 337**	**1 235**
LIABILITIES		
Payables		
Trade and other payables	116	0
TOTAL PAYABLES	**116**	**0**
INCOME STATEMENT		
Sales	1 211	3 578
Costs	-304	-1 033
Financial income	12	124
Financial expense	0	0
Other operating income	59	0
Other operating expense	0	0
TOTAL INCOME STATEMENT	**978**	**2 669**

6.15.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at June 30, 2016

	Number of shares	%
Belgian Anchorage SCRL	6 204 668	21.01%
IBA Investments SCRL	610 852	2.07%
IBA SA	63 519	0.22%
UCL ASBL	426 885	1.45%
Sopartec SA	234 531	0.79%
Institut des Radioéléments FUP	1 423 271	4.82%
Société Régionale d'Investissement de Wallonie (S.R.I.W.)	704 491	2.39%
Société Fédérale de Participation et d'investissement (S.F.P.I.)	69 200	0.23%
Public	19 786 467	67.02%
TOTAL	**29 523 884**	**100.00%**

The transactions completed with the shareholders are the following:

	June 30, 2015 (EUR '000)	June 30, 2016 (EUR '000)
ASSETS		
Receivables		
Long-term receivables	0	0
Trade and other receivables	0	0
Impairment of receivables	0	0
TOTAL RECEIVABLES	**0**	**0**
LIABILITIES		
Payables		
Bank borrowings	10 000	15 000
Trade and other payables	197	117
TOTAL PAYABLES	**10 197**	**15 117**
INCOME STATEMENT		
Sales	0	0
Costs	0	0
Financial income	0	0
Financial expense	-168	-403
Other operating income	0	0
Other operating expense	0	0
TOTAL INCOME STATEMENT	**-168**	**-403**

To the best of the Company's knowledge, there were no other relationships or special agreements among the shareholders at June 30, 2016.

7. INTERIM MANAGEMENT REPORT

7.1 FIGURES AND SIGNIFICANT EVENTS:

	H1 2015 (EUR '000)	H1 2016 (EUR '000)	Variation (EUR '000)	Variation %
Sales & Services	120 997	145 128	24 131	19.9%
REBITDA	14 605	17 970	3 365	23.0%
% of Sales	*12.1%*	*12.4%*		
REBIT	12 614	15 133	2 519	20.0%
% of Sales	*10.4%*	*10.4%*		
Net Profit	14 450	8 297	-6 153	-42.6%
% of Sales	*11.9%*	*5.7%*		

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

Business Highlights

- Total Group H1 revenues of EUR 145.1 million, up 19.9% (H1 2015: EUR 121 million) – on track to meet full-year 2016 revenue growth guidance of above 20%
- REBIT up 20% to EUR 15.1 million and margin at 10.4% – on track to achieve 11% FY guidance
- Reported net profit EUR 8.3 million, down EUR 6.2 million from H1 2015, reflecting large non-recurring income in prior period
- Strong growth in Proton Therapy and Other Accelerators – H1 order intake up 30.5% to EUR 143.6 million from H1 2015, comprising three Proteus®ONE and eight Proteus®PLUS rooms (2 solutions), 8 other accelerators and upgrades that represent more than EUR 13 million of order intake for the period
- High period-end backlog for Proton Therapy and Other Accelerators of EUR 348.6 million, up 15% from H1 2015 and with Proteus®ONE orders making up 37% of the backlog, demonstrating IBA's unique competitive advantage in fast-growing single room compact solution market
- Proton Therapy Services backlog of EUR 567.4 million, up 12% from H1 2015
- Solid Dosimetry backlog of EUR 18.3 million, up from EUR 17.8 million in H1 2015 – H1 revenues down from H1 2015 due to very strong sales level in H1 2015 and slower conversion rate on long-term orders in H1 2016

Financial Highlights

- Growth strategy on track, including staff recruitment and production capacity scale-up to meet proton therapy demand. The recruitment of 400 engineers is progressing well, with 206 already hired
- 11 proton therapy rooms sold in H1 confirming IBA's growing leadership in this key market segment
- Contract signed with Belgium's first proton therapy center to install a Proteus®ONE
- Further benefit of Philips collaboration – additional Proteus®ONE order signed with Proton Partners International and a three-room Proteus®PLUS in Mumbai, India
- New contract for a Proteus®ONE signed with existing customer, University of Florida Health Proton Therapy Institute, associated with an upgrade to its existing proton therapy center with latest technologies
- Continuing penetration of Chinese market with a contract for a five-room Proteus®PLUS solution in Qingdao, China – contract not yet included in backlog pending down payment
- CE mark authorization received for new generation superconducting accelerator for Proteus®ONE
- New evolutionary cyclotron launched by IBA at the 2016 Society of Nuclear Medicine and Molecular Imaging (SNMMI) annual meeting in San Diego, California
- Strengthening of management team with appointment of Jean-Marc Bothy as Chief Strategy Officer and Soumya Chandramouli as Chief Financial Officer

7.2 OPERATING REVIEW

PROTON THERAPY AND OTHER ACCELERATORS

	H1 2015 (EUR '000)	H1 2016 (EUR '000)	Change (EUR '000)	Change %
Net Sales	**94 211**	**121 232**	**27 021**	**28.7%**
- Protontherapy	68 603	96 637	28 034	40.9%
- Other accelerators	25 608	24 595	-1 013	-4.0%
REBITDA	**9 105**	**15 255**	**6 150**	**67.5%**
% of Sales	*9.7%*	12.6%		
REBIT	**7 778**	**12 904**	**5 126**	**65.9%**
% of Sales	*8.3%*	10.6%		

Total net sales were up 28.7% in the first half to EUR 121.2 million, driven by strong growth in Proton Therapy including double digit growth for both equipment sales and services at 33.5% and 18.5% respectively. The slight decline in Other Accelerators is due to a slowdown as a result of production planning, however it is expected to be recovered in the second half of the year.

Service revenues continue to contribute approximately one third of segment revenues.

REBITDA for the business segment grew significantly by 67.5% to EUR 15.3 million as equipment revenues continue to grow and the installed base expands.

Proton Therapy

Major Commercial Wins

IBA has had a strong first half performance with several major commercial wins. With the sale of 11 proton therapy rooms in the first half of 2016, IBA has had record sales and has confirmed its leadership position. The PT solutions sold by IBA in this period are spread over customer sites in the US, Europe and Asia and include the following:

The **Tata Memorial Centre in Mumbai, India,** will be equipped with IBA's *Proteus®PLUS* three-gantry room configuration, including latest generation Pencil Beam Scanning capability.

IBA has signed a contract with the **University Hospitals Leuven (UZ Leuven) and Katholieke Universiteit Leuven (KU Leuven)** to install a *Proteus®ONE* solution. This will be Belgium's first proton therapy center in a project with Université Catholique de Louvain (UCL), Cliniques universitaires Saint-Luc and other Belgian universities.

The **University of Florida Health Proton Therapy Institute (UFHPTI)** will install a new *Proteus®ONE* solution.

IBA has also signed a contract with **Qingdao Zhong Jia Lian He Healthcare Management Company Limited** to install a *Proteus®PLUS** five-room solution in Qingdao, Shandong Province, China.

China has become a major focus for IBA Proton Therapy division.

IBA has signed a new binding term sheet with **Proton Partners International (PPI)**, to install a *Proteus®ONE* compact proton therapy solution. This latest purchase is part of PPI's strategy to expand its proton therapy network internationally. The location of this center will be disclosed at a later stage.

Additionally, IBA generates increasing revenue from the upgrade of existing PT centers equipped with IBA technology, keeping them at the forefront of research and advanced treatments in the fight against cancer. For example, IBA and the **Institut Curie** announced the signature of an agreement for the manufacturing, delivery, installation and maintenance of a new research beam line. This line will be connected to the existing beam transport line. This agreement also includes future research projects to be performed jointly by the two organizations over the next ten years. Another example is the upgrade of proton therapy equipment of **University of Florida Health Proton Therapy Institute (UFHPTI)** with IBA's latest technologies including Pencil Beam Scanning and Cone Beam CT.

Proton Therapy Achievements

IBA recently received CE mark authorization of its new super conducting accelerator. Getting the CE-marking for the new Proton Therapy Synchro-Cyclotron is crucial to *Proteus®ONE* business plans.

Post period close, IBA also received FDA approval for all features of the integrated solution *Proteus®ONE*.

Post period close, Penn Medicine and IBA announced the world's first patient treatment using IBA's Prompt Gamma camera in in Pencil Beam Scanning Mode, providing *in vivo* feedback on the proton beam penetration depth within the patient on an individual spot basis, thus allowing unprecedented quality control of the target volume coverage.

Finally, IBA announced in August that it invested USD 2 million in HIL Applied Medical Ltd to develop a laser-based proton therapy solution. HIL is applying a novel, patented approach to particle acceleration and delivery, combining nano-technology with ultra-high-intensity lasers and ultra-fast magnets. This potential technological breakthrough could enable a meaningful reduction in the size and cost of proton therapy solutions without compromising clinical utility.

Other Accelerators

IBA launched a new evolutionary cyclotron at the 2016 Society of Nuclear Medicine and Molecular Imaging (SNMMI) annual meeting in San Diego, California, United States. The *Cyclone® KIUBE* is a true evolutionary cyclotron meaning that production capacity can be increased step-by-step. Positron Emission Tomography (PET) imaging procedures play a critical role in medical care today and growing demand for radioisotopes means a greater need for efficiency. This new 18MeV cyclotron is more compact and powerful.

DOSIMETRY

	H1 2015 (EUR '000)	H1 2016 (EUR '000)	Change (EUR '000)	Change %
Net Sales	**26 786**	**23 896**	**-2 890**	**-10.8%**
REBITDA	**5 500**	**2 715**	**-2 785**	**-50.6%**
% of Sales	*20.5%*	11.4%		
REBIT	**4 836**	**2 229**	**-2 607**	**-53.9%**
% of Sales	*18.1%*	9.3%		

The Dosimetry market continues to be challenging with H1 sales decreasing 10.8% to EUR 23.9 million versus the same period in 2015, in part due to the comparative strength of H1 2015 as well as a slower conversion rate in 2016 on long-term orders. It is worth noting that the longer-term growth trajectory remains in line with that of the market. Over the last three years, the average growth (excluding temporary periodic effects) shows 3% growth in line with the Linac market. The Dosimetry backlog remains high at EUR 18.3 million (EUR 17.8 million at the end of H1 2015).

In August Dosimetry announced the first worldwide clinical implementation of its newly released Dolphin Online Ready Patient QA and Monitoring. The team at the radiation therapy department of the Klinikum Bayreuth GmbH in Germany, has successfully validated and clinically implemented three Dolphin systems at two of their sites.

In addition, IBA Dosimetry has also announced the third release of its global quality assurance platform: myQA®. myQA is a unique platform that connects QA applications and data through a central database and software application.

Human resources and management team

Following the proton therapy orders booked over the last few years globally, IBA launched an international plan to recruit 400 new employees over the year. Approximately half of these will be based in Louvain-la-Neuve, Belgium, with the remainder in the USA, Europe and Asia. The majority of hires are field service engineers, responsible for the installation and maintenance of proton therapy solutions. Of the planned 400 hires, 206 positions have been filled as of end June 2016.

In June, IBA announced the strengthening of its management team with the appointment of Jean-Marc Bothy as Chief Strategy Officer and Soumya Chandramouli as Chief Financial Officer.

IBA Molecular

In March, IBA completed the sale of IBA Molecular ("IBAM"), in which IBA had a 40% stake, to funds advised by CapVest Partners LP ("CapVest"). With this transaction, IBA has fully exited its joint venture with SK Capital Partners and retains no interests in IBA Molecular.

Financial Review

IBA confirms strong top line growth, with a 19.9% increase in revenues to EUR 145.1 million during the first half of 2016 (H1 2015: EUR 121 million) across both service and equipment delivery.

The gross margin improved to 44.3% in the first half of 2016 from 44.1% in the first half of 2015.

Recurring operating profits before interest and taxes (REBIT) grew in line with top line revenues despite a EUR 8.4 million increase in operational expenses in the first half of 2016 and lower profitability in the Dosimetry segment.

Within operational expenses, sales and marketing expenses grew 15% in the first half of 2016, reflecting continuing efforts to further expand the record order intake and the overall Proton Therapy market. General and administrative expenses increased by 25% reflecting the support required for the ongoing operational scale-up. Research and Development expenses increased by 21% compared to the same period last year, in line with the revenue growth, maintaining R&D spending at around 11% of revenues.

As a consequence, the Company's REBIT grew by 19.9% in H1 2016 to EUR 15.1 million from EUR 12.6 million in H1 2015. REBIT margins remained constant at 10.4% in H1, mostly stemming from heavy scale-up efforts during H1 and the lower profitability of Dosimetry and are expected to meet the target of 11% for the current financial year.

Net other operating expenses of EUR 4.5 million include the fluctuating valuation of stock options; special discretionary bonuses granted to IBA employees, excluding management; accruals on a long term incentive plan now nearing [maturity]; severance fees; and write-offs on Other Accelerators projects and other assets, all of which are non-recurring.

Net financial expenses amounted to EUR 1.5 million in H1 2016 compared to an income of EUR 2.6 million a year earlier. This was mostly due to foreign exchange gains on US dollar holdings in the prior period.

Following the completion of the sale of IBA's stake in IBA Molecular during H1 2016, the share of (profit)/loss of equity-accounted companies is no longer material.

Despite on-track topline growth and similar REBIT growth, profit before tax declined to EUR 9.2 million in H1 2016 from EUR 16.5 million a year before, mostly due to the one-off positive impacts last year from exchange rate financial gains, other operating income from the reversal of a decommissioning provision on a closed facility and the share of result of equity-accounted entities.

The Group booked current income tax charges of EUR 1 million during H1 2016.

Cash flow from operations fell to a negative EUR 12.9 million at the end of June 2016 from EUR 17.6 million at the end of June 2015, mostly due to the negative variation of working capital stemming from the inventory build-up to sustain increased production and timing of down payments strongly concentrated on H2 2016. Cash flow from investments was EUR 58.3 million in H1 2016 compared with negative cash flow of EUR 1.5 million a year before. This was mainly due to a payment of EUR 62.3 million received during H1 2016 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 EUR 38.2 million in H1 2016, following EUR 40.3 million of dividend payment and capital increase from the exercise of share options. The anticipatory repayment of debt to the European Investment Bank was accompanied by its refinancing at a lower cost.

IBA had a very strong cash position of EUR 89.5 million at the end of H1 2016, even after the dividend payout of EUR 40.3 million.

Guidance

IBA reiterates its guidance given at the time of the Company's 2015 Full Year Results in March 2016 of above 20% top line growth for the year.

The Company confirms it expects its operating margin to be about 11% in 2016 and then to rise to 13-15% by 2018. This guidance is supported by the increasing economies of scale combined with the growing importance of service revenues, although, it is offset to some extent by price erosion.

The Company is also investing in scaling up production capacity and resources and further investment in R&D in order to continue leading the market. This scale-up program includes investment in a new *Proteus®ONE* assembly line and new marketing infrastructure, investing EUR 15 million over two years. Investment is also being made in recruitment, with an additional 400 engineers and qualified staff expected to take the total headcount to around 1600 by year-end.

IBA expects to maintain the dividend target pay-out ratio at 30%.

7.3 SUBSEQUENT EVENT

- Post period close, IBA also received FDA approval for all features of the integrated solution *Proteus®ONE*.
- Penn Medicine and IBA announced the world's first patient treatment using IBA's Prompt Gamma camera in Pencil Beam Scanning Mode, providing *in vivo* feedback on the proton beam penetration depth within the patient on an individual spot basis, thus allowing unprecedented quality control of the target volume coverage.
- In August Dosimetry announced the first worldwide clinical implementation of its newly released Dolphin Online Ready Patient QA and Monitoring. The team at the Radiation Therapy department of the Klinikum Bayreuth GmbH in Germany has successfully validated and clinically implemented three Dolphin systems at two of their sites.
- In August IBA announced that it invested USD 2 million in HIL Applied Medical Ltd to develop laser-based proton therapy solution. HIL is applying a novel, patented approach to particle acceleration and delivery, combining nano-technology with ultra-high-intensity lasers and ultra-fast magnets. This potential technological breakthrough could enable a meaningful reduction in the size and cost of proton therapy solution without compromising clinical utility.

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 2016 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 2016 General Meeting, the following changes occurred in the management of the Company:

- The mandate of Olivier Legrain as internal director was renewed,
- The mandate of Consultance Marcel Miller SCS as external director was renewed,
- Median Sustainability S.L. was appointed external director.

AUDITOR'S REPORT ON THE IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2016

Building a better working world

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 the limited company Ion Beam Applications on the review of the Interim Condensed Consolidated Financial Statements as of 30 June 2016 and for the 6 months period then ended

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Ion Beam Applications SA (the "Company"), and its subsidiaries as of 30 June 2016 and the related interim consolidated income statements, interim consolidated statements of comprehensive income, of changes in shareholder's equity and of 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 amounting to a total assets of € (thousand) 371,789 and a consolidated profit for the 6 months period then ended of € (thousand) 8,297.

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 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 on the Interim Condensed Consolidated Financial Statements.

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 IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Diegem 23 August 2016

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

Vincent Etienne
Partner*

* Acting on behalf of a BVBA/SPRL

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