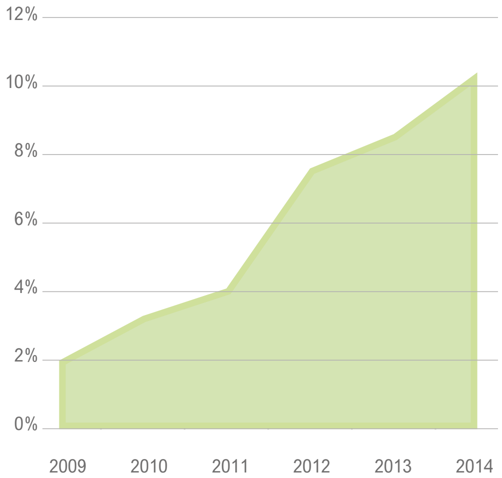
EMBRACING THE FUTURE

IBA
ANNUAL REPORT 2014

www.iba-worldwide.com

KEY FIGURES
2014

REBIT (3) / SALES & SERVICES TRENDS



- IBA is a high-technology medical company which concentrates its activities on proton therapy, radiopharmacy, particle accelerators for the industry and dosimetry.
- IBA is the worldwide leader on the proton therapy market.
- Quoted on the pan-European stock exchange Euronext.
- 1 100 employees worldwide.
- IBA operates in two segments: “Proton Therapy and Other Accelerators” and “Dosimetry”.

OPERATING RESULTS

	2013 (EUR 000)	2014 (EUR 000)	Variance (EUR 000)	CAGR(1) (%)
Sales and services	212 512	220 577	8 065	3.8%
Gross margin	88 427	96 096		8.7%
REBITDA (2)	22 743	28 321	5 578	24.5%
REBITDA/Sales and services	10.7%	12.8%		
REBIT (3)	18 359	22 932	4 573	24.9%
REBIT/Sales and services	8.6%	10.4%		
Net profit (*)	-1 010	24 294	25 304	N/A

(*) 2013 Net Result before technical recycling of currency translation adjustment to income statement further to liquidation of a dormant Swedish entity (IAS 21.48).
(1) CAGR: compound annual growth rate
(2) REBITDA: recurring earnings before interest, taxes, depreciation and amortization.
(3) REBIT: recurring earnings before interest and taxes.

SALES TRENDS BY ACTIVITY(1)

	2010 (EUR 000)	2011 (EUR 000)	2012 (EUR 000)	2013 (EUR 000)	2014 (EUR 000)	CAGR(2) (%)
TURNOVER	**169 988**	**203 165**	**221 106**	**212 412**	**220 577**	**7.2%**
Proton Therapy	82 884	121 157	133 213	121 202	128 488	12.7%
Other Accelerators	39 086	38 896	38 991	45 387	49 199	1.8%
Dosimetry	48 018	43 112	48 902	45 823	42 890	1.5%

(1) The figures do not include any pharmaceutical activity.
(2) Compound annual growth rate.

CONTENTS

Highlights 2014: **2** › IBA at a glance: **4** › Global strategy: **6** › Human resources: **22** › Corporate social responsibility: **24** › Management report: **26** › IFRS consolidated financial statements for the year ended December 31, 2014: **60** › IBA SA Annual financial statements: **138** › General information: **142** › Stock market and shareholders: **147**

OUR MISSION:
SAVING LIVES

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

HIGHLIGHTS 2014

Proteus® ***ONE***

PROTON THERAPY

PROTON THERAPY SALES

- IBA signed six contracts for proton therapy systems (a total of 10 treatment rooms), four *Proteus®* ***ONE*** systems and two *Proteus®* ***PLUS*** systems.
- In 2014, IBA strengthened its presence on the Asian market with eight treatment rooms sold (two in Japan and six in China).

PROTEUS®ONE MILESTONES

- In 2014, IBA received marketing authorization from the Food & Drug Administration (FDA) as well as CE marking approval for its new Compact Gantry Beam Line.
- **July 18**
  Proteus® ***ONE*** awarded the "International Red Dot Best of the Best Award 2014" for its unique contribution to patient well-being.
- **September 12**
  The first patient is treated with *Proteus®* ***ONE*** at the Willis-Knighton Cancer Center in Shreveport (Louisiana, US) only 14 months after the beginning of installation.

PROTON THERAPY NOW AVAILABLE FOR MORE PATIENTS WORLDWIDE

- In 2014, four new proton therapy centers began treating patients: Knoxville, Tennessee and Shreveport, Louisiana (both in the US), Trento (Italy) and Dresden (Germany).
- **September 15**
  The first patient was treated with IBA's proton therapy specific Cone Beam CT (CBCT) at Roberts Proton Therapy Center, University of Pennsylvania.
- **September 3**
  As part of its work with CYCLHAD in Caen (France) IBA will also work with several French industrial partners and semi-public institutions to develop the potential of carbon beam therapy.

HIGHLIGHTS
2014

2014
1st patient treated with *Proteus®ONE*


Dolphin®


Rhodotron®

65%
operating proton therapy rooms market share


Cyclone®70

DOSIMETRY

→ **First quarter 2014**
IBA delivers its 1 000th *Blue Phantom²* system.

→ **July 17**
IBA launches its new global quality-assurance platform called *myQA®*.

→ **September 16**
IBA presents *Dolphin®*, the new online treatment monitoring system, the next revolution in radiation therapy patient safety.

OTHER ACCELERATORS

→ **2014**
Another record year of cyclotron sales for the "Other Accelerators" division. IBA won 14 major contracts throughout the world, demonstrating its market-leading expertise and success in the accelerator market.

→ **July 2**
IBA signs a contract to install a 70MeV cyclotron dedicated to the production of new-generation medical isotopes to diagnose severe diseases.

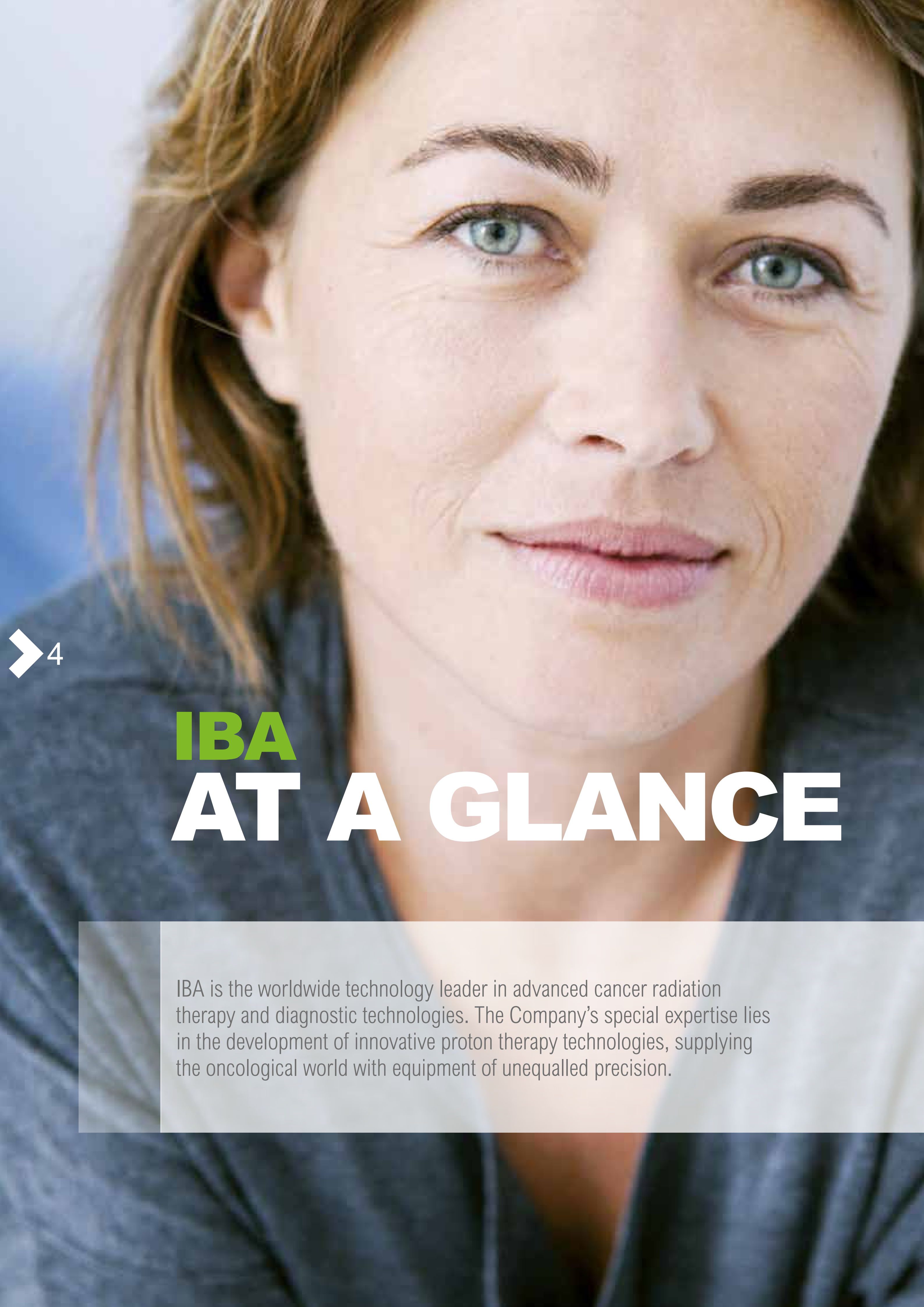
→ **June 13**
IBA signs a contract for its new solution *Rhodotron® DUO* with Mediscan for the sterilization of medical devices.

IBA GROUP OPERATING HIGHLIGHTS

→ **March 17**
IBA divests all shares and assets in PharmaLogic PET Services of Montreal Company assets, which were IBA's last remaining pharmaceutical assets.

→ **March 26**
IBA signs the final contracts with the Essen University Hospital (Germany).

→ **September 11**
IBA and Philips join forces to provide advanced diagnostic and therapeutic solutions for cancer treatment.



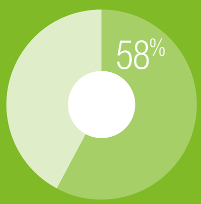
IBA AT A GLANCE

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

IBA FOCUSES ON THREE MAIN ACTIVITIES

PROTON THERAPY

2014 ACTIVITY TURNOVER
128 488 (EUR 000)



Proton therapy is considered to be the most advanced treatment available in the fight against cancer. With the precision that proton therapy offers, it is possible to target the tumor more effectively while limiting the side effects of the treatment. Protons deposit the majority of their energy within a precisely controlled zone, directly in the center of the tumor while limiting the impact on healthy tissues surrounding the tumor.

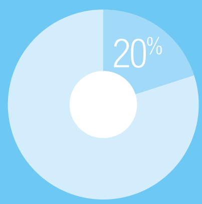
Proton therapy is particularly appropriate for the treatment of eye and brain cancers, tumors close to the brain stem and spinal cord as well as prostate, liver, lung and breast cancers. Proton therapy is also extremely well-suited for the treatment of pediatric cancers.

Today, IBA provides the systems and technology for more than half of all proton therapy clinical facilities worldwide. At the end of 2014, there were 18 proton therapy centers in operation and 14 additional centers under development.

IBA offers two solutions:
*Proteus®**PLUS*** with several treatment rooms, and
*Proteus®**ONE***[1], a single-room solution, which makes proton therapy more accessible than ever.

DOSIMETRY

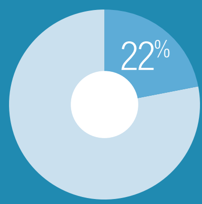
2014 ACTIVITY TURNOVER
42 890 (EUR 000)



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

OTHER ACCELERATORS

2014 ACTIVITY TURNOVER
49 199 (EUR 000)



IBA has installed more than 400 accelerators worldwide. Most of these are used to produce radioisotopes in oncology (for cancer detection), and in neurology and cardiology. The IBA RadioPharma Solutions team helps nuclear medicine departments to design, install and maximize the functional efficiency of a radiopharmacy for the production of radiopharmaceuticals.

In addition to its medical activity, IBA leverages its scientific expertise in radiation to develop sterilization and ionization solutions for various industrial uses.

*(1) Proteus®**ONE** - the brand name of a new configuration of the Proteus®235.*

GLOBAL STRATEGY

→ **2014** was a positive and transformational year for IBA. The Company benefited from the increasing global adoption and acceptance of proton therapy as the most advanced and precise treatment option for radiation therapy patients. IBA has continued to maintain its strong leadership in the field, securing more than 50% of all proton therapy technology orders in 2014. Asia and other emerging markets are increasingly strong markets for IBA, with four of our proton therapy systems sold in Asia in 2014. The technological developments we achieved with *Proteus*®***ONE***, Pencil Beam Scanning precision delivery and CBCT imaging, are key differentiators for our clients. IBA remains at the forefront of technological advances in radiation therapy, and will continue to enhance its position with new innovations such as adaptive and carbon therapy.

Olivier Legrain,
CEO

Pierre Mottet,
Chairman

In 2015,

IBA started off strong with multiple purchase orders, a record backlog and a very healthy pipeline. With sales and interest in IBA's proton therapy systems growing globally, and the increasing affordability and financing options for the therapy systems, we believe that IBA will continue to show strong progress in the coming year and beyond.

PROTON THERAPY
IBA, WORLD LEADER ON A GROWING MARKET

17%

of patients treated by radiotherapy would benefit from being treated by proton therapy

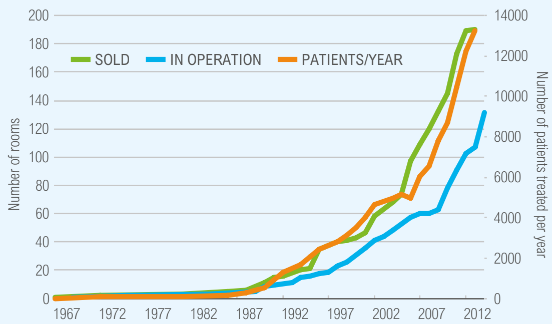


Fig. 2: proton therapy treatment worlwide

Unfortunately, we are witnessing a steady increase in the number of cancer cases in the world. Globally, the World Health Organization estimates that cancer incidence will rise from 14 million new cases in 2012 to 24 million (see figure 1) by 2035 (CAGR 2%-3%).

In developed markets, around 35% of cancer cases (>60% in US) require radiation treatment alone or in combination with other treatments, such as surgery or chemotherapy. Minimizing the overall exposure of healthy tissues has always been an important aspect of radiation therapy. This is where proton therapy offers a real advantage and has a huge clinical potential compared to other forms of radiation. Proton therapy reduces the risk of secondary cancers and growth anomalies linked to the radiation of healthy tissues. It also offers patients a better quality of life during and after treatment by significantly reducing side effects.

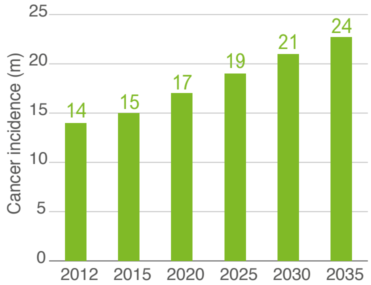


Fig. 1: number of cancer cases in the world

Currently, only 1% of radiation therapy patients are treated with proton therapy. It is clear from the growing number of patients treated and proton therapy rooms (see figure 2), that the market is entering a phase of growth.

IBA anticipates a strong worldwide increase in demand for proton therapy rooms in the coming years.

GROWING RECOGNITION OF THE CLINICAL ADVANTAGES OF PROTON THERAPY

While proton therapy today represents less than 1% of radiotherapy treatments, studies estimate that at least 17% of radiotherapy patients would benefit from being treated with proton therapy, as reported by the Netherlands' Health Council[1].

Another key indicator of the growing recognition of proton therapy and its advantages is the American Society for Radiation Oncology's (ASTRO) issuance of a new Model Policy for proton therapy (June 2014). Developed by leading radiation oncologists and medical physicists, the Model Policy clearly indicates that due to its unique dose deposition characteristics, proton therapy can, in certain situations, deliver the prescribed target dose, while giving a lower dose to normal tissues as compared to conventional radiation therapy.

ASTRO has published a list of cancers for which it may be medically necessary to treat with proton therapy techniques (ocular, base of skull, spine, liver (hypofractionated) and pediatric tumors). ASTRO has also compiled a list of cancers for which proton therapy should be studied in trials as a possible better treatment option (head and neck, thoracic, abdominal and pelvic malignancies including GU, GI and gynecological).

In terms of cost/value comparison, a recent study from the University of Texas MD Anderson Cancer Center shows that the episodic cost of care using Intensity Modulated Proton Therapy (IMPT) in advanced-stage head and neck cancer is lower than that of Intensity Modulated Radiation Therapy (IMRT).

(1) Nederlands Gezondheidsraad. Netherlands' Health Council. Proton radiotherapy. Horizon scanning report. Publication n° 2009/17E. ISBN 978-90-5549-786-7. www.gezondhheidsraad.nl

Additionally, a large number of clinical trials are currently ongoing. These results will eventually shape the future of proton applications, and undoubtedly open a new era for proton therapy treatment.

IBA expects the indications for proton therapy as the standard of care to increase significantly in the coming years. This will fuel a strong demand for proton therapy treatment rooms.

As awareness and evidence of the clinical advantages of proton therapy continue to rise, many governments worldwide have increased their support for proton therapy technology.

IBA CONTINUES TO STRENGTHEN ITS LEADING MARKET POSITION

Proton therapy is IBA's principal source of growth for the future, particularly since the Company also enjoys the position of uncontested world market leader. IBA provides the systems for more than half of all proton therapy treatment projects in the world.

To date, more than 40 000 patients have been treated by IBA clients, more than by all competitors combined.

In 2014, with six new contracts signed in Japan, France, the US and China, IBA sold 53% of the proton therapy rooms in 2014 representing 51% market shares.

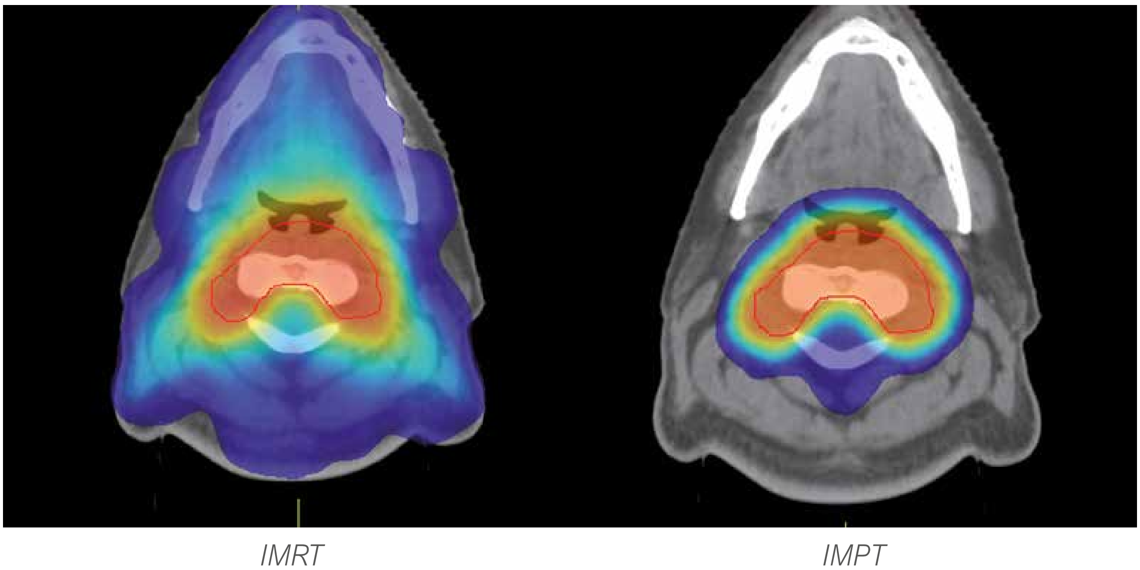
A key differentiator of IBA's proton therapy capability is its speed from system order to patient treatment. Four new IBA treatment centers began treating patients in 2014: Knoxville, Tennessee and Shreveport, Louisiana (both in the US), Trento (Italy) and Dresden (Germany). IBA is continually reducing the amount of time it takes to build new proton therapy centers. The new treatment center in Knoxville was treating patients just a year after system installation began – breaking a previous IBA installation record. At Dresden Technical University in Germany, IBA finished building the proton therapy center two months ahead of schedule.

In 2014, IBA announced a new strategic global collaboration with Philips Healthcare to provide advanced diagnostic and therapeutic solutions for the treatment of cancer. The collaboration includes sales, marketing and R&D of imaging and cancer therapy solutions. IBA will benefit from Philips' diagnostic imaging products offered to oncology care centers, while Philips will leverage IBA's proton therapy solutions within its offering for customers in select markets around the world.

IBA MAKES PROTON THERAPY MORE ACCESSIBLE

More patients would have the opportunity to benefit from proton therapy if its cost was closer to that of conventional radiation therapy. For this reason, IBA has been researching and developing ways to minimize the cost of proton therapy and make it more accessible to all cancer patients.

In line with IBA's commitment to this, the *Proteus®* ***ONE*** is a compact single-room solution that is more affordable while also



Intensity Modulated Radiation Therapy (IMRT) vs Intensity Modulated Proton Therapy (IMPT) With courtesy of Elekta.

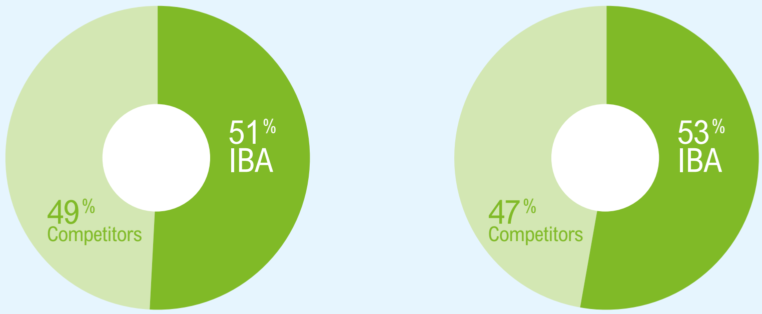
Proteus®PLUS

IBA market share of total proton therapy rooms sold:

51%

PROTON THERAPY ROOMS SOLD

TOTAL ROOMS SOLD | **ROOMS SOLD IN 2014**



being easier to install, operate and finance.

With *Proteus®***ONE**, proton therapy becomes accessible for more patients worldwide. Interest in this compact solution has grown rapidly. By the end of 2014, seven *Proteus®***ONE** systems had been ordered by four countries: the US, France, Japan and Taiwan.

From a technology standpoint, major milestones were achieved in the development of *Proteus®***ONE** in 2014.

IBA not only received marketing authorization from the US Food and Drug Administration (FDA) but also CE marking (in Europe) for the Compact Gantry Beam Line and its Cone Beam Computed Tomography (CBCT) solution which enables a more precise patient positioning. The first *Proteus®***ONE** patient was treated

With courtesy of Institut Curie Photographer: Pedro Lombardi

PROTON THERAPY

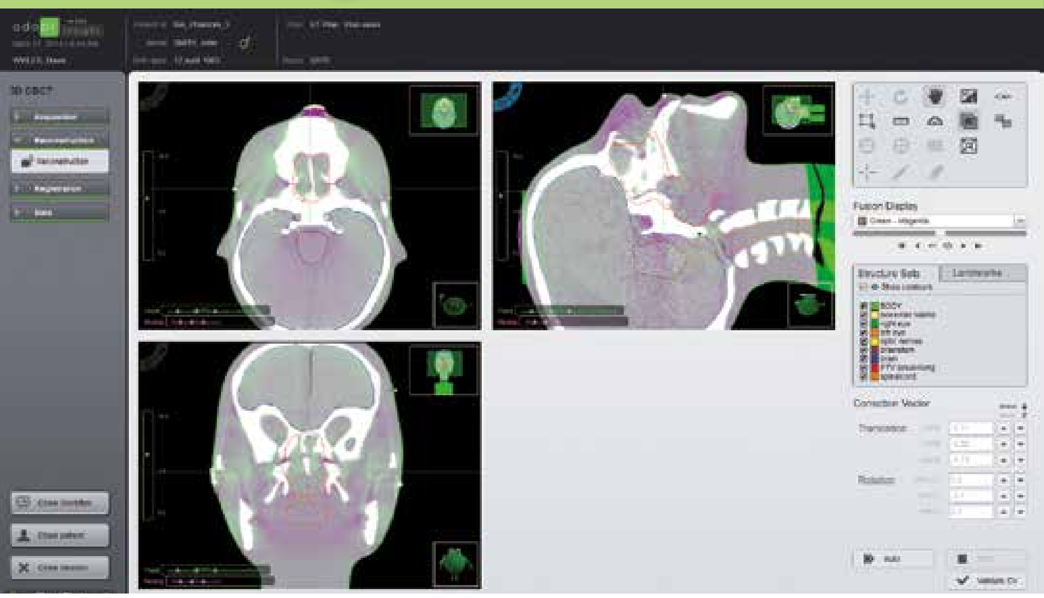
12

Proteus® ***ONE***

- smaller footprint
- easier to install
- easier to finance

Proton therapy made easy

Pencil Beam Scanning (PBS) allows to modulate the intensity of the beam at any specific location to precisely match the shape of the target



Cone-Beam Computed Tomography (CBCT) offers excellent soft-tissue contrast, ensuring accurate patient positioning during treatment

at Willis-Knighton Cancer Center in Shreveport, Louisiana, (US). This patient received Image Guided Intensity Modulated Proton Therapy (IMPT) treatment on September 9, 2014, nearly three months before its projected date.

IBA believes that these milestones, combined with *Proteus®* ***ONE***'s attractive profile in terms of lower cost, footprint and installation time will further accelerate the adoption of proton therapy across the globe.

IBA DEPLOYS TECHNOLOGICAL SOLUTIONS WITH HIGH CLINICAL ADDED VALUE

In 2014, IBA continued to provide the most advanced technologies to its partners and maintained its unrivalled position as an innovator in proton therapy technology.

PBS TECHNOLOGY

Spot scanning or Pencil Beam Scanning (PBS) is one of the technological improvements that impacts the speed of proton therapy adoption by the market. PBS technology provides millimeter precision, allowing the proton dose to be delivered with very high levels of conformity, even in complex-shaped tumors. PBS increases the number of clinical indications for proton therapy and contributes to minimizing the overall radiation dose. Fourteen centers are already equipped with PBS technology

adaPT TREATMENT SUITE

Since July 2014, cancer patients at the University of Pennsylvania's proton therapy center have benefited from the most advanced proton therapy software available – the *adaPT Treatment Suite*. This modular software platform provides a fully integrated treatment environment for the fastest, safest and most user-friendly delivery of proton therapy.

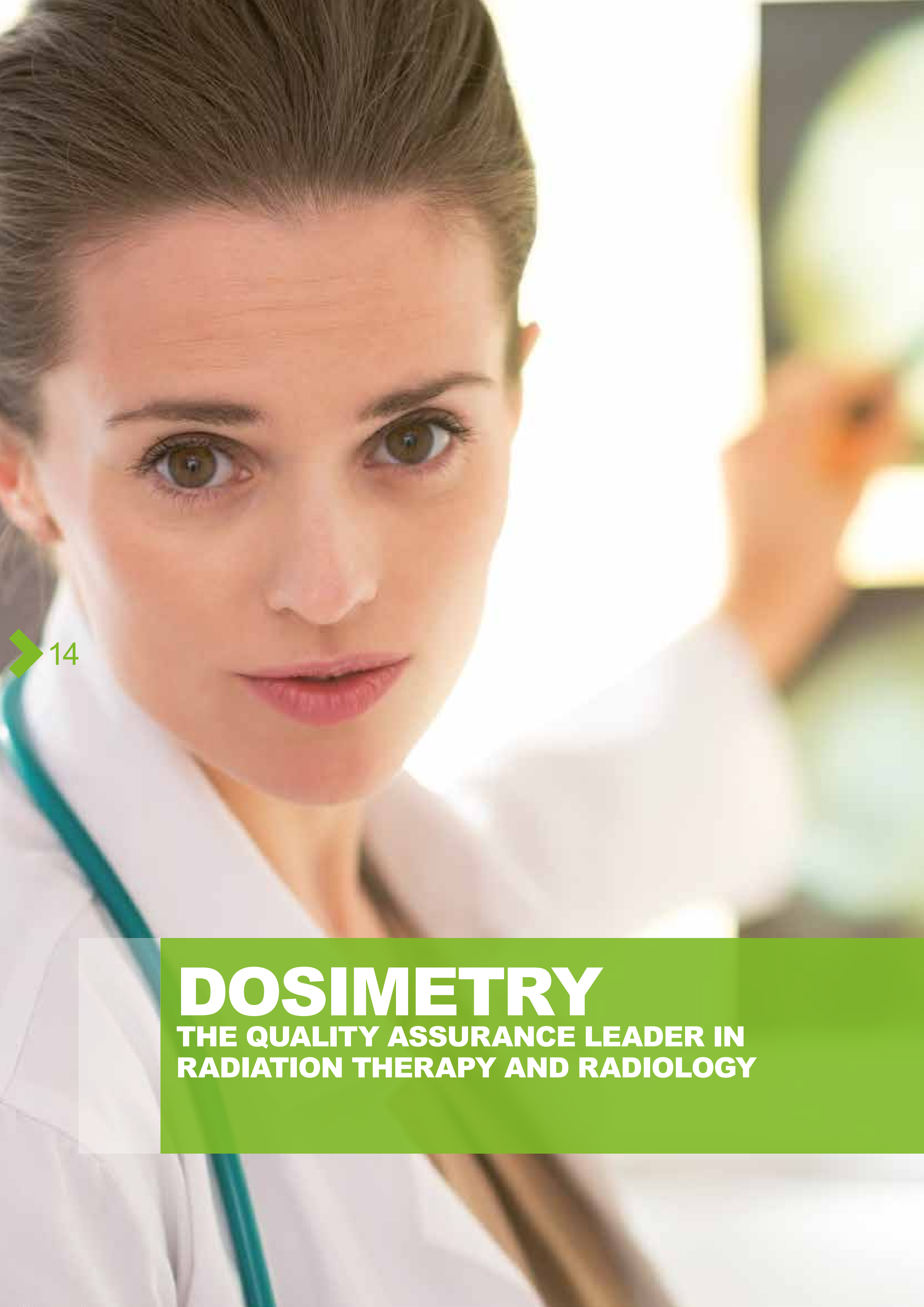
IMAGING

Cancer tumors are inherently unstable. Therefore, it is extremely important to thoroughly and regularly measure the size and shape of the tumor, and correctly position the patient under the beam. As with conventional radiation therapy, real-time 3D imaging is used for tumor localization and patient alignment. IBA is working on a way to incorporate 3D imaging in proton therapy to further improve proton range accuracy as well as daily plan correction.

Measurement tools are important to maximize the efficiency of radiation therapy and refining these tools would significantly increase the precision of proton therapy. For example, CBCT technology allows imaging to be conducted directly in the treatment room, while gamma cameras help verify the beam range. To further develop these solutions, IBA benefits from several partnerships, such as the Philips Healthcare agreement to provide diagnostic imaging expertise.

Due to the unique properties of protons, proton therapy allows to treat tumors with unmatched accuracy, security and efficiency. The administered dose is focused on the tumor and spares healthy surrounding tissues, thereby reducing side effects such as radiation-induced cancers.

Michel Closset*, Clinical Director Particle Therapy*



DOSIMETRY

THE QUALITY ASSURANCE LEADER IN RADIATION THERAPY AND RADIOLOGY

IBA offers a full range of innovative quality assurance and calibration procedure solutions for radiation therapy and medical imaging. Both in radiation therapy and medical imaging applications, radiation has to be applied wisely and carefully. IBA Dosimetry solutions are used in order to maximize the quality of the diagnosis and therapy, as well as minimize the associated risks for patients. In medical imaging, the goal is to minimize the imaging radiation dose given to the patient while maintaining good image quality. In radiation therapy, the goal is to focus a high dose of cancer-killing radiation with pinpoint accuracy on the tumor mass, while sparing healthy tissues.

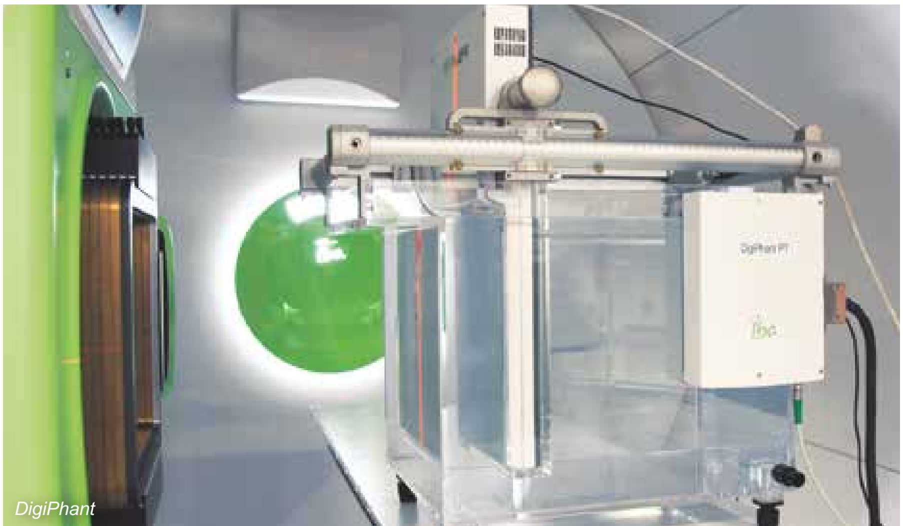
CONTINUOUS GROWTH

With over 10 000 users worldwide, IBA Dosimetry is the market leader in providing healthcare professionals with high-end quality assurance solutions to measure and analyze the imaging and treatment doses received by patients. IBA believes that in view of the increasing requirement in the healthcare market for higher patient safety, the demand for dosimetry and quality assurance solutions in conventional radiation therapy, proton therapy and medical imaging will grow as fast as the demand in radiation therapy and medical imaging equipment.

CONTINUOUS INNOVATION

IBA Dosimetry is continually striving for innovative solutions and services in order to constantly improve dosimetry. One of the Company's latest developments – the *Blue Phantom²* system – has achieved much business success and recorded its 1000th completed order of the system in the first quarter of 2014. The *Blue Phantom²* embodies decades of expertise, research and experience in the development and clinical use of water phantom systems.

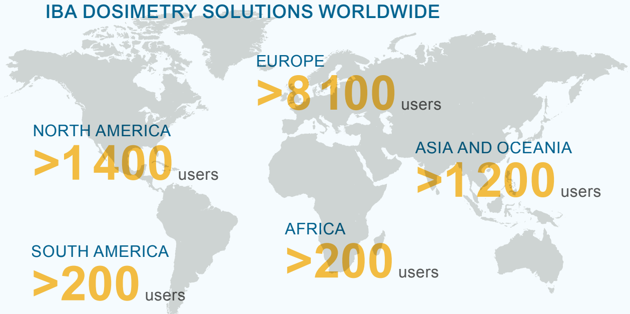
IBA Dosimetry developed a full range of products for proton therapy systems



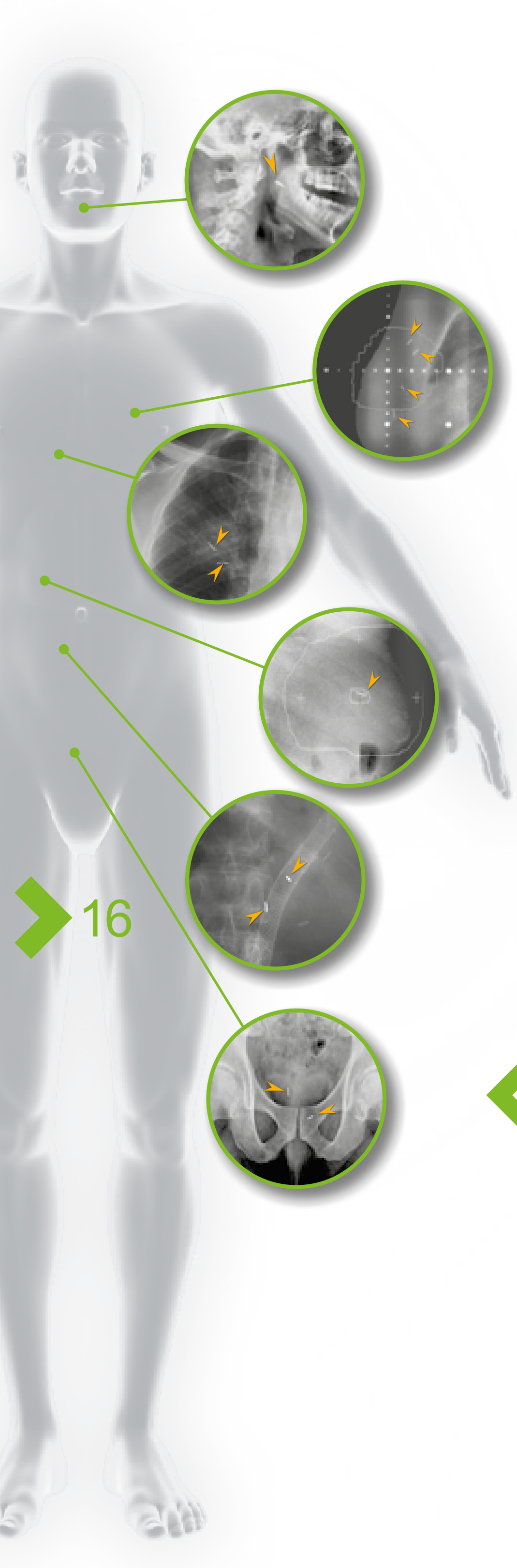
DigiPhant

Blue Phantom Helix

10 000
users
worldwide



DOSIMETRY



In addition, IBA Dosimetry introduced several new integrated solutions for patient safety in 2014, including a unique software platform for quality assurance (QA) called *myQA*® and the next revolution in patient safety, *Dolphin*®.

By integrating all quality assurance data and applications under the same software platform, *myQA*® sets a new workflow efficiency standard. It offers a complete overview of the radiation therapy department and connects different users, so that new treatment methods can be applied faster and with more confidence, resulting in safer patient treatments. This software platform enables physicists and dosimetrists to implement the most efficient QA workflow for their department, as well as for their satellite and partner hospitals.

myQA™

« In 2014, IBA launched unique innovations such as *Dolphin*® and *myQA*® global quality assurance platform. Together with our partners around the world we believe these solutions are a significant step towards better quality of cancer care and safer patient treatments. »

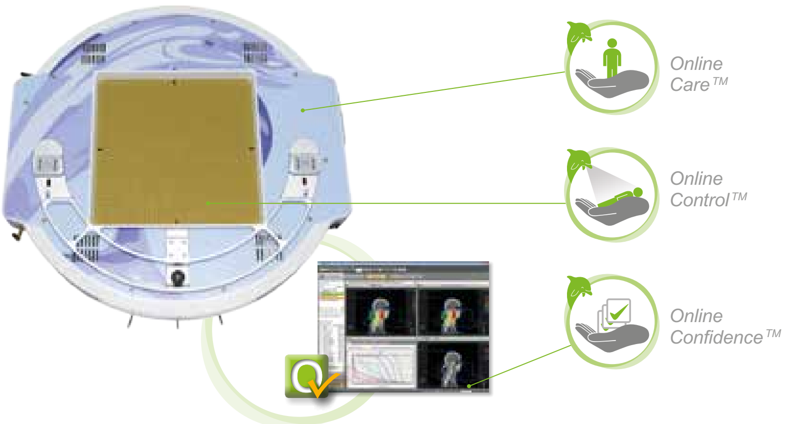
Dr. Juan Carlos Celi,
Chief Innovation Officer
at IBA Dosimetry

VISICOIL™
LINEAR FIDUCIAL MARKER

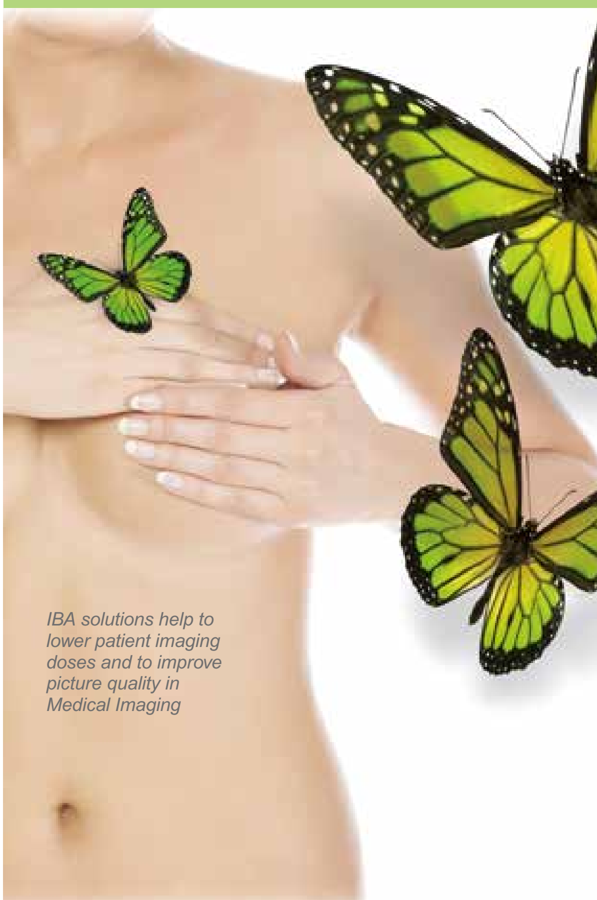
Dolphin®

dolphin
Online Treatment Monitoring

IBA's *Dolphin®* system was introduced at the 2014 annual congress of the American Society of Radiation Oncology (ASTRO) and provides online care by enabling a more positive and safer treatment experience for patients. The *QuickCheck™* software automatically analyzes the delivered fraction versus the dose defined in the treatment plan and automatically confirms its validity after each fraction is delivered. *Dolphin®* provides online reassurance that the entire treatment has been delivered safely, fraction by fraction. Its user-friendly design supports the radiation therapist in delivering a more accurate treatment, as well as providing peace of mind for patients, knowing that the *Dolphin®* system is tracking the entire treatment.



1 000th
Blue Phantom² delivered



IBA solutions help to lower patient imaging doses and to improve picture quality in Medical Imaging

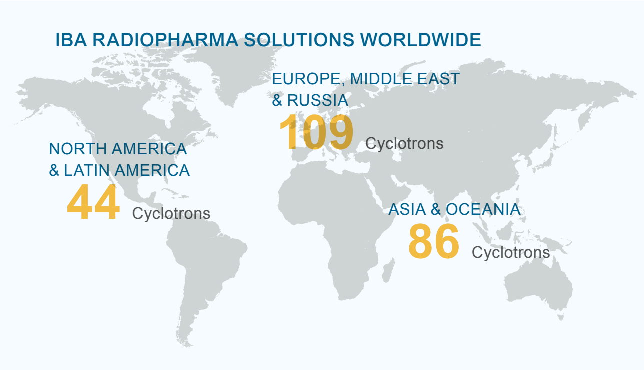
RADIOPHARMACY

A WORLDWIDE UNIQUE KNOW-HOW

IBA RadioPharma Solutions has already sold

240

cyclotrons worldwide



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

AN EXCEPTIONAL YEAR FOR IBA RADIOPHARMA SOLUTIONS WORLDWIDE

2014 was another record year of cyclotron sales for IBA RadioPharma Solutions division, with important contracts won in all regions. One such contract, announced in July 2014, was signed with the Center for Development of Nuclear Medicine in Moscow, Russia, for the installation of a high-energy cyclotron called *Cyclone®70*. This system is dedicated to the production of new-generation medical isotopes, used mainly in the diagnosis of severe diseases. This was IBA's third order for the *Cyclone®70* and demonstrates IBA's solid market-leading position, expertise and success with cyclotrons.

2014 was also a record sales year for *Synthera®*, the IBA automated chemistry module for the production of radiopharmaceuticals. In June 2014, at the Society of Nuclear Medicine and Molecular Imaging congress (SNMMI), IBA announced the successful implementation of ^{18}F-FDOPA Nucleophilic Pathway on the *Synthera®* platform. This simplifies the manufacturing process of the tracer and consequently, allows more diagnostic positron emission tomography (PET) centers to be involved in its production and distribution. ^{18}F-FDOPA is a PET agent used to detect, stage and re-stage neuroendocrine tumors.

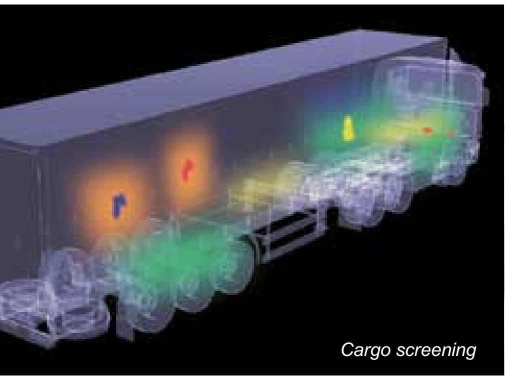
IBA RadioPharma Solutions has already installed 240 cyclotrons and 400 chemistry modules throughout the world. The sales potential for IBA in mid- and high-energy cyclotrons is high considering the increased demand for radiopharmaceuticals for the diagnosis of severe diseases throughout the world, particularly in emerging countries.

> Our approach is truly comprehensive, taking the project of a client from the radiopharmacy design to the full regulatory compliance and the selection, integration, installation and qualification of the equipment.

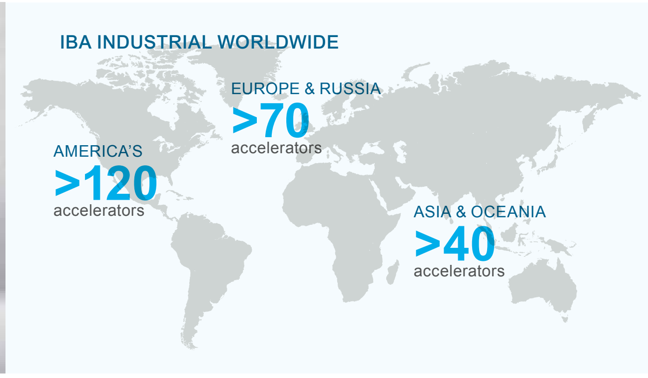
Jean-Michel Geets, *IntegraLab Business Developer*

INDUSTRIAL ACCELERATORS

E-BEAM AND X-RAY STERILIZATION FOR MEDICAL DEVICES


Cargo screening


Rhodotron®



The IBA Industrial division focuses on two markets: the sterilization of single-use medical products and the improvement of the physical properties of polymers (crosslinking).

In the sterilization market, IBA proposes a highly differentiated and innovative offering based on the *Rhodotron*® electron beam accelerator. In 2014, IBA delivered its first *Rhodotron*® with progressive power design allowing customers to start with small capacity solutions and increase capacity when needed. IBA also sold the first *Rhodotron*® DUO, a new configuration that allows its customers to sterilize medical devices either by X-ray or electron beam treatment. This new solution enables the industry to break the dependency on chemical or radioactive-based sterilization processes.

Growth in the polymer crosslinking market has come mainly from the automotive industry where manufacturers require cables treated by electron beams that are both more compact and offer superior performance. In 2014, IBA Industrial installed, in record time, its new 1 MeV self-shielded *Dynamitron*®, the highest energy self-shielded solution available on the market with the ability to treat bigger cables than previous self-shielded models.

LONG-TERM GROWTH

IBA Industrial is actively evaluating high-value, long-term markets such as cargo screening and energy-saving solutions for industry. All of these high-potential markets could benefit from the uniqueness of IBA Industrial's technology.

> The IBA *Rhodotron*® E-beam and X-ray technologies enable our customers to break their dependency on toxic chemicals and radioactive material for their sterilization process, which improves safety for everyone involved.

Jean-Louis Bol, *Industrial Business Line Leader*

HUMAN RESOURCES

THE KEY TO IBA SUCCESS: THE EXPERTISE OF ITS EMPLOYEES

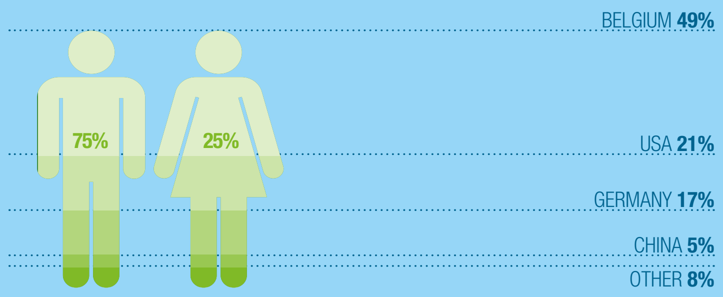
IBA is a company that innovates, stimulates and believes in its employees. IBA is committed to providing the best technology possible to benefit society, its employees and the world in general. IBA employees are top-level, talented experts in their respective fields. It is thanks to their commitment, continuous training and accumulated experience that IBA, as a company, can make a difference in the world and provide unrivalled technology that saves lives throughout the world.

AUTONOMY AND TEAM-WORK FOR CONTINUOUS INNOVATION

IBA's company culture encourages individual autonomy and initiative, combined with a strong spirit of collaboration within teams. The Company's real added value comes from its multicultural community made of complementary competencies, enabling it to constantly meet new technological challenges. The global structure of the Group and the synergies between its core activities add further strength to this teamwork and innovation.

EMPLOYEE ACTIVITY PROFILE

IBA EMPLOYEES WORLDWIDE



1100
employees
in 21 countries

Cyclone®18

Dosimetry staff in Germany

EMPLOYEES DEDICATED TO THE IBA MISSION

IBA benefits from exceptional staff loyalty. Abundant opportunities for training and mobility within the Company allow individuals to develop their skills and grow within the Company as well as individually. All employees contribute to the success of IBA, fully aware that their professional commitment has a positive effect on patients, society, clients, the Company and their colleagues. They know that they are working for an international company whose mission benefits the whole society and which gives them the opportunity to make a real impact in the battle against cancer. Every employee helps to Protect, Enhance and Save Lives.

2014 was a turning point for IBA. Thanks to strong business results and the predicted growth of the proton therapy market, IBA plans to expand its workforce over the next three years. To attract and keep the best talent, IBA relies on its clear mission, unique social contribution and opportunity for real self-fulfilment, that shows that the Company is committed to the well-being of its employees.

Frederic Nolf,
Chief Human Resources Officer

IBA staff joining the ELA race in profit of the research against Leukodystrophy

©Art Light Photography

CORPORATE SOCIAL RESPONSIBILITY

ONE MISSION: TO PROTECT, ENHANCE AND SAVE LIVES

Nearly everyone in the world is affected by cancer either directly or indirectly. IBA employees have a sense of urgency and are inspired by IBA's mission to Protect, Enhance and Save Lives. The scientific and technological challenges of preventing and treating cancer can only be overcome by continually pushing back the limits of innovation at every level: products, services and processes. At IBA, we are committed to this innovation – for the patient, the client and the community. This promise stands for all employees whatever their function. By providing effective technology, and by combining a courageous mentality with a desire to give the absolute best products on the market, IBA can fulfill its mission and create a future focused on saving human lives.

Our vision is to achieve a sustainable business through excellence in areas related to the environment, health and safety. Employees are involved in various activities to reduce the environmental footprint of the Company, live healthier lives and/or in support of independent associations that fight cancer.

IBA GREEN CELL: BECAUSE WE ONLY HAVE ONE WORLD

Green Cell is a group of 50 IBA employee volunteers, working to develop initiatives in the fields of energy, waste management, mobility and environmental protection. Projects that fall under one of these areas are continuously assessed with regards to the Green Cell's main goal: to involve the whole IBA community in a joint effort to reduce the Company's environmental footprint over the next three years.

Teams of passionate IBA volunteers are working on six key objectives:

1. Education & Awareness: to promote environmental information through campaigns and best practices. An "IBA Green Week" was organized in 2014 with lectures and workshops to sensitize IBA employees on environment-friendly behaviors.

> At IBA, what we do for the health of mankind doesn't come at the expense of the planet. We have one life – we have one world.

Pierre Mottet, *Chairman of the Board, IBA*

Our priority: **to protect the health and safety of our employees, contractors, visitors and others affected by our operations**

IBA Sailing Team against cancer

2. Waste & Consumables: to reduce IBA's environmental impact through the optimized management of waste and consumables. Every type of waste is handled separately and sent to local companies to be recycled.
3. Mobility: to develop plans to create easier access for IBA employees to energy-efficient means of transport, ranging from carpooling to cycling and public transport. For instance, IBA employees benefited from special offers on bicycles.
4. Energy: to reduce the environmental impact of energy consumption linked to the nature of IBA's activity (cyclotrons). Photovoltaic panels were also placed on the roof of the IBA assembly hall in mid-2014.

5. Evaluation & Monitoring: to evaluate and monitor the environmental impact of IBA's activities and products.
6. Biodiversity: to develop initiatives regarding organic food, wild gardens and biodiversity in our workspace and at home.

IBA: SAVING LIVES OUTSIDE AND IN

IBA's employee health program creates opportunities for employees to increase awareness on healthy living.

Sports sessions are organized during the lunch break. Activities rotate to meet employee needs. Activities include running, volleyball, zumba, hockey and golf. It is easy and free to join and all levels are welcome.

In addition, an IBA Health Week takes place once a year. Employees can attend information sessions on different wellness related topics including stress management, healthy eating, stretching and movement as well as how to quit smoking.

Our mission: to Protect Enhance and Save Lives

MANAGEMENT REPORT

Approved by the Board of Directors at its meeting of March 24, 2015.

HIGHLIGHTS OF THE YEAR

The main events of the 2014 financial year, further details of which are contained in the Management report, were as follows:

- Strong order book in 2014 in both compact and multi-room configurations, with six new proton therapy (PT) orders, four Proteus®ONE and two Proteus®PLUS systems, representing more than 50% of the total global proton therapy market in 2014
- Record year-end backlog of EUR 256.2 million, up 39% (2013: EUR 183.8 million)
- Strong expansion into the emerging markets with four PT systems sold in Asia in 2014
- 27 ongoing Proton Therapy service and maintenance contracts, signed in total representing a backlog of EUR 468 million of revenue over the next 10-15 years
- FDA and CE mark approval for Compact Gantry Beam Line with first patient treated with Proteus®ONE at the Willis-Knighton Cancer Center, Shreveport, USA
- First patient treatment with IBA's Proton Therapy Specific Cone Beam CT (CBCT) completed at Penn Medicine's Roberts Proton Therapy Center, USA
- Strong growth for the Other Accelerators division, with significant gains in emerging markets
- Unexpectedly low H2 revenues recognized in Dosimetry on new multi-year orders in emerging countries but record backlog of EUR 16.8 million at the end of 2014, up 39% vs 2013
- Strategic global collaboration signed with Philips Healthcare in sales, marketing and research and development (R&D) for imaging and therapy solutions in oncology

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

- Proton Therapy and Other Accelerators revenue growth of 6.6% to EUR 177.7 million
- Total revenue of EUR 220.6 million up 3.8% impacted by low backlog conversion rate of Dosimetry
- REBIT margin of 10.4% up 24.9% compared to full year 2013 (8.6%)
- Net profit of EUR 24.3 million, strongly improved versus full year 2013 (EUR 6.1 million excluding the impacts of recycling CTA in P&L)
- Net cash position improved by EUR 23.4 million to EUR 5.3 million
- Completion of sale of PharmaLogic in Montreal. Positive impact of EUR 3.7 million
- Equity growing to EUR 107.5 million through strong profit, allowing the distribution of a gross dividend of EUR 0.17 per share in 2015
- Net financial position changed from a EUR 18.1 million net debt end of 2013 to a net cash of EUR 5.3 million at year-end
- Guidance for 2015 upgraded

REVIEW OF IBA ACTIVITY SECTORS

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

THE PROTON THERAPY AND PARTICLE ACCELERATORS SEGMENT COVERS:

Proton therapy

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

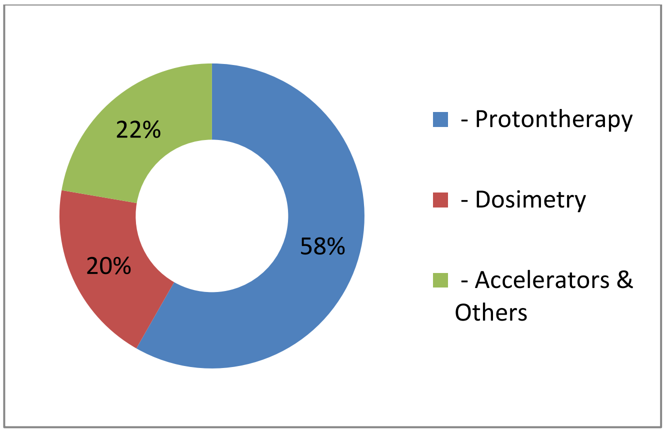
Other accelerators

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

THE DOSIMETRY SEGMENT

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

BREAKDOWN OF CONSOLIDATED TURNOVER BY ACTIVITY



PROTON THERAPY AND OTHER ACCELERATORS

	FY 2013 (EUR 000)	FY 2014 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**166 589**	**177 687**	**11 098**	**6.7%**
- Proton therapy	121 202	128 488	7 286	6.0%
- Other accelerators	45 387	49 199	3 812	8.4%
REBITDA	**15 320**	**24 148**	**8 828**	**57.6%**
% of Sales	*9.2%*	*13.6%*		
REBIT	**11 644**	**19 516**	**7 872**	**67.6%**
% of Sales	*7.0%*	*11.0%*		

Net sales grew by 6.7% in 2014 for Proton Therapy and Other Accelerators, driven in part by continued strong growth of sustainable service revenues, making up about one third of the total.

Proton Therapy service revenues alone increased by 42.8% and including Other Accelerators, by 32.4%, further indicating the sustainability and predictability of this important revenue stream. The Company now has 27 PT service contracts, signed totalling a backlog of EUR 468 million in future booked revenues over the next 10-15 years.

In addition, IBA has a record year-end backlog in Proton Therapy and Other Accelerators of EUR 256.2 million, up 39% from EUR 183.8 million at the end of 2013.

Proton Therapy

2014 was a transformational year for proton therapy in which the sector has seen significant market growth. IBA sees this as being driven by three factors: Clinical Relevance, a growing body of clinical publications is propelling greater use of proton therapy. Additionally the ASTRO (American Society for Radiation Oncology) have now published Model Policies for Proton Beam Therapy, guiding its use in the important US market. Affordability, our compact system Proteus®ONE which came into clinical use in 2014 is opening the single room market to IBA due to its smaller footprint and shorter installation time. With no compromise on clinical quality, it helps to strongly reduce the delta between the cost of proton therapy and conventional radiation therapy. Enhancements in Technology, has also been key for IBA in 2014. Significant improvements in fast pencil beam scanning (PBS) and cone beam computed tomography (CBCT) are enabling the market to access the most advanced cancer treatment with Image-Guided IMPT

IBA remains at the forefront of proton therapy technology evolution and is also enhancing its position in the treatment modalities of the future with an emphasis on carbon therapy. Carbon ions have similar physical characteristics to protons, but have a greater Radio Biological Effectiveness (RBE) making them more efficient on radiation-resistant tumors.

Throughout 2014, IBA saw a growing market interest in Proteus®ONE and sold four Proteus®ONE systems including two in Japan, one in the US and one in France. IBA now has orders for seven systems globally in Japan (2), France (2), US (2) and Taiwan (1). 2014 was also a strong year for the Company's multi-room system Proteus®PLUS, with two sales (6 rooms) in Asia, bringing the total number sold globally to 24 units (80 rooms). In The Netherlands, in addition, IBA was selected for the installation of a Proteus®PLUS two-gantry room configuration including its next generation Pencil Beam Scanning capability at the Universitair Medisch Centrum Groningen (UMCG) proton therapy center, the first to be built in the country and worth approximately EUR 50 million to IBA, including a long-term operations and maintenance contract.

Demonstrating our increasing strength in Asia and in addition to the two Proteus®ONE sold in Japan, IBA was selected by Guangdong Hengju Medical Technologies Co. Ltd, to install its Proteus®PLUS system with PBS capability in Guangzhou, South China. Moreover, in January 2015, IBA also announced it had signed a contract at the end of 2014 with the Zhuozhou Jian Kang Qiao Investment

Company Ltd, to establish a proton therapy center in Zhuozhou City, Hebei Province, China. This contract is worth more than EUR 80 million to IBA, including the service contract.

The speed at which IBA can build its systems, and the time in which it can enable its customers to treat patients is continuously decreasing, a critical factor in a customers' decision making process when choosing a provider.

Proton Therapy Innovation

IBA is at the forefront of advancing proton therapy technology and during 2014 the Company not only received Marketing Authorization from the US Food and Drug Administration (FDA) and the CE marking for the Compact Gantry Beam Line. IBA also received the FDA approval and CE mark for the Cone Beam Computed Tomography (CBCT) solution, which improves the precision in IBA proton therapy systems. CBCT enables highly accurate patient positioning as specific applications of image guidance and image monitoring are of paramount importance delivering superior dose distribution of proton therapy. By adding CBCT as one of IBA's Image Guided Proton Therapy solutions, IBA is leading the development of adaptive proton therapy.

IBA has sought to further enhance its own in-house technological advances with collaborations with some of the world's leading academic instruction and companies. For example, IBA is working closely with Penn Medicine to develop new PBS protocols as well as combining forces with Philips healthcare through a strategic global collaboration to provide advanced diagnostic and therapeutic solutions for the treatment of cancer. The collaboration covers sales, marketing and R&D of imaging and therapy solutions in oncology. IBA will benefit from Philips' diagnostic imaging products offered to oncology care centers, while Philips will leverage IBA's proton therapy solutions within its offering for customers in select markets around the world.

IBA is also using collaborations to advance its capabilities in next generation radiotherapy capabilities. As part of its work with CYCLHAD (a CYCLotron for HADron Therapy) for the installation of its single-room proton therapy system Proteus®ONE* in Caen, France, IBA will also work with several French industrial partners and semi-public institutions to develop the potential of carbon beam therapy.

Other Accelerators

IBA's Other Accelerators division delivered strong growth during 2014, again with significant gains seen in emerging markets. Revenues rose 8.4% to EUR 49.2 million, from EUR 45.4 million in 2013.

Radiopharma Solutions

2014 was another record year of cyclotron sales for IBA's RadioPharma Solutions division, with important contracts won in all regions. For example, in July 2014, IBA signed its third Cyclone®70 contract in Russia, a system dedicated to the production of new-generation medical isotopes used mainly in the diagnosis of severe diseases. This third Cyclone®70 order further demonstrates IBA's market-leading expertise and success with cyclotron sales. 2014 was also a record sales year for Synthera, the IBA automated chemistry module for the production of radiopharmaceuticals.

Industrial Accelerators

IBA's Industrial Accelerators division supplies electron beams and focuses on two markets: the sterilization of single-use medical products and the improvement of the physical properties of polymers (crosslinking). IBA Industrial Accelerators is the market leader, with more than 50% market share in average over the last five years. Growth in the polymer crosslinking market mainly comes from the automotive industry, where manufacturers require cables treated by electron beams that are both more compact and offer superior performance.

In 2014, IBA delivered its first Rhodotron with progressive power design allowing customers to start with small capacity solutions and increase capacity when needed. IBA also sold the first Rhodotron DUO, a new configuration that allows its customers to sterilize medical devices either by X-ray or by electron beam treatment. This new solution allows the industry to break the dependence on chemical or radioactive based competing sterilization processes.

IBA Industrial is evaluating in the long term markets such as container screening and energy saving solutions for the industry which could contribute to growth of the segment.

DOSIMETRY

	FY 2013 (EUR 000)	FY 2014 (EUR 000)	Variance (EUR 000)	Variance %
Net Sales	**45 923**	**42 890**	**-3 033**	**-6.6%**
- Dosimetry	45 923	42 890	-3 033	
REBITDA	**7 423**	**4 173**	**-3 250**	**-43.8%**
% of Sales	*16.2%*	*9.7%*		
REBIT	**6 715**	**3 417**	**-3 298**	**-49.1%**
% of Sales	*14.6%*	*8.0%*		

In Dosimetry, IBA has been facing the same phenomenon reported by the main players in the linear accelerators (LINAC) market, with strong order intake in the emerging countries from multi-year orders that take longer to be converted into revenues than with previous established market contracts. Therefore, strong order intake, unexpectedly only converted into a limited amount of revenues causing a decrease in sales to EUR 42.89 million and REBIT of EUR 3.41 million.

However, with a strong backlog of EUR 16.8 million, up 39%, increasing synergies between dosimetry and proton therapy, stabilization of the conversion rate and new, innovative product solutions and services introduced in 2014, IBA is confident that Dosimetry will return to growth in 2015.

IBA Dosimetry has been fully focused on enhancing innovation in its solutions and services to remain the go-to provider of high quality dosimetry technologies.

In addition, IBA Dosimetry introduced several new integrated solutions for patient safety in 2014, including a unique software platform for quality assurance called myQA® and the next evolution in patient safety, Dolphin®.

Dolphin, provides online care by enabling a more positive and safer treatment experience for patients. The QuickCheck™ software automatically analyzes the delivered fraction versus the dose defined in the treatment plan and automatically confirms its correctness after each fraction. Dolphin provides online confidence that the entire treatment has been delivered safely, fraction by fraction.

DIRECTORS' DECLARATIONS

In accordance with the Royal Decree of November 14, 2007, IBA indicates that this announcement was prepared by the Chief Executive Officer (CEO), Olivier Legrain, and the Chief Financial Officer (CFO), Jean-Marc Bothy.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

INCOME STATEMENT

IBA reported a 3.8% increase in revenues to EUR 220.6 million during 2014 (2013: EUR 212.5 million), driven by an increase in Proton Therapy and Other Accelerators of 6.7% driven in part by continued growth of sustainable service revenues and by a decrease in Dosimetry of -6.6% explained by a low level of revenue conversion.

Recurring operating profits before interest and taxes (REBIT) continued to improve compared with 2013, due to the growth in service revenues (+28.0%) and benefits from the implementation of the Company's productivity and efficiency program. The Company's REBIT increased 24.9% in 2014 from EUR 18.4 million in 2013 to EUR 22.9 million in 2014 despite the low level of revenue conversion in Dosimetry.

Non-recurring events, mostly relating to restructuring expenses, depreciation on fixed assets, Sun Nuclear lawsuit expenses, stock options expenses, expenses related to the transactions with SK Capital Partners and Argos Soditic partially compensated by the reversal of provisions related to estimated commitments under the agreement with SK Capital Partners and credit notes and repayments received from subsidiaries of Rose Holding SARL (vehicle for investment by SK Capital Partners in IBA Molecular).

The Board of Directors intends to recommend to the General Assembly that a gross dividend of EUR 0.17 per share be paid in 2015 based on 2014 results representing a payout ratio of about 20%.

Operating cash flow during 2014 amounted to EUR 15.0 million.

Cash flow from investing was positive at EUR 1.7 million, due to the dividend received of EUR 5.7 million related to the assets sale of Pharmalogic Pet Services of Montreal Cie and payment received of deferred remuneration elements related to the sale of Cisbio Bioassays business in the second half of 2014.

Net financial position changed from a EUR 18.1 net debt end of 2013 to a net cash of EUR 5.3 million end of 2014. During the year, IBA has strengthened his equity with a capital increase from two leading regional and federal investment companies in Belgium of EUR 6 million and repaid EUR 5.0 million of its loan to the EIB and EUR 10.0 million of one of its subordinated loans to the SRIW.

CONSOLIDATED BALANCE SHEET AND FINANCIAL STRUCTURE

Non-current assets increased by EUR 9.4 million during the 2014 financial year, essentially due to the combined effects of:

- the increase of deferred tax assets and investments accounted for using the equity method;
- the increase of tangible fixed assets and the other long-term receivables.

Goodwill at the end of 2014 (EUR 3.8 million) remained unchanged and related to the Dosimetry business.

Intangible fixed assets (EUR 9.2 million) and tangible fixed assets (EUR 8.7 million) increased by a total of EUR 1.1 million. The change during the year is mainly attributable to high investment in software's, building and equipment's.

Companies accounted for using the equity method and other investments increased by EUR 1.3 million, mainly due to the participation to the capital increase of Cyclhad SAS for EUR 1.5 million. It is to be noted that IBA Molecular Compounds Development SARL was liquidated in December 2014 and was already totally impaired at December 31, 2013.

Deferred tax assets increased by EUR 5.0 million and represent recoverable losses on future earnings, essentially on the entity IBA SA, Ion Beam Beijing Medical Application Technology Service Co Ltd and Particle Engineering Solutions LLC, amounting to EUR 17.5 million and temporary difference on the

American entities and IBA SA amounting to EUR 5.5 million.

Other long-term assets increased by EUR 2.2 million to EUR 20.5 million. This change is essentially attributable to the transfer to short term of deferred remuneration elements related to the sale of Cisbio Bioassays of EUR 2.3 million, to revaluation of deferred remuneration elements related to the sale of Cisbio Bioassays of EUR 1.3 million, the recognition of additional Research tax credit of EUR 2 million and the recognition of deferred remuneration elements related to the assets sales of the PharmaLogic Pet Services of Montreal Cie of EUR 1.2 million.

Current assets amount to EUR 204.4 million at the end of 2014. There has been a large increase of EUR 15.9 million compared with 2013.

Inventories and contracts in progress increased by EUR 19.0 million, EUR 11.8 million was attributable to contracts in progress and EUR 9.1 million was attributable to raw materials and supplies compensated by the increase of EUR 1.4 million of write-off on inventories and the decrease of EUR 0.5 million of finish products and work in progress.

Trade receivables increased by EUR 13.3 million, EUR 14.1 million for customer Wide Resource Co. Ltd in China invoiced in December 2014 with a payment date end January 2015 compensated by the decrease of EUR 1.0 million of payments received from receivables on hospitals in Spain and Italy that were sold to the Group under the partial sale of the Radiopharmaceutical business.

The decrease of EUR 21.4 million in other receivables related mainly to the payment of receivables related to a proton therapy contract for EUR 14.2 million, the decrease of deferred income related to proton therapy maintenance contracts for EUR 3 million, the decrease of the amount of advance payments done to suppliers for EUR 3.8 million and the decrease by EUR 3.7 million of the amount related to the sale of the Radiopharmaceutical business (assets that are flowing back when provision is used) compensated by the recognition of additional current income tax receivable for EUR 2.6 million.

At the end of 2013, available-for-sale assets amounted to EUR 3.2 million and concerned mainly PharmaLogic Pet Services Co. In March 2014, the assets of PharmaLogic Pet Services of Montreal Cie were sold and a dividend was distributed to the shareholders of PharmaLogic Pet Services of Montreal Cie. The value of this participation is equal to zero at end 2014.

Non-current liabilities decreased by EUR 11.9 million compared with the end of 2013 to EUR 41.1 million at the end of 2014. This change is mainly attributable to the following factors:

- Long-term debts decreased by EUR 15.2 million, essentially due to the reclassification to short-term debt of the EIB loan amounting to EUR 5.0 million, of the reimbursement of a subordinated loan of SRIW amounting to EUR 10 million and the reclassification of financial leases amounting to EUR 0.2 million. At the end of 2014, long-term debts amounted to EUR 26.7 million, comprising EUR 16.3 million relating to the loan from the European Investment Bank, EUR 10 million for the SRIW loan and the balance of EUR 0.4 million made up of long-term debts relating to financial leases.
- The increase of EUR 2.8 million in other long-term debts results from the accounting of long-term contractual obligations related to proton therapy projects.

Current liabilities decreased from EUR 161.5 million to EUR 158.4 million. The following elements are to be noted:

- Short-term provisions, which amounted to EUR 7.2 million at the end of 2014, decreased by EUR 14.0 million, mainly due to flows on provisions related to the dispute with the proton therapy client WPE ("Essen" project) described later in this report and on provisions related to the settlement for outstanding claims and counterclaims regarding IBA Molecular. .
- Short-term debts of EUR 5.2 million at the end of 2014 include the short-term portion of the loan from the European Investment Bank for EUR 5 million and the short-term portion of financial lease obligations for EUR 0.2 million.
- Other short-term debts at the end of 2014 amount to EUR 108.0 million which represent an increase of EUR 5.4 million compared to 2013. This increase is mainly explained by the increase of

contractual advance payments received for proton therapy orders for EUR 8.9 million partially compensated by the decrease of advances received from Walloon Region of Belgium for EUR 4 million.

The Group's cash and cash equivalents increased by EUR 8.2 million in 2014, mainly thanks to a positive operating cash-flow of EUR 15 million, to EUR 5.7 million cash-in related to the assets disposal of PharmaLogic Pet Services of Montreal Cie, to EUR 2.4 million cash-in of deferred payments related to the sale of Cisbio Bioassays business reduced by acquisitions of tangible and intangible assets of EUR 5 million, by the investment in Cyclhad SAS of EUR 1.5 million and by a financing cash-flow of EUR 8.3 million.

Net financial position changed from a EUR 18.1 million net debt end of 2013 to a net cash of EUR 5.3 million in 2014.

RESEARCH AND DEVELOPMENT

Research and development expenses related to the Group's businesses amounted to EUR 25.83 million (11.7% of sales) in 2014 less EUR -2.92 million of research tax credit for which provisions were made.

At IBA, research and development expenses are recognized directly in the income statement because the nature of capitalizable development costs could not be demonstrated in accordance with the Group's accounting rules. These significant investments enable the Company to remain among the world leaders in all the markets in which it operates.

CAPITAL INCREASES AND ISSUES OF STOCK OPTIONS AND CONVERTIBLE BONDS – ART 608 OF THE BELGIAN COMPANIES ACT

In June 2014, the Board of Directors issued, in the framework of the authorized capital, 250 000 stock options (the "Stock Options") for members of the Group top management (including some determined persons) consisting of 180 000 free options and 70 000 paid options (subscription price of 5.75% of the strike) within the limits and in accordance with the repartition decided by the Remuneration Committee. These Stock Options will vest on 31 December 2018. Each Stock Option allows its beneficiary to subscribe to one newly issued share against payment of a strike of EUR 11.52 between January 1st, 2019 and June 30, 2024.

In June 2014, the Board of Directors proceeded, in the framework of the authorized capital, to

(i) a capital increase in cash of EUR 6 million, of which EUR 5 million subscribed by the Société Régionale d'Investissement de Wallonie ("SRIW") and of which EUR 1 million subscribed by the Société Fédérale de Participations et d'Investissement ("SFPI"). In accordance with Article 598 of the Belgian Companies Act, these shares have been subscribed at a price equal to the average market price of the last 30 days preceding the date of their issue, it being EUR 11.52. If the total amount of the RC Obligation was converted into shares, it would represent 434 027 shares.; and

(ii) the issue of EUR 5 million subordinated reverse convertible bonds, the convertibility of which being at the entire discretion of IBA (the "RC Obligations") and enabling their beneficiary to subscribe to newly issued IBA shares. The RC Obligations were subscribed in full by the SRIW. The RC Obligations are split into 7 separate RC Obligations, the nominal and maturity of which are as follows:

Maturity	Reference no of the RC Obligation	Nominal (EUR)
4/05/2018	1	715 000
4/05/2019	2	715 000
4/05/2020	3	715 000
4/05/2021	4	715 000
4/05/2022	5	715 000
4/05/2023	6	715 000
4/05/2024	7	710 000

The conversion price of the RC Obligations into shares shall be in accordance with Article 598 of the Belgian Companies Act (average market price of the last 30 days preceding the date of their issue).

The base rate of the RC Obligations amounts to 5% (Exact/360) on the amounts drawn. During the convertibility period, the base rate is increased by 3.85% (Exact/360).

REPURCHASE OF OWN SHARES (ART. 624 C)

IBA SA did not repurchase any of its stock in 2014. At December 31, 2014, IBA SA held 75 637 of its own shares.

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

Sales and services by Ion Beam Applications SA for the 2014 financial year went up from EUR 196.2 million in 2013 to EUR 211.0 million, i.e. a increase of 7.5%. This increase in revenues primarily reflects changes in the advancement of current contracts as well as increased revenues from maintenance contracts due to the increase in the number of operational proton therapy centers.

Income from operations, which showed a profit of EUR 27.1 million in 2013, went up to a profit of 32.5 million, this is primarily due to the improvement of the operational margins.

The Company posted a profit before tax of EUR 50 million, compared to a profit of EUR 23.3 million in 2013. This increase is due to the reasons mentioned above as well as dividends received from its German and US subsidiaries for EUR 19 million.

The operational perspectives of IBA remain positive and in addition, the Board of Directors is of the opinion that IBA will honor its bank covenants in 2015.

At the end of 2014, the Company had six branches in Prague, Czech Republic; Orsay, France; Krakow, Poland; Trento, Italy; Seoul, South Korea; and Uppsala, Sweden. The branches were established as part of the Proton therapy business.

CONFLICTS OF INTEREST

BOARD MEETING OF MARCH 25 and MAY 14, 2014,

being called on to decide on approval of the stock option plan for members of the Group top management, triggered application of the procedure governing directors' conflict of interests as defined in article 523 of the Belgian Companies Act. This conflict of interests concerns the managing directors in their capacity as beneficiaries of the said plan. *"The directors affected by the conflict of interests decide not to participate in the deliberations relating to the proposals on the agenda, nor to take part in the vote. After deliberation, the Board unanimously approves the terms of a stock option plan for members of the Group top management of 250 000 stock options, and, without prejudice of any FSMA comments, the terms of the special Board report drawn up pursuant to articles 583, 596 and 598 of the Belgian Companies Act. The list of beneficiaries shall be established by the Remuneration Committee."*

COMPETENCE AND INDEPENDENCE OF MEMBERS OF THE AUDIT COMMITTEE

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

In accordance with article 96, paragraph 9, of the Belgian Companies Code, IBA Board of Directors reports as well that Ms Katleen Vandeweyer (representing Katleen Vandeweyer Comm. V.), member of the Audit Committee and Board member since 2013, is CFO of Worldline SA/NV, an Atos company. As such, she participates in many Audit Committees and is responsible for the overall financial management of Worldline, including the establishing of statutory accounts, tax management, treasury management and financial controlling of operations.

SIGNIFICANT ACQUISITIONS AND DIVESTMENTS IN 2014

On March, 2014, IBA announced the closing of an agreement for the sale to a private equity firm of the assets of PharmaLogic PET Services of Montreal Company, a Canadian company in which IBA owns a substantial but minority interest. Approximately 85% of the price has been paid to PharmaLogic at closing and the rest will be released after a two year period. Payments will then be distributed as dividends to PharmaLogic's shareholders, including IBA.

On October 2, 2014, IBA entered into a call for fund to shareholders to increase the capital of the company Cyclhad SAS. This capital increase has had the effect of diluting the stake held by the Group in this company. The Group now owns 33.33% compared to 60% previously.

PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY

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

AUTHORIZATIONS

Some IBA products and devices cannot be marketed without regulatory approval or registration as medical devices or pharmaceutical products. Such authorization is necessary in each country where IBA wishes to market a product or device. At the end of 2014 IBA was authorized to market its particle therapy devices in the United States (FDA), the European Union (LRQA), Australia (TGA), China (SDA), Russia (Gost-R) and South Korea (KFDA). Authorizations may always be revoked. Moreover, as IBA's equipment evolves technologically, further authorizations are required. This is particularly the case for *Proteus*®***ONE*** currently under development.

TECHNOLOGY RISKS

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

REIMBURSEMENT OF HEALTHCARE

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

INSURANCE COVERAGE FOR DELIVERED PRODUCTS AND THOSE IN THE PIPELINE

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

FOREIGN EXCHANGE RISKS

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

ASSET DEPRECIATION RISKS

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

DECOMMISSIONING RISK

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

DEPENDENCE ON CERTAIN MEMBERS OF STAFF

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

DEPENDENCY ON A SPECIFIC CUSTOMER OR A LIMITED NUMBER OF ORDERS

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

INTELLECTUAL PROPERTY (PATENTS)

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

COMPETITION AND RISK OF RAPID PRODUCT OBSOLESCENCE

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

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

PENALTIES AND WARRANTIES

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

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

None.

GENERAL OUTLOOK FOR 2015

With the growing penetration of proton therapy in the market due to increasing clinical relevance, affordability and technological advances, IBA's record backlog of EUR 256.2 million and the sustainable revenue source from service and maintenance contracts, now representing EUR 468 million of revenue over the next 10-15 years, IBA anticipates growth in Group revenues in 2015 above 10% on average over the next four years.

The Company expects its operating margin to stabilize at 10% in 2015 and then grow at 1% per annum until 2018. Net debt is expected to stay limited over the course of the years to come. Due to the necessary continued investments in technological advances in proton therapy to maintain leadership in the space, IBA is planning a dividend payout ratio of 20% in 2015 based on 2014 results, but it is the Company's intention that if market conditions prevail, the dividend should gradually reach a payout ratio of 30% in the future.

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

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

CHARACTERISTICS OF INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

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

CONTROL ENVIRONMENT

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

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

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

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

RISK MANAGEMENT PROCESS

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

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

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

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

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

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

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

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

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

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

CONTROL ACTIVITIES

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

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

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

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

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

INFORMATION AND COMMUNICATION

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

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

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

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

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

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

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

MANAGEMENT

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

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

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

LEGISLATION GOVERNING TAKEOVER BIDS AND TRANSPARENCY

DISCLOSURES REQUIRED UNDER TRANSPARENCY LEGISLATION

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

In this framework, IBA SA received the following notifications

JANUARY 9, 2014

On January 9, 2014, IBA received a transparency notification regarding the agreement on the holding, acquisition or sale of shares with voting rights entered into between Belgian Anchorage SCRL, UCL, Sopartec SA and IRE FUP on February 6, 1996 and informing IBA that this agreement was terminated with effect as from December 2, 2013, therefore bringing the holding of the said parties below the 35% threshold.

At the date of this notification, (i) UCL, Sopartec SA, and IRE FUP had not modified their shareholdings in IBA SA, and (ii) after termination of the above agreement, both UCL and Sopartec SA (affiliated companies) on the one hand, and IRE FUP on the other, remained above the transparency thresholds of 3% and 5% respectively.

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

January 10, 2014

On January 10, 2014, IBA received a transparency notification regarding Belgian Anchorage SCRL. Further to the sale, by Belgian Anchorage SCRL, of 140 000 shares with voting rights, the holding of Belgian Anchorage SCRL and its affiliates IBA SA and IBA Investments SCRL was brought below the 30% threshold.

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

IBA has not received any other transparency notifications in 2014.

February 12, 2015

On February 12, 2015, IBA received a transparency notification regarding Sopartec SA. During the year 2014, Sopartec SA has sold IBA shares with voting rights, so that as from June 12, 2014, Sopartec SA held 403 049 IBA shares with voting rights. As a result, the sum of the affiliated companies Sopartec SA and Catholic University of Louvain (UCL) has been brought below the 3% threshold provided in Article 34 of IBA's Articles of Association.

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Entity	Number (%) of shares with voting rights 31 December 2013 Denominator = 27 635 439	Number (%) of shares with voting rights 12 June 2014 Denominator = 27 675 955
Sopartec SA Place de l'Université 1 1348 Louvain-la-Neuve	529 925 (1.92%)	403 049 (1.446%)
UCL Place de l'Université 1 1348 Louvain-la-Neuve	426 885 (1.94%)	426 885 (1.542%)
Total	**956 810 (3.46%)**	**829 934 (2.998%)**

February 27, 2015

On February 27, 2015, IBA received a transparency notification regarding IRE. Further to the capital increase of February 26, 2015 (exercise of stock options), the holding of Institut des Radio-Eléments (IRE) FUP has been passively, due to the dilutive effect, brought below the 5% threshold. IRE is not controlled in the meaning of Article 5 of the Company Code.

Entity	Number (%) of shares with voting rights 31 December 2014 Denominator = 28 393 804	Number (%) of shares with voting rights 26 February 2015 Denominator = 28 653 520
IRE FUP Zoning Industriel Avenue de l'Esperance 1 6220 Fleurus	1 423 271 (5.01%)	1 423 271 (4.97%)

LEGISLATION GOVERNING TAKEOVER BIDS (TRANSITIONAL REGIME)

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

The agreement on the holding, acquisition or sale of shares with voting rights entered into between Belgian Anchorage SCRL, UCL, Sopartec SA and IRE FUP on February 6, 1996 being terminated with effect as from December 2, 2013, the holding of the said parties has been brought below the 35% threshold.

Belgian Anchorage SCRL having sold tereafter 140 000 IBA shares with voting rights on January 10, 2014, the shareholding of Belgian Anchorage SCRL and its affiliated companies IBA SA and IBA Investments SCRL have been brought below the 30% threshold.

Belgian Anchorage SCRL sold further IBA shares with voting rights, so that the crossing down of the 30% threshold is greater than 2% since April 2014, and that the dispense, in accordance with Article 74, §3 of the Law of April 1, 2007 regarding takeover bids, is definitively lost since then.

In view of the above, the Company has not updated, as usual as at August 31, the notification made further to Article 74, §6 of the Law of April 1, 2007 regarding takeover bids.

LEGAL OR STATUTORY RESTRICTION TO THE EXERCISE OF VOTING RIGHTS

Further to Article 34, 5° of the Royal Decree of November 14, 2007 regarding the obligations of issuers of financial instruments admitted to trading on a regulated market, the management report of the Company exposes any legal or statutory restriction to the exercise of voting rights that may have an influence in case of a takeover bid.

Article 25 of the Company's Articles of Association provide the following limitation:

> "*Each shares gives the right to one vote.*
>
> *However, no shareholder can, with its affiliated companies and persons, vote at a general assembly for more than 35% of the voting rights of the Company.*
>
> *Moreover, insofar other non-affiliated shareholders holding at least 15% of the voting rights of the Company take part in the assembly, no shareholder shall be entitled, together with its affiliated persons, vote for more than 50% less one vote of the votes.*
>
> *For the application of the previous alineas, is affiliated to a shareholder : (i) any company or person affiliated to it in the meaning of Article 11 of the Belgian Companies Act; (ii) any physical or moral person part of the management of the said shareholder or of a company listed under (i), (iii) any third party acting in its own name but for the account of the said shareholder or of a company listed under (i) or (ii), (iv) any shareholders that provided the said shareholder listed under (i), (ii) or (iii) with a power of attorney to represent them at the said assembly."*

STRUCTURE OF THE SHAREHOLDING

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

Further to the events mentioned under this section "LEGISLATION GOVERNING TAKEOVER BIDS AND TRANSPARENCY", the shareholdings of the shareholders known to IBA have undergone various modifications which can be summarized as follows:

Situation as at		31/12/2013		31/12/2014		Variation	
Denominator		27 635 439		28 393 804			
		Shares	%	Shares	%	Shares	%
Belgian Anchorage SCRL		7 700 132	27.86%	6 639 668	23.38%	-1 060 464	-4.48%
IBA Investment SCRL		610 852	2.21%	610 852	2.15%	0	-0.06%
IBA SA		75 637	0.27%	75 637	0.27%	0	-0.01%
	Subtotal	***8 386 621***	***30.35%***	***7 326 157***	***25.80%***	***-1 060 464***	***-4.55%***
UCL		426 885	1.54%	426 885	1.50%	0	-0.04%
Sopartec SA		529 925	1.92%	344 531	1.21%	-185 394	-0.70%
	Subtotal	***956 810***	***3.46%***	***771 416***	***2.71%***	***-185 394***	***-0.74%***
SRIW				704 491	2.48%	704 491	2.48%
SFPI				86 805	0.31%	86 805	0.31%
IRE FUP		1 423 271	5.15%	1 423 271	5.01%	0	-0.14%
Total		**10 766 702**	**38.96%**	**10 312 140**	**36.31%**		
Floating		**16 868 737**	**61.04%**	**18 081 664**	**63.69%**		

GOVERNING BODIES AND COMMITTEES

BOARD OF DIRECTORS

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

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

The Board of Directors meets whenever necessary, but a minimum of four times a year. The major topics of discussion include market situation, strategy (particularly as concerns acquisitions during the period), technological developments, financial developments, and human resources management. Reports on topics dealt with at Board meetings are sent to the directors first, so that they can exercise their duties with a full knowledge of the facts.

The Board of Directors met 6 times in 2014, under the chairmanship of Mr. Pierre Mottet. Attendance at meetings of the Board was high. A large majority of the directors attended all meetings. Only three absences were recorded for all of the meetings, which represent an absentee rate of approximately 5%. The Company believes that the attendance record of individual directors is not pertinent in the context of this report.

On the proposal of the Nomination Committee, the Ordinary General Meeting of May 14, 2014 (i) approved the renewal of the term of Ms. Katleen Vandeweyer Comm. V., represented by its manager Ms. Katleen Vandeweyer, as independent director and fixed the expiry of its term of office at the 2018 Ordinary General Meeting convened to approve the financial statements for the 2017 financial year, (ii) approved the appointment of Mr. Jeroen Cammeraat, as independent director and fixed the expiry of its term of office at the 2015 Ordinary General Meeting convened to approve the financial statements for the 2014 financial year.

Board of Directors as at December 31, 2014:

NAME	AGE	START OF TERM	END OF TERM	DUTIES AT IBA	PRIMARY DUTIES OUTSIDE IBA
Olivier Legrain(1)	46	2012	AGM 2016	Chief Executive Officer / Internal Director / Managing Director/ NC	NA
Saint-Denis SA (represented by Pierre Mottet)(1)	53	1998	AGM 2015	Internal Director / Chairman of the Board of Directors / CC NC	Director of UWE (Walloon Business Association), Agoria and several funds and startups in the field of health and environment
Yves Jongen(1)	67	1991	AGM 2017	Chief Research Officer / Internal Director / Managing Director / NC	Before the establishment of IBA in 1986, Director of the Cyclotron Research Center of the Université Catholique de Louvain (UCL)
Bayrime SA (represented by Eric de Lamotte)(3)	58	2000	AGM 2017	Other Director / AC	Director in several companies. Former CFO of IBA (1991- 2000)
Consultance Marcel Miller SCS (represented by Marcel Miller) (2)	61	2011	AGM 2016	Independent Director / CC NC	President Alstom Belgium / Director Agoria Wallonia / Vice-President UWE / Director Techrond
Mary Gospodarowicz (2)	67	2012	AGM 2017	Independent Director	Staff Radiation Oncologist, Radiation Medicine Program, Princess Margaret Cancer Centre, University Health Network, Toronto Medical Director, Princess Margaret Cancer Centre, University Health Network, Toronto Regional Vice-President, Cancer Care Ontario, Toronto President, Immediate Past President, Union for International Cancer Control
Windi SPRL (represented by Yves Windelincx)(2)	67	2010	AGM 2015	Independent Directors /CC NC AC	Independent Director of Desmet Engineers and Contractors, Balteau, Concordia
Jeroen Cammeraat (3)	49	2014	AGM 2015	Independant Director	CEO i-Optics BV
Katleen Vandeweyer Comm. V. (represented by K Vandeweyer) (2)	45	2013	AGM 2018	Independent Directors / AC	CFO of Worldline SA/NV

CC : Compensation Committee - NC : Nomination Committee - AC : Audit Committee
(1) In accordance with the meaning ascribed by the corporate charter to the term "Internal director", namely an internal director is a director appointed on the proposal of the managing directors.
(2) Submitted to the General Meeting as candidate independent directors on their election, without excluding the fact that other directors also fulfill the independence criteria. None of the independent directors ceased during the financial year to fulfill the independence criteria set out in the corporate charter.
(3) An other director is a director who is neither an internal director nor an independent director

COMPENSATION COMMITTEE

The Compensation Committee met 4 times in 2014. A report on each of its meetings was submitted to the Board.

Topics of discussion included issues relating to the 2013 bonuses, directors' compensation, and compensation schemes in general.

Only 1 absence was recorded for all of the meetings held.

At December 31, 2014, the Compensation Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, of Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, and of Windi SPRL represented by its manager, Mr. Yves Windelincx. The 2 latter members being independent, the Compensation Committee is thus comprised of a majority of independent directors. It is chaired by Mr. Pierre Mottet. Mr. Olivier Legrain is invited to attend, except where the Committee is called on to decide on the compensation policy or other matters relating to the managing directors.

NOMINATION COMMITTEE

The Nomination Committee met 4 times in 2014 for the purpose of assessing the areas of expertise needed by the Board of Directors to fill expiring directorship positions and of making proposals in this regard to the Board of Directors.

Based on its report, the Board proposed to the Ordinary General Meeting of May 14, 2014 (i) to approve the renewal of the term of Ms. Katleen Vandeweyer Comm. V., represented by its manager Ms. Katleen Vandeweyer, as independent director and to fix the expiry of its term of office at the 2018 Ordinary General Meeting convened to approve the financial statements for the 2017 financial year, (ii) to approve the appointment of Mr. Jeroen Cammeraat, as independent director and to fix the expiry of its term of office at the 2015 Ordinary General Meeting convened to approve the financial statements for the 2014 financial year.

Only 1 absence was recorded for all of the meetings held.

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

At December 31, 2014, the Nomination Committee was comprised of Saint-Denis SA represented by its managing director, Mr. Pierre Mottet, of Consultance Marcel Miller SCS represented by its manager, Mr. Marcel Miller, of Windi SPRL represented by its manager, Mr. Yves Windelincx, and of Mr. Olivier Legrain and Mr. Yves Jongen. It is chaired by Mr. Pierre Mottet.

AUDIT COMMITTEE

The Audit Committee met 4 times in 2014, including 3 times in the presence of the external auditors, and also, in principle, of the internal auditor, and on each occasion reported on its meetings to the Board of Directors. The main topics addressed were the 2013 annual results and analysis of the external auditors' Management Letter, analysis of the half-year results, monitoring of the implementation of International Financial Reporting Standards (IFRS), examination of the 2015 budget and follow-up of the internal audit and risk management.

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

Four absences were recorded for all of the meetings held.

At December 31, 2014, the Audit Committee was comprised of three members: Windi SPRL represented by its manager, Mr. Yves Windelincx, Bayrime SA, represented by its managing director Mr. Eric de Lamotte, and Katleen Vandeweyer Comm. V. represented by its manager Mrs. Katleen Vandeweyer. It is chaired by Mr. Yves Windelincx.

INFORMATION REGARDING THE POWERS OF THE MANAGEMENT BODY

In accordance with the decision of the special shareholders' meeting of June 12, 2013, the Board of

Directors is authorized to increase the capital one or more times up to a maximum of twenty-five million euros (25 000 000).

Authorization to issue convertible bonds or subscription rights

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

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

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

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

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

DAY-TO-DAY AND STRATEGIC MANAGEMENT

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

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

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

The Board of Directors has also asked Management Team members or division heads to report to the Board on two topics: adoption of the strategic plan and adoption of the 2015 budget.

Management Team as at December 31, 2014:

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

MANAGEMENT TEAM MEMBER

CODE OF CONDUCT

CODE OF ETHICS CONDUCT

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

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

CODE OF CONDUCT TO COMBAT INSIDER TRADING AND MARKET ABUSE

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

DIVERSITY WITHIN THE BOARD OF DIRECTORS

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

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

Over the years 2012, 2013 and 2014 initial efforts have been made, both with a direct and immediate impact, and with a view to progressing towards the required results in a structured and sustainable way.

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

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

REMUNERATION REPORT

REMUNERATION POLICY

Procedure

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

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

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

Policy

Directors

The remuneration policy for IBA directors has not substantially changed during 2014.

The policy has changed as of January 1, 2015, following a review of the level of remuneration. A full description of the policy, including the changes as of 2015, is included in annex 1 to this remuneration report. Beyond these changes, it is not expected that the policy will fundamentally change over the next two years. Both level and structure of director remuneration continue to be monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate.

Managing Directors and Other Management Team Members

The remuneration policy for managing directors and other Management Team members has not substantially changed during 2014, except in relation to the long-term incentive plan, where a new plan has been implemented in the course of the year, following the discontinuation of the plan previously applicable. The overall philosophy remains focused on IBA's ability to attract, retain and engage the executive talent it requires to deliver on its promises. A description of the policy is included in annex 2 to this remuneration report, which includes details on the new long-term incentive plan.

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

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

REMUNERATION COMPONENT	PART OF TOTAL REMUNERATION (WHEN OFFERED)*
Annual fixed remuneration	Between 38% and 58%
Annual variable remuneration (at target)	Between 14% and 37%
Annualized value of long-term incentives*	Between 13% and 25%
Annual value of retirement plan contributions	Up to 6%
Annual value of other components	Up to 7%

It is not anticipated that, over the next two years, the remuneration policy will fundamentally change. IBA continuously assesses the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

**Under the newly adopted long-term incentive plan, the annualized value of long-term incentives granted in 2014 represented here corresponds to the sum of 25% of the target cash-based incentive (i.e., the target payout over the four-year performance period prorated to one year) and 22.22% of the economic value of the warrants granted under the 2014 Warrant Plan (i.e., the economic value over the 4.5-year vesting period prorated to one year). The value has not been discounted to account for full vesting at the end of the respective performance or vesting periods, or considering any assessment of vesting or payout probability. More details on the plan design are included in annex 2 to this remuneration report.*

REMUNERATION OF THE BOARD OF DIRECTORS

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

BOARD MEMBER	TOTAL FEES (EUR)	LUMP-SUM FEE (EUR)		MEETING RELATED FEES* (EUR)
Olivier Legrain (inside director, CEO)	None	None	BM AC NC/CC MAC	N/A N/A N/A N/A
Yves Jongen (inside director, Chief Research Officer)	None	None	BM AC NC/CC MAC	N/A N/A N/A N/A
Saint-Denis SA, represented by Pierre Mottet (inside director, Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Compensation Committee)	36 000	12 000	BM AC NC/CC MAC	14 000 2 000 8 000 N/A
Mary Gospodarowicz (outside director)	12 000	6 000	BM AC NC/CC MAC	6 000 N/A N/A N/A
SCS Consultance Marcel Miller, represented by Marcel Miller (outside director)	16 000	6 000	BM AC NC/CC MAC	6 000 N/A 4 000 N/A
Windi SPRL, represented by Yves Windelincx (outside director, Chairman of the Audit Committee)	26 000	9 000	BM AC NC/CC MAC	7 000 6 000 4 000 N/A
Bayrime SA, represented by Eric de Lamotte (other director)	17 000	6 000	BM AC NC/CC MAC	7 000 4 000 N/A N/A
Jeroen Cammeraat (outside director as of May 14, 2014)	9 787	3 787	BM AC NC/CC MAC	6 000 N/A N/A N/A
Katleen Vandeweyer Comm.V., represented by Katleen Vandeweyer (outside director)	17 000	6 000	BM AC NC/CC MAC	7 000 4 000 N/A N/A
Pierre Scalliet (other director until May 14, 2014)	3 213	2 213	BM AC NC/CC MAC	1 000 N/A N/A N/A

In 2014, the Group has also employed the services of Saint-Denis SA for specific activities not related to its directorship. The fees corresponding to these services amounted to EUR 189 778. In addition, the Group has paid a one-off amount of EUR 164 682 to Saint-Denis SA in 2014, for the successful closing of the Essen legacy.

** BM – Board meeting; AC – Audit Committee meeting; NC/CC – Combined Nomination Committee and Compensation Committee meeting; MAC – Mergers & Acquisitions Committee meeting. N/A indicates that the director is not a member of the Committee.*

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

In 2014, the total remuneration directly or indirectly received by the CEO, Mr. Olivier Legrain, or by companies he controls has been as follows. Fixed remuneration amounted to EUR 309 540. Variable remuneration, in cash, amounted to EUR 330 000, in relation to performance during fiscal year 2013. Variable remuneration in relation to fiscal year 2014 is paid in 2015 and is not yet known at the time of finalization of this report. The total cash remuneration amounted to EUR 639 540. All payments referred as made directly or indirectly to the CEO in this report are the aggregate of payments made to Mr Legrain and to Lamaris Group SPRL, a company controlled by Mr Olivier Legrain, which provides services to the Group. The Chief Executive Officer has not directly or indirectly received any other form of remuneration in 2014, except through his participation in the long-term incentive plan as described below.

REMUNERATION OF THE MANAGEMENT TEAM

Total cash remuneration, including fixed remuneration and variable remuneration (as defined in the remuneration policy in annex 2 to this remuneration report), directly or indirectly received, under any agreement or in any form, by Management Team members excluding the Chief Executive Officer amounted to EUR 1 259 878 in 2014. This amount includes fixed remuneration for a total amount of EUR 896 187 and variable remuneration for a total amount of EUR 363 691. Variable remuneration relates to performance in fiscal year 2013. Variable remuneration in relation to fiscal year 2014 is paid in 2015 and is not yet known at the time of finalization of this report.

Other remuneration of members of the Management Team excluding the Chief Executive Officer, received in 2014, includes i) contributions to retirement plans for a total amount of EUR 28 215, ii) other remuneration components for a total amount of EUR 51 216. Retirement plans are defined contribution type of plans. Other remuneration components mainly include participation in risk insurance programs, company cars, meal vouchers, all in line with local practice where the Management Team members are based.

Group Management Team Members besides CEO

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

MANAGEMENT TEAM MEMBER	POSITION	CHANGES IN 2014
Yves Jongen (Managing director and representative of Technofutur SA)	Chief Research Officer	None
Jean-Marc Bothy	Chief Financial Officer	None
Frédéric Nolf	Chief Human Resources Officer	None
Rob Plompen	President, IBA Dosimetry	None

LONG-TERM INCENTIVES OF THE MANAGEMENT TEAM

The managing directors, including the Chief Executive Officer, and the other members of the Management Team do not receive shares as part of their remuneration. They participate in IBA's new long-term incentive plan, implemented in the course of 2014, following the discontinuation of the plan previously applicable.

For managing directors, including the Chief Executive Officer, and the other members of the Management Team, the plan directly or indirectly combines a cash-based incentive and a grant of warrants under IBA's 2014 Warrant Plan, following the terms and conditions outlined in annex 2 to this remuneration report.

The schedule below details, on an individual basis, the warrants granted in 2014.

MANAGEMENT TEAM MEMBER	WARRANTS (NUMBER)	EXERCISE PRICE (EUR)	EXERCISABLE AS OF (DATE)	EXPIRY ON (DATE)	ECONOMIC VALUE (EUR)
Olivier Legrain (Managing director and CEO)	50 000	11.52	January 1, 2019	June 30, 2024	231 500
Yves Jongen (Managing director)	10 000	11.52	January 1, 2019	June 30, 2024	46 300
Jean-Marc Bothy	10 000	11.52	January 1, 2019	June 30, 2024	46 300
Frédéric Nolf	10 000	11.52	January 1, 2019	June 30, 2024	46 300
Rob Plompen	10 000	11.52	January 1, 2019	June 30, 2024	46 300

The schedule below details, on an individual basis, the stock options exercised and expired in 2014:

MANAGEMENT TEAM MEMBER	WARRANTS EXERCISED IN 2014			WARRANTS EXPIRED IN 2014	
	WARRANTS (NUMBER)	EXERCISE PRICE (EUR)	GRANT DATE (YEAR)	WARRANTS (NUMBER)	GRANT DATE (YEAR)
Olivier Legrain (Managing director and CEO)	None	N/A	N/A	None	N/A
Yves Jongen (Managing director)	None	N/A	N/A	11 916	2008
Jean-Marc Bothy	7 890 10 400 4 834	6.37 8.26 7.80	2005 2009 2010	None	N/A
Frédéric Nolf	None	N/A	N/A	None	N/A
Rob Plompen	7 315 7 886	8.26 7.80	2009 2010	4 788	2008

TERMINATION ARRANGEMENTS WITH THE MANAGEMENT TEAM

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

MANAGEMENT TEAM MEMBER	TERMINATION ARRANGEMENT
Lamaris Group SPRL, represented by Olivier Legrain	The agreement, started in 2011, provides six months' notice or equivalent compensation.
Technofutur SA, represented by Yves Jongen	The agreement, started before 2009 and amended in 2012, provides twelve months' notice or equivalent compensation.
Jean-Marc Bothy	The agreement, started before 2009, provides three months' notice per initiated period of five years' service, or equivalent compensation. For service accrued as of January 1, 2014, this clause will be subordinate to the application of the new legislation in effect as from that date. The agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived.
Frédéric Nolf	The agreement, started before 2009, provides three months' notice per initiated period of five years' service, or equivalent compensation. For service accrued as of January 1, 2014, this clause will be subordinate to the application of the new legislation in effect as from that date. The agreement also contains a non-competition obligation for nine months against 50% of remuneration over the same period, unless it is waived.
Rob Plompen	The agreement, started before 2009, provides twelve months' notice or equivalent compensation.

ANNEX 1 – REMUNERATION POLICY FOR DIRECTORS

In 2014, IBA directors have been remunerated by an annual lump-sum fee of EUR 6 000, except the Chairman of the Board, who has received an annual lump-sum fee of EUR 12 000, and the Chairman of the Audit Committee, who has received an annual lump-sum fee of EUR 9 000. The annual lump-sum fee has been supplemented with a fixed fee of EUR 1 000 per Board or committee meeting the director has been invited to and which he has attended. The Chairman of the Board has received EUR 2 000 per meeting attended and the Chairman of the Audit Committee EUR 1 500 per Audit Committee meeting attended. The fixed fees are on a half-day basis and adjusted per half day if required.

As of January 1, 2015, the fixed fees related to meeting attendance have been updated for the first time since the Company has become listed. The update takes account of the cost-of-living adjustment since that date. As such, the fixed fee per Board or committee meeting the director is invited to and which he has attended, amounts to EUR 1 600. The Chairman of the Board receives EUR 3 000 per meeting attended. The Chairman of the Audit Committee receives EUR 2 200 per Audit Committee meeting attended and EUR 1 600 per other meeting attended. The fixed fees continue to be on a half-day basis. The annual lump-sum fees for IBA directors remain unaltered.

Non-managing directors have not received any form of variable remuneration – related to individual or collective performance, or otherwise – and no other form of fixed, equity-based or in-kind remuneration in the course of 2014.

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

At present, it is not anticipated that the policy will fundamentally change over the next two years. Both level and structure of director remuneration are monitored and reviewed on an annual basis, which may result in an adjustment when deemed necessary or appropriate.

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

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

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

- They appropriately balance external competitiveness with other organizations and internal equity, considering both the content of the position, and the personal competencies and effectiveness of the manager within IBA;
- They are affordable, sustainable and cost efficient, avoiding excesses;
- They reward performance – both individual and collective – aligned to the business strategy, considering short-term results and long-term focus, and supported by a robust performance management system;
- They provide transparency and predictability, whilst offering sufficient flexibility to swiftly respond to changing business needs, if and when required.

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

At present, it is not anticipated that, in the next two years, the policy will fundamentally change. IBA does, however, continuously assess the appropriateness of its remuneration programs in view of evolving needs and insights, both externally and internally, which may result in an adjustment when deemed necessary or appropriate.

Annual Fixed Remuneration

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

Annual Variable Remuneration

The annual variable remuneration program rewards performance against specified objectives. Payout levels currently are targeted at between 25% and 100% of direct or indirect annual fixed remuneration, depending on the position.

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

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

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

The participation of managing directors and the Management Team members in IBA's global performance-based profit sharing plan has been discontinued.

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

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

Long-Term Incentives

In 2014, the Company has implemented 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 is linked to a profit measure cumulated over the period 2014 to 2017, above a predefined threshold. Vesting occurs in full at the end of 2017, subject to specific Group and individual requirements being met on that date. The target payout is equal to 100% of annual fixed remuneration directly or indirectly received, except for the Chief Executive Officer, for whom it is 200%.

The grant of warrants has been made under IBA's 2014 Warrant plan. Vesting occurs in full on December 31, 2018. The warrants expire 10 years following grant.

Retirement Plan

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

Other Components

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

IFRS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

INTRODUCTION

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

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

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

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

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

These consolidated financial statements were approved for release by the Board of Directors on March 24, 2015.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION AT DECEMBER 31, 2014

The Group has chosen to present its balance sheet on a current/non-current basis.
The notes on pages 68 to 134 are an integral part of these consolidated financial statements.

	Note	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
ASSETS			
Goodwill	8	3 821	3 821
Other intangible assets	8	9 065	9 178
Property, plant and equipment	9	7 656	8 663
Investments accounted for using the equity method	11	35 799	37 072
Other investments	11	423	407
Deferred tax assets	12	18 044	23 018
Long-term financial assets	22	207	1
Other long-term assets	13	18 291	20 539
Non-current assets		**93 306**	**102 699**
Inventories and contracts in progress	14	72 742	91 731
Trade receivables	15	41 452	54 799
Other receivables	15	41 711	20 270
Short-term financial assets	22	367	381
Cash and cash equivalents	16	28 942	37 176
Assets held for sale	6	3 233	0
Current assets		**188 447**	**204 357**
TOTAL ASSETS		**281 753**	**307 056**
EQUITY AND LIABILITIES			
Capital stock	17	38 787	39 852
Capital surplus	17	25 651	32 431
Treasury shares	17	-8 612	-8 612
Reserves	18	13 339	20 786
Currency translation difference	18	-4 716	-3 725
Retained earnings	18	2 789	26 794
Reserves for assets held for sale	6	0	0
Capital and reserves		**67 238**	**107 526**
Non-controlling interests		**0**	**0**
EQUITY		**67 238**	**107 526**
Long-term borrowings	19	41 871	26 679
Long-term financial liabilities	22	553	882
Deferred tax liabilities	12	711	854
Long-term provisions	20	9 649	9 607
Other long-term liabilities	21	248	3 066
Non-current liabilities		**53 032**	**41 088**
Short-term provisions	20	21 186	7 160
Short-term borrowings	19	5 201	5 196
Short-term financial liabilities	22	1 027	1 759
Trade payables	23	30 819	36 145
Current income tax liabilities		281	186
Other payables	24	102 628	107 996
Liabilities directly related to assets held for sale	6	341	0
Current liabilities		**161 483**	**158 442**
TOTAL LIABILITIES		**214 515**	**199 530**
TOTAL EQUITY AND LIABILITIES		**281 753**	**307 056**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

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

	Note	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
Sales		163 570	157 909
Services		48 942	62 668
Cost of sales and services (-)		-124 085	-124 481
Gross profit		**88 427**	**96 096**
Selling and marketing expenses		18 322	20 111
General and administrative expenses		28 700	30 140
Research and development expenses		23 046	22 912
Other operating expenses	25	18 739	1 973
Other operating (income)	25	-900	-1 263
Financial expenses	26	5 105	5 318
Financial (income)	26	-7 403	-7 141
Share of (profit)/loss of companies consolidated using the equity method	11	3 226	6 873
Profit/(loss) before taxes		**-408**	**17 173**
Tax (income)/expenses	27	-3 384	-3 413
Profit/(loss) for the period from continuing operations		**2 976**	**20 586**
Profit/(loss) for the period from discontinued operations	6	3 088	3 708
Profit/(loss) for the period before technical recycling of CTA[1]		**6 064**	**24 294**
Technical recycling of CTA to income statement further to liquidation of a dormant Swedish entity		-7 074	0
Profit/(loss) for the period after technical recycling of CTA		**-1 010**	**24 294**
Attributable to :			
Equity holders of the parent		-1 010	24 294
Non-controlling interests		0	0
		-1 010	**24 294**
Earnings per share from continuing operations and discontinued operations (EUR per share)			
- Basic	35	-0.038	0.889
- Diluted	35	-0.038	0.856
Earnings per share from continuing (EUR per share)			
- Basic	35	-0.153	0.753
- Diluted	35	-0.153	0.725
Earnings per share from discontinued operations (EUR per share)			
- Basic	35	0.115	0.136
- Diluted	35	0.115	0.131

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

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2014

	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
Profit/(loss) for the period	**-1 010**	**24 294**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	5 848	1 539
Exchange differences on translation of foreign operations	*-1 226*	*1 548*
Reclassification adjustment of CTA following IAS 21.48	*7 074*	*-9*
- Reserves movements of investments accounted for using the equity method	1 052	1 886
Currency translation difference	*94*	*-200*
Cash flow hedges	*-146*	*108*
Other (1)	*1 104*	*1 978*
- Exchange difference related to permanent financing	-523	-348
- Net (loss)/gain on available for sale financial assets	-16	34
- Net movement on cash flow hedges	1 686	-1 827
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**8 047**	**1 284**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :		
- Movement on reserves for assets held for sale	632	0
- Reserves movements of investments accounted for using the equity method (actuarial gain/(loss))	-151	1 524
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**481**	**1 524**
Total other comprehensive income for the year	**7 517**	**27 102**

(1) *Those amounts are mainly composed of the decommissioning reserve movements of the period at Rose Holding SARL.*

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 000	Attributable to equity holders of the parent											TOTAL
	Capital stock	Capital surplus	Treasury shares	Hedging reserves	Other reserves – value of stock option plans and share-based compensation	Other reserves – reserves movements of investment accounted for using the equity method	Other reserves - Other	"Reverse convertible bond" S.R.I.W.	Currency translation difference	Retained earnings	Reserves for assets held for sale	Shareholders' equity and reserves
Balance at 01/01/13	**38 420**	**25 032**	**-8 612**	**-2 750**	**12 430**	**-81**	**157**	**0**	**-10 135**	**3 831**	**-632**	**57 660**
Net profit/(loss) recognized directly in equity	**0**	**0**	**0**	**1 686**	**0**	**806**	**-16**	**0**	**-1 655**	**0**	**632**	**1 453**
Profit/(loss) for the period excluding IAS 21.48 impact	0	0	0	0	0	0	0	0	0	6 064	0	6 064
Profit/(loss) IAS 21.48 impact	0	0	0	0	0	0	0	0	7 074	-7 074	0	0
Comprehensive income for the period	**0**	**0**	**0**	**1 686**	**0**	**806**	**-16**	**0**	**5 419**	**-1 010**	**632**	**7 517**
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Employee stock options and share-based payments	0	0	0	0	1 107	0	0	0	0	0	0	1 107
Increase/ (decrease) in capital stock/ capital surplus	367	619	0	0	0	0	0	0	0	0	0	986
Other changes	0	0	0	0	0	0	0	0	0	-32	0	-32
Balance at 31/12/13	**38 787**	**25 651**	**-8 612**	**-1 064**	**13 537**	**725**	**141**	**0**	**-4 716**	**2 789**	**0**	**67 238**
Balance at 01/01/14	**38 787**	**25 651**	**-8 612**	**-1 064**	**13 537**	**725**	**141**	**0**	**-4 716**	**2 789**	**0**	**67 238**
Net profit/(loss) recognized directly in equity	**0**	**0**	**0**	**-1 827**	**0**	**3 610**	**34**	**0**	**982**	**0**	**0**	**2 799**
Profit/(loss) for the period excluding IAS 21.48 impact	0	0	0	0	0	0	0	0	0	24 303	0	24 303
Profit/(loss) IAS 21.48 impact	0	0	0	0	0	0	0	0	9	-9	0	0
Comprehensive income for the period	**0**	**0**	**0**	**-1 827**	**0**	**3 610**	**34**	**0**	**991**	**24 294**	**0**	**27 102**
Dividends	0	0	0	0	0	0	0	0	0	-129	0	-129
Employee stock options and share-based payments	0	0	0	0	630	0	0	0	0	0	0	630
Increase/ (decrease) in capital stock/ capital surplus	1 065	6 780	0	0	0	0	0	0	0	0	0	7 845
Other changes	0	0	0	0	0	0	0	5 000	0	-160	0	4 840
Balance at 31/12/14	**39 852**	**32 431**	**-8 612**	**-2 891**	**14 167**	**4 335**	**175**	**5 000**	**-3 725**	**26 794**	**0**	**107 526**

The Group equity is 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. If the conversion has not taken place at December 31, 2015, the reverse convertible bond will be reclassified as bank debt borrowing. Upfront fees related to the reverse convertible bond are presented in other changes of retained earnings.

CONSOLIDATED CASH FLOW STATEMENT

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

	Note	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) for the period before technical recycling of CTA		**6 064**	**24 294**
Technical recycling of CTA to income statement further to liquidation of a dormant Swedish entity		-7 074	0
Net profit/(loss) for the period after technical recycling of CTA		**-1 010**	**24 294**
Adjustments for :			
Depreciation and impairment of tangible assets	9	2 406	1 907
Depreciation and impairment of intangible assets and goodwill	8	2 151	1 957
Write-off on receivables	15	156	324
Changes in fair value of financial assets (profits)/losses		-92	-576
Changes in provisions	20	7 275	340
Deferred taxes	27	-4 409	-4 544
Share of result of associates and joint ventures accounted for using the equity method	11	2 218	6 775
Other non-cash items – impact of IAS 21.48		7 074	9
Other non-cash items	29	9 569	-3 367
(Profit)/loss on the disposal of assets held for sale		0	0
Net cash flow changes before changes in working capital		**25 338**	**27 119**
Trade receivables, other receivables and deferrals		-13 006	-578
Inventories and contracts in progress		21 574	-11 348
Trade payables, other payables and accruals		-12 975	8 174
Other short-term assets and liabilities		-13 023	-6 543
Changes in working capital		**-17 430**	**-10 295**
Net income tax paid/received		-2 865	-3 769
Interest expense		1 798	1 976
Interest income		-78	-62
Net cash (used)/generated from operations		**6 763**	**14 969**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	9	-1 640	-2 855
Acquisition of intangible assets	8	-2 293	-2 099
Disposals of fixed assets		1 681	25
Acquisition of subsidiaries net of acquired cash	7	0	0
Acquisition of third-party and equity-accounted investments	11	0	-1 524
Disposals of subsidiaries		13 127	2 433
Disposals of other investments and equity method accounted companies, net of assigned cash		170	5 738
Other investing cash flows	29	-5 190	2
Net cash (used)/generated from investing activities		**5 855**	**1 720**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	19	10 024	0
Proceeds from borrowings – S.R.I.W. reverse convertible bond		0	5 000
Repayment of borrowings	19	-34 200	-15 199
Interest paid		-1 809	-2 086
Interest received		78	62
Capital increase (or proceeds from issuance of ordinary shares)	17	986	7 845
Dividends paid		0	-140
Other financing cash flows	29	-3 012	-3 807
Net cash (used)/generated from financing activities		**-27 933**	**-8 325**
Net cash and cash equivalents at beginning of the year		**45 733**	**29 090**
Net change in cash and cash equivalents		-15 315	8 364
Exchange (profits)/losses on cash and cash equivalents		-1 328	-278
Net cash and cash equivalents at end of the year	16	**29 090**	**37 176**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE

1. Summary of significant Group accounting policies	68
2. Description of financial risk management policies	81
3. Critical accounting estimates and judgments	88
4. Operating segments	91
5. Lists of subsidiaries and equity-accounted investments	95
6. Discontinued operations	96
7. Business combinations and other changes in the composition of the Group	98
8. Goodwill and other intangible assets	99
9. Property, plant and equipment	102
10. Lease arrangements	103
11. Investments accounted for using the equity method and other investments	104
12. Deferred taxes	109
13. Other long-term assets	110
14. Inventories and contracts in progress	110
15. Trade and other receivables	111
16. Cash and cash equivalents	112
17. Capital stock and share-based plans	113
18. Reserves	115
19. Borrowings	117
20. Long-term and short-term provisions	120
21. Other long-term liabilities	121
22. Other financial assets and liabilities	122
23. Trade payables	123
24. Other payables	123
25. Other operating expenses and income	124
26. Financial expenses and income	125
27. Income taxes	126
28. Employee benefits	127
29. Cash flow statement	127
30. Litigation	128
31. Commitments	129
32. Related party transactions	130
33. Fees for services rendered by the statutory auditors	133
34. Events after the balance sheet date	133
35. Net earnings per share	134

1. SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

1.1 INTRODUCTION

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

1.2 BASIS OF PREPARATION

IBA's consolidated financial statements for the year ended December 31, 2014 have been prepared in compliance with IFRS ("International Financial Reporting Standards") and IFRIC interpretations ("International Financial Reporting Interpretations Committee") adopted by the European Union, issued and effective or issued and early adopted at December 31, 2014.

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

These financial statements have been prepared on a historical cost basis, except for financial instruments (Derivative, AFS) that have been measured at fair value.

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

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

The accounting principles used to prepare the Group's annual financial statements are the same as those used for the year ended December 31, 2013, with the exception of the following points.

The Group adopted for the first time new standards and amendments which are effective for annual period beginning on January 1, 2014. The nature and impact of each new standard and amendment is described below:

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including:

an investor has power over an investee;

the investor has exposure, or rights, to variable returns from its involvement with the investee; and

the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

This standard did not have any impact on the Group's financial position and performance.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previous existing disclosure requirements for subsidiaries. While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities.

Amendments to IFRS 10, IFRS 11 and IFRS 12 - Transition Guidance

The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements and also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments did not have any impact on the Group's financial position and performance.

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities

The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. 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.

IAS 27 Separate Financial Statements (revised 2011)

As a consequence of the new IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The revised standard did not have any impact on the Group's financial position and performance.

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

As a consequence of the new IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard did not have any impact on the Group's financial position and performance.

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

The amendments to IAS 32 clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems), which apply gross settlement mechanisms that are not simultaneous. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment did not have any impact on the presentation of the financial assets and financial liabilities of the Group.

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

The amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment losses have been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided IFRS 13 is also applied. This amendment has no impact on the financial statement as there are no impairment on non financial assets.

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

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. Retrospective application is required. The Group has not novated its derivatives during the current and prior periods. However, these amendments would be considered for future novation.

New and amended standards and interpretations, effective for financial years starting after January 1, 2014.

To the extent that new IFRS requirements are expected to be applicable in the future, they have been summarized hereafter. For the year ended December 31, 2014 they have not been applied in preparing these consolidated financial statements.

IFRS 9 Financial Instruments:

IFRS 9 Financial Instruments is the standard issued as part of a wider project to replace IAS 39. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held; defines a new expected-loss impairment model that will require more timely recognition of expected credit losses; and introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new hedge accounting model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities. IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. Early application is permitted.

IFRS 15 Revenue from Contracts with Customers:

The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 is effective for an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Early application is permitted.

Other Standards, Interpretations and Amendments to Standards

A number of other amendments to standards are effective for annual periods beginning after 1 January 2014, and have not been listed above because of either their non-applicability to or their immateriality to IBA consolidated financial statements.

1.3 CONSOLIDATION

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

1.3.1 SUBSIDIARIES

Assets and liabilities, rights and commitments, and income and charges of the parent and its controlled subsidiaries are consolidated in full.

The Group controls an investee, if and only if, the Group has: power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over investee to affect its returns.

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

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

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

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

1.3.2 ASSOCIATES

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

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

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

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

1.3.3 JOINTLY ARRANGEMENTS

As with associates, the equity method is used for the Group's joint arrangements that are classified as joint ventures.

1.3.4 TREATMENT OF GOODWILL OR NEGATIVE GOODWILL

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

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

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

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

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

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

Negative goodwill is recognized as profit.

1.3.5 ACQUISITION OF NON-CONTROLLING INTERESTS

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

1.3.6 TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

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

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

	Closing rate on December 31, 2013	Average annual rate 2013	Closing rate on December 31, 2014	Average annual rate 2014
USD	1.3791	1.3280	1.2141	1.3292
SEK	8.8591	8.6487	9.3930	9.0947
RUB	45.3246	42.2502	72.3370	50.8407
CNY	8.3491	8.2210	7.5358	8.1653
INR	85.3660	77.6278	76.7190	80.9122
JPY	144.7200	129.5775	145.2300	140.3775
CAD	1.4671	1.3676	1.4063	1.4666

1.4 INTANGIBLE FIXED ASSETS

Recognition as an intangible fixed asset is required when

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

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

(3) IBA can control the resource; and

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

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

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

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

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

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

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

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

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

The applicable useful lives are as follows:

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

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

At end 2014, the Group had no remaining intangible fixed assets with indefinite useful life relating to its continuing operations.

1.5 TANGIBLE FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

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

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

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

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

The applicable useful lives are as follows:

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

1.5.1 LEASE TRANSACTIONS INVOLVING IBA AS A LESSEE

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

1.6 IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS

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

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

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

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

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

1.7 INVENTORIES

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

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

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

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

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

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

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

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

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

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

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

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

(1) IBA retains an obligation for unsatisfactory performance not covered by normal warranty provisions;

(2) the receipt of revenue from a particular sale is contingent on the derivation of revenue by the buyer from its sale of the goods;
(3) the buyer has the power to rescind the purchase for a reason specified in the sales contract; and
(4) IBA is uncertain about the probability of return.

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

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

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

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

1.9 CONTRACTS IN PROGRESS

Contract costs comprise:

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

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

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

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

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

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

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

1.10 RECEIVABLES

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

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

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

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

- 100% after 360 days overdue.

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

1.11 FINANCIAL ASSETS

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

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

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

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

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

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

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

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

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

1.12 CASH AND CASH EQUIVALENTS

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

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

1.13 DEFERRED CHARGES AND ACCRUED INCOME

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

1.14 CAPITAL STOCK

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

1.15 CAPITAL GRANTS

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

1.16 PROVISIONS

A provision is recognized only when:

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

- A reliable estimate of the amount of the obligation can be made.

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

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

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

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

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

1.17 PENSIONS AND OTHER EMPLOYEE BENEFITS

1.17.1 PENSIONS

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.

The Group has opted to account for these plans using the intrinsic value method instead of the projected unit credit method as the minimum guaranteed return is achieved by the insurance company over a long term period. In case the intrinsic value of the benefit obtained is lower that the assets in the plan on a person by person basis, an expense is recognized in the income statement and a provision is set up to cover the deficit.

The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

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

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

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

Actuarial differences include, for assets and liabilities, differences between previous actuarial assumptions and what actually happened, and the impact of changes of actuarial assumptions on the plans' liabilities.Actuarial differences are fully recorded in other items of the comprehensive income statement during their period of occurrence.

1.17.2 STOCK OPTION PLANS AND SHARE-BASED PAYMENTS

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

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

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

1.18 DEFERRED TAXES

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

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

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

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The same principle applies to recognition of deferred tax assets for unused tax losses carried forward. This assessment is subject to the principle of prudence.

4 years are taken into account in order to determine the period for recovery of the taxes.

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

1.19 PAYABLES AFTER AND WITHIN ONE YEAR

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

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

1.20 ACCRUED CHARGES AND DEFERRED INCOME

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

1.21 FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

1.22 DERIVATIVES AND HEDGING ACTIVITIES

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

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

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

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

a) Fair value hedges

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

b) Cash flow hedges

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

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

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

c) Derivatives that do not qualify for hedge accounting

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

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

The Group does not hold instruments for speculative purposes.

1.23 OPERATING SEGMENTS

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

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

2. DESCRIPTION OF FINANCIAL RISK MANAGEMENT POLICIES

2.1 FINANCIAL RISK FACTORS

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

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

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

2.1.1 MARKET RISK

a) Foreign exchange risk

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

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

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

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

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

The Group's general hedging policy is to hedge any confirmed sales contracts denominated in a foreign currency as well as expected net operational cash flows when they can be reasonably predicted. Appropriate documentation is prepared in accordance with IAS 39. The CFO approves and the CEO is informed of significant hedging transactions, with reporting to the Audit Committee four times a year.

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

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

Only the Dosimetry segment is impacted by the fluctuation of the USD exchange rate against EUR. In 2013 and 2014, a fluctuation of -3% of USD against EUR would impact negatively the sales of Dosimetry segment by -1%.

The exposure of the Group to the fluctuation of Chinese Yuan, Czech Krona, Polish Zlotys and Russian ruble is not material for the Group.

Currency transactional risk:

The Group has some transactional currency exposure that arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The transactional foreign currency risk mainly arises from open positions in the Belgian business units against, among others, the US dollar.

Approximately 11% of the Group's sales (29% in 2013) (with a scope of consolidation identical to that of 2013) are denominated in currencies other than the functional currency of the operating unit making the sale, while 93.7% of costs (90% in 2013) (with a scope of consolidation identical to that of 2013) are denominated in the unit's functional currency. Where the Group considers that there are no natural hedging opportunities, forward exchange contracts or forward currency options are used to cover currency exposure.

b) Other market risks

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

2.1.2 CREDIT RISK

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

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

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

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

2.1.3 LIQUIDITY RISK

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

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

As at December 31, 2014, the Group had drawn up to EUR 30 million on this line of credit and made repayments for EUR 8.75 million (of which EUR 5 million in 2014).

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

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

As at December 31, 2014, the Group had drawn up to EUR 20 million on this line of credit and made repayments for EUR 10 million (of which EUR 10 million in 2014).

In 2014, IBA strengthened the availability of financing by obtaining a long-term subordinated facility bond of EUR 9 million from the SFPI. As at December 31, 2014, the Group had not drawn up on it.

As at December 31, 2014, the Group has at its disposal credit lines up to EUR 70.25 million of which 44.5% are used to date.

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

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

DECEMBER 31, 2014 (EUR 000)	due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL LIABILITIES						
Bank borrowings	0	6 293	6 093	14 790	9 874	37 050
Financial lease liabilities	0	230	225	230	0	685
Trade payables	15 890	20 255	0	0	0	36 145
Other ST and LT liabilities	0	109 942	3 794	153	0	113 889
TOTAL	**15 890**	**136 720**	**10 112**	**15 173**	**9 874**	**187 769**

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

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

DECEMBER 31, 2014 (EUR 000)	Due	< 1 year	1-2 years	2-5 years	> 5 years	Total
FINANCIAL ASSETS						
Trade receivables	24 735	30 064	0	0	0	54 799
Other ST and LT assets	3 701	16 949	3 243	10 974	6 324	41 191
TOTAL	**28 436**	**47 013**	**3 243**	**10 974**	**6 324**	**95 990**

2.1.4 INTEREST RATE RISK

The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. When the Group deems that the fluctuation of interest rate could have a significant impact on its financial results, the Group will use interest rate swaps in order to limit this impact.

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

At the end of 2013 and 2014, the Group has no interest rate swaps.

IBA's analysis of the impact of a 1% fluctuation in interest rates (sensitivity analysis) on the income statement of an average financial debt of EUR 38.7 million in 2014 (47.4 million in 2013 – impact of EUR -/+0.47 million) suggests that it will be EUR -/+0.39 million.

2.2 FINANCIAL ASSETS AND LIABILITIES – ADDITIONAL INFORMATION

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

EUR 000	Category	December 31, 2013 Net carrying value	December 31, 2013 Fair value	December 31, 2014 Net carrying value	December 31, 2014 Fair value
FINANCIAL ASSETS					
Trade receivables	Loans and receivables	41 452	41 452	54 799	54 799
Long-term receivables on contracts in progress	Loans and receivables	959	959	925	925
Available-for-sale financial assets	Available for sale	0	0	0	0
Long-term receivables for decommissioning of sites	Loans and receivables	0	0	0	0
Other long-term receivables	Loans and receivables	17 332	17 332	19 614	19 614
Non-trade receivables and advance payments	Loans and receivables	18 022	18 022	10 046	10 046
Other short-term receivables	Loans and receivables	23 689	23 689	10 224	10 224
Other investments	Available for sale	423	423	407	407
Cash and cash equivalents	Loans and receivables	28 942	28 942	37 176	37 176
Hedging derivative products	Hedge accounting	505	505	2	2
Derivative products – other	FVPL2	69	69	380	380
TOTAL		**131 393**	**131 393**	**133 573**	**133 573**
FINANCIAL LIABILITIES					
Bank borrowings	FLAC	46 250	46 250	31 250	31 250
Financial lease liabilities	FLAC	822	822	625	625
Trade payables	FLAC	30 819	30 819	36 145	36 145
Hedging derivative products	Hedge accounting	1 386	1 386	2 361	2 361
Derivative products – other	FVPL2	194	194	280	280
Other long-term liabilities	FLAC	248	248	3 066	3 066
Amounts due to customers for contracts in progress	FLAC	72 364	72 364	81 237	81 237
Social debts	FLAC	12 166	12 166	11 344	11 344
Other short-term liabilities	FLAC	18 098	18 098	15 415	15 415
Short-term tax liabilities	FLAC	281	281	186	186
Short-term bank credit	FLAC	0	0	0	0
TOTAL		**182 628**	**182 628**	**181 909**	**181 909**

At December 31, 2013 and 2014, 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.

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

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

2.3 CATEGORIES OF FINANCIAL INSTRUMENTS

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

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2013
- Forward foreign exchange contracts		505		505
- Foreign exchange rate swaps		14		14
Hedge-accounted financial assets		**519**		**519**
- Forward foreign exchange contracts		0		0
- Foreign exchange rate swaps		55		55
- Other financial assets at fair value through the income statement			25 050	25 050
Financial assets at fair value through the income statement		**55**	**25 050**	**25 105**
- Forward foreign exchange contracts		1 386		1 386
- Foreign exchange rate swaps		0		0
Hedge-accounted financial liabilities		**1 386**		**1 386**
- Forward foreign exchange contracts		81		81
- Foreign exchange rate swaps		113		113
Financial liabilities at fair value through the income statement		**194**		**194**

(EUR 000)	Level 1	Level 2	Level 3	December 31, 2014
- Forward foreign exchange contracts		2		2
- Foreign exchange rate swaps		0		0
Hedge-accounted financial assets		**2**		**2**
- Forward foreign exchange contracts		0		0
- Foreign exchange rate swaps		380		380
- Other financial assets at fair value through the income statement			26 219	26 219
Financial assets at fair value through the income statement		**380**	**26 219**	**26 599**
- Forward foreign exchange contracts		1 991		1 991
- Foreign exchange rate swaps		370		370
Hedge-accounted financial liabilities		**2 361**		**2 361**
- Forward foreign exchange contracts		211		211
- Foreign exchange rate swaps		69		69
Financial liabilities at fair value through the income statement		**280**		**280**

As at December 31, 2013 and December 31, 2014, other financial assets at fair value through the income statement include the other investments, the contingent loan of Rose Holding SARL (see notes 3.E, 32.2) and the vendor loan granted to Chromos GA SAS (vehicle for the acquisition by Argos Soditic of Cisbio Bioassays business) (see note 3.F).

Financial assets levels are detailed as follow:

(EUR 000)	Contingent loan Rose Holding SARL	Bridge loan Rose Holding SARL	Vendor loan Chromos GA SAS	Other investments	TOTAL
As at January 1, 2013	**14 088**	**8 945**	**0**	**465**	**23 498**
Credited/(charged) to the income statement	3 890	0	0	0	3 890
Additions	0	0	6 649	0	6 649
Disposals	0	-8 945	0	-30	-8 975
Equity movements	0	0	0	-12	-12
As at December 31, 2013	**17 978**	**0**	**6 649**	**423**	**25 050**
Credited/(charged) to the income statement	1 471	0	1 147	-71	2 547
Additions	0	0	0	21	21
Repayments	0	0	-1 433	0	-1 433
Disposals	0	0	0	0	0
Equity movements	0	0	0	34	34
As at December 31, 2014	**19 449**	**0**	**6 363**	**407**	**26 219**

As at December 31, 2014, if the probabilities of an exit taken in consideration in the valuation of the Rose Holding SARL contingent loan of the 2016 increases by 5% and the 2021 decreases by 5%, the value of the contingent loan will increase by EUR 0.39 million.

As at December 31, 2014, if the discount rate taken in consideration in the valuation of the Rose Holding SARL contingent loan decreases by 1% from 10.5% to 9.5%, the value of the contingent loan will increase by EUR 0.8 million.

As at December 31, 2014, if the EBIT taken in consideration in the valuation of the Chromos GA SAS (vehicle for the acquisition by Argos Soditic of Cisbio Bioassays business) vendor loan increases by 5%, the value of this loan will reach EUR 6 501 (EUR +138).

2.3.1 HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS

As at December 31, 2014, the Group held 14 forward exchange contracts (21 as at December 31, 2013) and 4 foreign exchange swaps (2 as at December 31, 2013) to cover future US dollars, Polish zlotys and Swedish krona cash flows. These hedges are deemed highly effective.

These hedges generated a EUR 1.83 million loss in 2014 (gain of EUR 1.7 million in 2013). This loss is recognized in the other items of the comprehensive income statement.

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

(EUR 000) (EUR 000 Equity		Equity	Hedge instrument maturities < 1 year	1-2 years	> 2 years
AS AT DECEMBER 31, 2013					
- Foreign exchange hedge in	PLN	-240	-240	0	0
- Foreign exchange hedge in	USD	300	105	120	75
- Foreign exchange hedge in	SEK	-1 138	-640	-498	0
- Interest rate hedge in	USD	14	14	0	0
		-1 064	**-761**	**-378**	**75**
AS AT DECEMBER 31, 2014					
- Foreign exchange hedge in	PLN	-24	-24	0	0
- Foreign exchange hedge in	USD	-2 596	-1 738	-704	-154
- Foreign exchange hedge in	SEK	-271	-271	0	0
- Interest rate hedge in	USD	0		0	0
		-2 891	**-2 033**	**-704**	**-154**

2.3.2 FAIR VALUE THROUGH INCOME STATEMENT

As at 31 December 2014, the Group holds 10 forward exchange contracts (15 on December 31, 2013), and 10 exchange rate swaps (9 as at December 31, 2013) to cover future US dollars, Swedish krona, Chinese Yuan, Canadian Dollars and Polish zlotys cash flows.

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

The gain generated on these instruments included in the income statement amount EUR 0.1 million at December 31, 2014 (gain of EUR 0.53 million at December 31, 2013).

2.4 CAPITAL MANAGEMENT

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

On June 30, 2014, the Group has strengthened his equity with a capital increase from two leading regional and federal investment companies in Belgium 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. (considered as quasi-equity) for EUR 5 million. 10 million were used to repay outstanding bank loans. A new subordinated facility bond of EUR 9 million has been granted by S.F.P.I (undrawn as at December 31, 2014).

Under this management, the Group uses among other things the ratio between the net financial debts divided by the equity plus the net financial debts (GEARING). The Group wishes to maintain this ratio below 45%, knowing that the subordinated loan of EUR 10 million (S.R.IW.) is considered as quasi equity for the calculation of this ratio.

The Group has agreed to comply with a debt- to-equity ratio covenant under the terms of a EUR 50 million credit facility received from the EIB for its research and development projects the Group is committed to respect a covenant related to the debt equity ratio. As at December 31, 2014, the Group had drawn up EUR 30 million on this line of credit and made repayments for EUR 8.75 million (of which EUR 5 million in 2014). See also note 2.1.3.

The Board of Directors intends to recommend to the General Assembly that a gross dividend of EUR 0.17 per share be paid in 2015 based on 2014 results representing a payout ratio of about 20%.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

(A) INCOME TAXES

As at December 31, 2014, the Group had accumulated net operating losses of EUR 81.5 million usable to offset future profits taxable mainly in Belgium, China and Russia and temporary differences amounting to EUR 22.3 million in the United States and in Belgium. The Company recognized deferred tax assets of EUR 17.5 million with the view to use the tax losses carried forward and EUR 5.5 million as temporary differences.

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

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

(B) PROVISION FOR DECOMMISSIONING COSTS

The production of FDG (Fleurus site in Belgium and investments accounted for using the equity method) generates radiation and results in the contamination of production site facilities. This situation may require the Group to pay restoration costs to comply with regulations in these various jurisdictions, as well as with any legal or constructive obligations.

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

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

As at December 31, 2014, these provisions stand at EUR 6.1 million. They were primarily for obligations in connection with a radiopharmaceutical production facility belonging to the mother company IBA SA at Fleurus.

CIS Bio International SAS has held nuclear operator status since December 2008, which obliges it to pledge assets for the future decommissioning and clean-up of nuclear medicine installations on the Saclay site (France). In 2011 under the agreement with SK Capital Partners, these pledged assets, which amounted to EUR 33.8 million, were reclassified in assets held for sale. The sale occurred in April 2012. Under the agreements signed, IBA retained for 5 years an indemnity obligation in the event that the IFRS discounting of the decommissioning provisions in the books of Rose Holding SARL (vehicle for the acquisition by SK Capital Partners of 60% of the Radiopharmaceutical business and in which IBA continues to hold 40% stake accounted for using the equity method) were to exceed the assets pledged for this purpose and managed to date by Candriam Investors Group. At the 2014 closing date, the total assets were higher by EUR 0.25 million compared to the provision amounting to EUR 47.0 million.

(C) REVENUE RECOGNITION

Contracts in progress are valued at their cost of production, increased by income accrued as determined by the stage of completion of the contract activity at the balance sheet date, to the extent that it is probable that the economic benefits associated with the contract will flow to the Group.

This probability is based on judgment. If certain judgmental criteria differ from those used for previously recognized revenues, the Group's income statement is affected.

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

(D) ESTIMATING THE VALUE IN USE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

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

See Note 8.1 for additional information.

The growth rates used for the impairment tests vary between 0% and 4.5% and the discount rates vary between 6% and 11%.

At December 31, 2014, the sensitivity tests carried out by the Group through the fluctuation of the growth and discount rates by 100 basis points (towards the top and bottom) have not revealed any significant impairment for continuing operations except on the participation in Cyclhad SAS (for discontinuing operations see Note 6).

(E) VALUATION OF THE ASSETS KEPT ON THE BALANCE SHEET FOLLOWING THE PARTIAL SALE OF THE RADIOPHARMACEUTICAL BUSINESS TO SK CAPITAL PARTNERS

A deferred remuneration element depends on whether a certain sale price will be reached by the investment fund on exit. In this framework, the market value used to determine the value of the by-product associated to it has been based on a model of discounted future cash flows and of multiples. In 2014, a discount rate of 10.5% was used.

A probability of an exit that varies depending on the year was later finalized: 0% in 2015, 10% in 2016, 20% in 2017, 17.5% in 2018, 17.5% in 2019, 17.5% in 2020 and 17.5% in 2021.

The contingent loan on the Company's balance sheet which would be realized in the event of a complete exit from the business through sale of the 40% stake retained amount to EUR 19.45 million. If the multiple expected by the partner were not to be achieved, a portion of the assets in the books at the closing date could be reduced in value.

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

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

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

- A loan of EUR 7.5 million, repayable over a period of maximum 7 years depending on the

achievement of a certain level of EBIT. Interest on the loan will be charged at market conditions. Any unpaid balance after the period of 7 years will be lost.
The loan valuation is based on the latest strategic plan provided by Cisbio Bioassays' management, which allows to calculate the part of EBIT above the threshold for the period of 7 years as set out in the agreement and this amount is reassessed on the basis of the discount method for expected future cash flows.

- An earn-out of EUR 1 million depending on the achievement of a certain level of EBIT in 2013. At the end of 2013, this earn out was granted to the Group. This earn-out has been paid in October 2014.
- An earn-out of EUR 0.9 million if and when certain long-term receivables are collected by Cisbio Bioassays SAS.

(G) LONG TERM INCENTIVE PLAN

In 2014, the Company has implemented 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-tier, combining a cash-based incentive with a grant of warrants.

The cash-based incentive is linked to a profit measure cumulated over the period 2014 to 2017, above a predefined threshold. Vesting occurs in full at the end of 2017, subject to performance and service criteria's being met on that date. The target payout varies between 30% and 100% of annual fixed remuneration, except for the Chief Executive Officer, for whom it is 200%. At December 31, 2014, the Board of Directors estimates that the Group is not in the condition to meet the objectives and therefore did not accrued a provision.

(H) STOCK OPTION PLAN

The company is using the Black & Scholes model to measure the options value. Terms and conditions of the Group stock option plans are described in note 17.2.

4. OPERATING SEGMENTS

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

- Business segment-based information (Level 1);
- Geographical segment-based information (Level 2).

4.1 BUSINESS SEGMENTS

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

The presentation format of IBA's operational segments is represented by activities in the primary dimension, as the Company's risks of the Company and the productivity rates related to the activities are mainly affected by the fact that IBA operates activities which have different fundamental risk profiles. Consequently, the organization of the Company's Management and its internal reporting system to the Board of Directors have been implemented. A business segment is a separate component of a company which provides products or services in a specific field of activity which is subject to risks and returns different from those of other activities. In accordance with IFRS 8 Operating segments, the business segments on which segment information is based are (1) Proton therapy/Particle accelerators and (2) Dosimetry upon the sale of the Radiopharmaceutical business in 2012 and Cisbio Bioassays business in 2013.

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

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

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

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

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

	Proton Therapy and Others Accelerators (EUR 000)	Dosimetry (EUR 000)	Pharmaceuticals discontinued operations (EUR 000)	Group (EUR 000)
Non-current assets	33 556	5 908	2 968	42 432
Current assets	167 418	17 769	265	185 452
Segment assets	**200 974**	**23 677**	**3 233**	**227 884**
Investments accounted for using the equity method				35 799
Unallocated assets (3)				18 070
TOTAL ASSETS	**200 974**	**23 677**	**3 233**	**281 753**
Non-current liabilities	52 179	852	200	53 231
Current liabilities	152 021	9 120	141	161 282
Segment liabilities	**204 200**	**9 972**	**341**	**214 513**
Unallocated liabilities (4)				2
TOTAL LIABILITIES	**204 200**	**9 972**	**341**	**214 515**
Other segment information				
Capital expenditure	3 298	635	0	
Depreciation and impairment of property, plant and equipment	1 888	517	0	
Depreciation of intangible assets and goodwill	2 042	109	0	
Non-cash expenses/(income)	7 788	56	0	
Salary expenses	62 939	14 581	0	
Headcount at year-end	831	206	0	

(1) Unallocated expenses consist mainly of expenses for stock option plans, stock plans.
(2) Cash and taxes are handled at the Group level and are therefore presented under unallocated (expense)/income.
(3) Unallocated assets include deferred tax assets and the assets of IBA Participations SPRL and IBA Investments SCRL.
(4) Unallocated liabilities include the liabilities of IBA Participations SPRL and IBA Investments SCRL.

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

	Proton Therapy and Others Accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2014			
Sales	120 101	37 808	157 909
Services	57 586	5 082	62 668
External Sales	**177 687**	**42 890**	**220 577**
REBIT	**19 516**	**3 417**	**22 933**
Other operating (expenses)/Income	-806	-151	-957
Segment result	**18 710**	**3 266**	**21 976**
Unallocated (expenses)/income (1)			247
Financial (expenses)/income (2)			1 823
Share of profit/(loss) of companies consolidated using the equity method			-6 873
Result before taxes			**17 173**
Tax (expenses)/income (2)			3 413
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS			**20 586**
Profit/(loss) for the period from discontinued operations			3 708
Profit/(loss) for the period			**24 294**

	Proton Therapy and Others Accelerators (EUR 000)	Dosimetry (EUR 000)	Group (EUR 000)
Non-current assets	59 267	6 361	65 628
Current assets	186 796	17 561	204 357
Segment assets	**246 063**	**23 922**	**269 985**
Investments accounted for using the equity method			37 071
Unallocated assets			0
TOTAL ASSETS	**246 063**	**23 922**	**307 056**
Non-current liabilities	40 063	1 025	41 088
Current liabilities	150 517	7 925	158 442
Segment liabilities	**190 580**	**8 950**	**199 530**
Unallocated liabilities			0
TOTAL LIABILITIES	**190 580**	**8 950**	**199 530**
Other segment information			
Capital expenditure	4 519	435	
Depreciation and impairment of property, plant and equipment	1 463	444	
Depreciation of intangible assets and goodwill	1 808	149	
Salary expenses	66 821	14 630	
Non-cash expenses/(income)	1 920	156	
Headcount at year-end	866	205	

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

4.2 GEOGRAPHICAL SEGMENTS

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

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

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

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

	Belgium (EUR 000)	USA (EUR 000)	ROW (EUR 000)	Operations held for sale (EUR 000)	Group (EUR 000)
YEAR ENDED DECEMBER 31, 2014					
Net sales and services*	1 674	78 124	140 779	0	220 577
Non-current assets	36 241	629	5 249	0	42 119
Current assets	157 899	28 215	18 733	0	204 847
Segment assets	194 140	28 844	23 982	0	246 966
Investments accounted for using the equity method	0	0	37 072	0	37 072
Unallocated assets					23 018
TOTAL ASSETS					**307 056**
Capital expenditure (incl. fixed assets from acquisitions in 2014)	4 145	414	395		

**We do not have a breakdown between sales and services by geographical sector.*

As at December 31, 2014, no customer represents more than 10% of the Group sales and services.

5. LISTS OF SUBSIDIARIES AND EQUITY-ACCOUNTED INVESTMENTS

As at December 31, 2014, the IBA Group consists of IBA SA and 21 companies and associates in 10 countries. 15 of them are fully consolidated and 6 are accounted for using the equity method. The Group has elected not to use the proportional method for joint ventures.

5.1 LIST OF SUBSIDIARIES

NAME	Assets held for sale	country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2013
IBA Molecular Holding (BE 0880.070.706) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Participations SPRL (BE 0465.843.290) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
IBA Investments SCRL (BE 0471.701.397) *Chemin du Cyclotron, 3, B-1348 LLN*	No	Belgium	100%	-
Ion Beam Beijing Medical Applications Technology Service Co. Ltd. *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	100%	-
Ion Beam Applications Co. Ltd. (1) *No.6 Xing Guang Er Jie, Beijing OPTO-Mechatronics Industrial Park, 101 111 Tongzhou District, Beijing,China*	No	China	0%	-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%	-
IBA Hadronthérapie SAS *9 rue Ferdinand Buisson, 14280 Saint-Contest*	No	France	100%	-
Particle Engineering Solutions, LLC *1st Magistralny tupik, 5A* *123290 Moscow, Russia*	No	Russia	100%	-
IBA Particle Therapy India Private Limited Office Unit - F, 3rd Floor, Ali Towers, Old No 22, New No. 55, Greams Road, Thousand Lights,, Chennai - 600006, Tamil Nadu, INDIA	No	India	100%	-

In 2014, the Group entered into a call for fund to shareholders to increase the capital of the company Cyclhad SAS. This capital increase has had the effect of diluting the stake held by the Group in this company. The Group now owns 33.33% compared to 60% previously. On 31 December 2014, Cyclhad SAS is consolidated using the equity method.

(1) The company was liquidated in February 2014.

5.2 LIST OF EQUITY-ACCOUNTED INVESTMENTS

NAME	Country of incorporation	Equity ownership (%)	Change in % ownership over December 31, 2013
CONTINUING OPERATIONS			
Striba GmbH	Germany	50,00%	-
Sceti Medical Labo KK	Japan	39,80%	-
Rose Holding SARL	Luxembourg	40,00%	-
IBA Molecular Compounds Development SARL (1)	Luxembourg	0,00%	-60,00%
Cyclhad SAS	France	33,33%	-26,67%
DISCONTINUING OPERATIONS			
PharmaLogic Pet Services of Montreal Cie	Canada	48,00%	-

(1) The company was liquidated in December 2014 with a net distributable liquidation profit of EUR 0.007 million.

6. DISCONTINUED OPERATIONS

In compliance with IFRS 5, all of the business over which IBA will lose control has been reclassified in the income statement as "Profit/(loss) from discontinued operations" for both years 2013 and 2014 and in the statement of financial position as "assets and liabilities held for sale" for the years 2013 and 2014.

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

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

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

	November 15, 2013 (EUR 000)
Sales and services	32 547
Cost of sales and services (-)	-11 003
Gross profit	**21 544**
Selling and marketing expenses	-6 355
General and administrative expenses	-6 302
Research and development expenses	-2 238
Other operating income	0
Other operating (expenses)	-3 218
Financial income	146
Financial (expenses)	-229
Share of profit/(loss) of companies consolidated using the equity method	0
Profit/(loss) before taxes from discontinued operations	**3 348**
Tax income/(expense)	-878
Profit/(loss) for the period from discontinued operations	**2 470**

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

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

	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
Sales and services	0	0
Cost of sales and services (-)	0	0
Gross margin	**0**	**0**
Selling and marketing expenses	0	0
General and administrative expenses	0	0
Research and development expenses	0	0
Other operating income	170	0
Other operating (expenses)	-77	0
Profit/(loss) realized on asset deal Pharmalogic Pet Services of Montreal Cie	0	3 672
Financial income	0	0
Financial (expenses)	-69	0
Share of profit/(loss) of companies consolidated using the equity method	581	36
Profit/(loss) before taxes from discontinued operations	**605**	**3 708**
Tax income/(expense)	0	0
Profit/(loss) for the period from discontinued operations	**605**	**3 708**

The main asset and liability categories for discontinued operations on December 31, 2013 and on December 31, 2014 are the following:

	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
ASSETS		
Other intangible assets	0	0
Property, plant and equipment	0	0
Investments accounted for using the equity method	2 961	0
Deferred tax assets	0	0
Other long-term assets	7	0
Non-current assets	**2 968**	**0**
Inventories and contracts in progress	0	0
Trade receivables	58	0
Other receivables	59	0
Cash and cash equivalents	148	0
Current assets	**265**	**0**
TOTAL ASSETS HELD FOR SALE	**3 233**	**0**
LIABILITIES		
Long-term provisions	200	0
Other long-term liabilities	0	0
Non-current liabilities	**200**	**0**
Trade payables	15	0
Tax liabilities	0	0
Other liabilities	126	0
Current liabilities	**141**	**0**
TOTAL LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE	**341**	**0**
NET ASSETS DIRECTLY RELATED TO OPERATIONS HELD FOR SALE	**2 892**	**0**

Included in the overall statement of comprehensive income for the financial year ending December 31, 2013 and December 31, 2014:

	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
Actuarial reserves	0	0
Revaluation reserves	0	0
Currency translation differences	0	0
Reserves for assets held for sale	**0**	**0**

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

	December 31, 2013 (EUR 000)	December 31, 2014 (EUR 000)
Cash flow from operating activities	116	0
Cash flow from investing activities	13 127	8 171
Cash flow from financing activities	0	0
Net change in cash flow from discontinued operations	**13 243**	**8 171**

Cash flow from investing activities includes the amount distributed in 2014 to the shareholders of Pharmalogic Pet Services of Montreal Cie. of Montreal following the sale of its assets for EUR 5.74 million, the partial repayment of the loan consented to Cisbio Bioassays for EUR 1.43 million and the payment by Cisbio Bioassays of one of the two earn-outs for EUR 1 million.

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

7.1 ACQUISITIONS OF COMPANIES

No business acquisitions were completed during the year ended December 31, 2014.

7.2 DISPOSAL OF COMPANIES

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

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

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

The proceeds from the sale are distributed as follows:

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

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

In 2014, the Group lost the control on Cyclhad SAS due to a call for fund to shareholders to increase the capital of the company. This capital increase has had the effect of diluting the stake held by the Group in this company. The Group now owns 33.33% compared to 60% previously.

The main asset and liability categories at the capital increase date were the following:

	October 1, 2014 (EUR 000)
ASSETS	
Property, plant and equipment	5 354
Non-current assets	**5 354**
Other receivables	452
Cash and cash equivalents	10
Current assets	**4 62**
TOTAL ASSETS	**5 816**
LIABILITIES	
Trade payables	5 812
Current liabilities	**5 812**
TOTAL LIABILITIES	**5 812**

8. GOODWILL AND OTHER INTANGIBLE ASSETS

8.1 GOODWILL

Movements of goodwill are detailed as follows:

As at January 1, 2013	**3 878**
Goodwill impairment	0
Currency translation difference	-57
As at December 31, 2013	**3 821**
As at January 1, 2014	**3 821**
Goodwill impairment	0
Currency translation difference	0
As at December 31, 2014	**3 821**

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

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

(EUR 000)	Proton therapy and Particle accelerators	Dosimetry	Group
December 31, 2013	**0**	**3 821**	**3 821**
December 31, 2014	**0**	**3 821**	**3 821**

Pre-tax discount rate applied in 2013		8.76%	
Long-term growth rate 2013 (*)		2.60%	
Pre-tax discount rate applied in 2014		6.42%	
Long-term growth rate 2014(*)		2.60%	

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

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

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

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

For the CGU Dosimetry, if the growth rate is decreased by 100 basis points and the discount rate is increased by 100 basis points, the recoverable amount remains greater than the carrying amount of the tested assets. No impairment was identified in 2013 and 2014.

8.2 OTHER INTANGIBLE ASSETS

EUR 000	Software	Patents and trademarks	Development costs	Other	Total
Gross carrying amount as at January 1, 2013	**14 995**	**114**	**535**	**1 416**	**17 060**
Additions	1 629	0	0	664	2 293
Disposals	0	0	-535	-247	-782
Transfers	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Change in consolidation scope	0	0	0	0	0
Currency translation difference	-29	-5	0	-26	-60
Gross carrying amount as at December 31, 2013	**16 595**	**109**	**0**	**1 807**	**18 511**
Accumulated depreciation as at January 1, 2013	**6 582**	**99**	**245**	**1 185**	**8 111**
Additions	1 784	11	290	66	2 151
Disposals	0	0	-535	-247	-782
Transfers	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	-25	-5	0	-4	-34
Accumulated depreciation as at December 31, 2013	**8 341**	**105**	**0**	**1 000**	**9 446**
Net carrying amount as at January 1, 2013	**8 413**	**15**	**290**	**231**	**8 949**
Net carrying amount as at December 31, 2013	**8 254**	**4**	**0**	**807**	**9 065**
Gross carrying amount as at January 1, 2014	**16 595**	**109**	**0**	**1 807**	**18 511**
Additions	1 395	0	0	704	2 099
Disposals	-214	0	0	0	-214
Transfers	34	0	0	-34	0
Transfers to assets held for sale	0	0	0	0	0
Revaluation	0	0	0	0	0
Currency translation difference	104	15	0	-42	77
Gross carrying amount as at December 31, 2014	**17 914**	**124**	**0**	**2 435**	**20 473**
Accumulated depreciation as at January 1, 2014	**8 341**	**105**	**0**	**1 000**	**9 446**
Additions	1 889	4	0	64	1 957
Disposals	-214	0	0	0	-214
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Currency translation difference	99	15	0	-8	106
Accumulated depreciation as at December 31, 2014	**10 115**	**124**	**0**	**1 056**	**11 295**
Net carrying amount as at January 1, 2014	**8 254**	**4**	**0**	**807**	**9 065**
Net carrying amount as at December 31, 2014	**7 799**	**0**	**0**	**1 379**	**9 178**

In 2013 and 2014, the majority of the intangible assets involves software's (mainly SAP, Microsoft licenses and Product Lifecycle Management software).

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

For details on impairment testing, see Note 8.1.

No impairment of the intangible assets (as discussed in this Note 8.2) was identified on December 31, 2013 and December 31, 2014.

9. PROPERTY, PLANT AND EQUIPMENT

EUR 000	Land and buildings	Plant, machinery and equipment	Furniture, fixtures and vehicles	Other tangible fixed assets	Total
Gross carrying amount as at January 1, 2013	**14 188**	**5 080**	**5 776**	**2 614**	**27 658**
Additions	87	895	35	623	1 640
Disposals	-4 582	-188	-146	-66	-4 982
Transfers	600	895	-2 467	972	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	-142	-87	-69	-10	-308
Gross carrying amount as at December 31, 2013	**10 151**	**6 595**	**3 129**	**4 133**	**24 008**
Accumulated depreciation as at January 1, 2013	**8 445**	**3 379**	**4 691**	**940**	**17 455**
Additions	995	734	209	468	2 406
Disposals	-3 052	-50	-130	-65	-3 297
Transfers	0	0	-1 947	1 947	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	-90	-43	-67	-12	-212
Accumulated depreciation as at December 31, 2013	**6 298**	**4 020**	**2 756**	**3 278**	**16 352**
Net carrying amount as at January 1, 2013	**5 743**	**1 701**	**1 085**	**1 674**	**10 203**
Net carrying amount as at December 31, 2013	**3 853**	**2 575**	**373**	**855**	**7 656**
Gross carrying amount as at January 1, 2014	**10 151**	**6 595**	**3 129**	**4 133**	**24 008**
Additions	390	1 775	94	596	2 855
Disposals	-87	-926	-205	-401	-1 619
Transfers	102	48	106	-256	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	21	266	220	76	583
Gross carrying amount as at December 31, 2014	**10 577**	**7 758**	**3 344**	**4 148**	**25 827**
Accumulated depreciation as at January 1, 2014	**6 298**	**4 020**	**2 756**	**3 278**	**16 352**
Additions	514	837	143	413	1 907
Disposals	-87	-916	-194	-397	-1 594
Transfers	-3	0	0	3	0
Changes in consolidation scope	0	0	0	0	0
Transfers to assets held for sale	0	0	0	0	0
Currency translation difference	17	241	211	30	499
Accumulated depreciation as at December 31, 2014	**6 739**	**4 182**	**2 916**	**3 327**	**17 164**
Net carrying amount as at January 1, 2014	**3 853**	**2 575**	**373**	**855**	**7 656**
Net carrying amount as at December 31, 2014	**3 838**	**3 576**	**428**	**821**	**8 663**

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

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

No impairment was recognized in the 2013 and 2014 financial year.

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

In 2014, the disposals of tangible assets correspond mainly to the scrapping of unused assets by the Group.

10. LEASE ARRANGEMENTS

IBA holds the following assets under finance lease contracts:

(EUR 000)	Land and buildings		Plant, machinery and equipment		Furniture, fixtures and vehicles	
	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014
Gross carrying amount	5 635	5 847	146	158	62	69
Accumulated depreciation	2 779	3 157	131	146	47	66
Net carrying amount	**2 856**	**2 690**	**15**	**12**	**15**	**3**

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

The finance lease contracts at the end of 2014 mainly relate to several buildings located in Louvain-la-Neuve, for which call options of EUR 0.2 million may be levied at the end of these contracts.

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

(EUR 000)	December 31, 2013	December 31, 2014
Investments accounted for using the equity method	35 799	37 072
Other investments	423	407
TOTAL	**36 222**	**37 479**

11.1 MOVEMENTS IN EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted companies are listed in Note 5.2.

(EUR 000)	December 31, 2013	December 31, 2014
As at January 1	**31 256**	**35 799**
Share of profit/(loss) of equity-accounted investments:		
- Continuing operations	3 993	-3 404
- Discontinued operations	581	36
Additions:		
- Continuing operations	0	1 503
- Discontinued operations	0	0
Dividends on discontinued operations	-310	0
Impact of margin elimination on tangible assets	0	-234
Transfers to assets held for sale	-271	-36
Equity movements of equity accounted investments :		
- Continuing operations	753	3 409
- Discontinued operations	0	0
Currency translation difference	-203	-1
As at December 31	**35 799**	**37 072**

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

Since April 2, 2012, SK Capital Partners holds 60% of the new venture and IBA 40% (acquisition value of EUR 21.3 million). In the context of establishing and financing this new company, the Group granted a loan to the new entity which has been treated as quasi-equity and recognized in investments accounted for using the equity method for EUR 19.45 million at December 31, 2014 (EUR 18.0 million at December 31, 2013).

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

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

(EUR 000)	Country	Assets	Liabilities	Revenue	Profit/(Loss)	% Interest
2013						
CONTINUING OPERATIONS						
Striba GmbH	Germany	30 752	30 059	0	104 690	50.0%
Sceti Medilabo KK	Japan	5 003	3 787	6 227	-53	39.8%
Rose Holding SARL	Luxembourg	272 454	226 990	179 772	890	40.0%
IBA Molecular Compounds Development SARL	Luxembourg	13	8 406	0	-12 729	60.0%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie.	Canada	7 572	1 771	7 503	1 209	48.0%
2014						
CONTINUING OPERATIONS						
Striba GmbH(1)	Germany	5 661	4 982	0	-14	50.0%
Sceti Medilabo KK	Japan	4 751	3 518	5 852	13	39.8%
Rose Holding SARL	Luxembourg	257 004	218 576	188 470	-13 723	40.0%
Cyclhad SAS	France	16 383	11 873	0	0	33.33%
IBA Molecular Compounds Development SARL(2)	Luxembourg	N/A	N/A	N/A	N/A	0.0%
DISCONTINUING OPERATIONS						
PharmaLogic Pet Services of Montreal Cie. (3)	Canada	2 660	2 188	1 574	10 728	48.0%

(1) As at the date of preparation of this annual report, we have only received unaudited figures.
(2) The company was liquidated in December 2014 with a net distributable liquidation profit of EUR 0.007 million.
(3) The activity of the company was sold in March 2014 through an asset deal.

Financial position of material equity-accounted investments at December 31, 2014:

December 31, 2014	Sceti Medilabo KK (JPY 000)	Rose Holding SARL (EUR 000)	Cyclhad SAS (EUR 000)
ASSETS			
Property, plant and equipment	342 135	96 495	13 107
Intangible assets and goodwill	3 994	21 134	0
Investments accounted for using equity method	0	97	0
Other receivables	0	689	0
Available for sale and other investments	0	49 849	0
Deferred tax assets	0	390	0
Non-current assets	**346 129**	**168 654**	**13 107**
Inventories	39 482	14 176	0
Current tax receivables	0	2 328	0
Trade receivables	164 848	47 806	0
Other receivables	26 030	10 605	893
Cash and cash equivalents	113 457	13 435	2 383
Current assets	**343 817**	**88 350**	**3 276**
TOTAL ASSETS	**689 946**	**257 004**	**16 383**
EQUITY AND LIABILITIES			
Equity attributable to owners of the company	179 061	37 300	4 510
Non-controlling interests	0	1 128	0
Equity	**179 061**	**38 428**	**4 510**
Loans and borrowings	360 000	39 171	0
Employee benefits	0	24 290	0
Other liabilities	0	714	0
Provisions	0	66 649	0
Deferred tax liabilities	0	390	0
Non-current liabilities	**360 000**	**131 214**	**0**
Current tax liabilities	12 523	2 034	0
Loans and borrowings	0	9 179	2 490
Derivative financial instruments	0	186	0
Trade payables	74 277	31 235	9 289
Other payables	64 085	34 933	94
Employee benefits	0	1 623	0
Provisions	0	8 173	0
Current liabilities	**150 885**	**87 362**	**11 873**
TOTAL LIABILITIES	**689 946**	**257 004**	**16 383**

Income statement of material equity-accounted investments at December 31, 2014:

December 31, 2014	Sceti Medilabo KK (JPY 000)	Rose Holding SARL (EUR 000)	Cyclhad SAS (EUR 000)
INCOME STATEMENT			
Sales	821 497	188 470	227
Cost of sales (-)	-331 696	-139 156	-227
Gross profit	**489 801**	**49 314**	**0**
Operating expenses (-)	-343 650	-44 526	0
Other income	0	0	0
Other (expenses)	-139 345	-9 784	0
Result from operating activities	**6 806**	**-4 996**	**0**
Financial income	1 624	4 934	0
Financial (expenses)	-4 424	-13 600	0
Share of result of investments accounted for using the equity method	0	279	0
Result before tax	**4 006**	**-13 383**	**0**
Tax income/(expenses)	996	-3	0
Net result for the period from continuing operations	**3 010**	**-13 386**	**0**
Depreciation and amortization	27 707	16 279	0

Other comprehensive income of material equity-accounted investments at December 31, 2014:

December 31, 2014	Sceti Medilabo KK (JPY 000)	Rose Holding SARL (EUR 000)	Cyclhad SAS (EUR 000)
Profit/ (loss) for the period	**3 010**	**-13 386**	**0**
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability	0	3 804	0
Income tax on items that will not be reclassified to profit or loss	0	0	0
Total items that will not be reclassified to profit or loss	**0**	**3 804**	**0**
Items that may be reclassified subsequently to profit or loss			
Change in fair value of cash flow hedges	0	270	0
Changes in fair value of assets held to cover the funding of decommissioning liabilities	0	3 093	0
Foreign currency translation adjustments	0	-492	0
Total items that may be reclassified to profit or loss	**0**	**2 871**	**0**
Other comprehensive income for the period, net of tax	**0**	**6 675**	**0**
Total comprehensive income for the period	**3 010**	**-6 711**	**0**

11.2 MOVEMENTS IN OTHER INVESTMENTS

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

(EUR 000)	TOTAL
As at December 31, 2013	**423**
Equity stake acquisition	21
Equity stake disposal	0
Movements through reserves	34
Impairment	-71
As at December 31, 2014	**407**

11.3 JOINTLY CONTROLLED COMPANIES

In 2006, IBA formed a joint venture named Striba GmbH with Strabag Projektentwicklung GmbH (Germany). This joint venture will provide a proton therapy system and related medical technology to the Universitätsklinikum Essen (North-Rhine, Westphalia, Germany).

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

(EUR 000)	December 31, 2013 audited accounts	December 31, 2014 unaudited accounts
ASSETS		
Non-current assets	26 134	0
Current assets	4 618	5 661
TOTAL	**30 752**	**5 661**
LIABILITIES		
Non-current liabilities	0	0
Current liabilities	30 059	4 982
TOTAL	**30 059**	**4 982**
Net assets	**693**	**679**
INCOME STATEMENT		
Revenue	104 691	0
Expense (-)	0	-14
Result after taxes	**104 691**	**-14**

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

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

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

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

In December 2014, the company IBA Molecular Compounds Development SARL was liquidated with a net distributable liquidation profit of EUR 0.007 million.

12. DEFERRED TAXES

(EUR 000)	December 31, 2013	December 31, 2014
DEFERRED TAX ASSETS		
- Deferred tax assets to be recovered after 12 months – Tax losses on carry-forward	13 443	14 219
- Deferred tax assets to be recovered after 12 months - temporary differences	280	1 020
- Deferred tax assets to be recovered within 12 months - Tax losses on carry-forward	2 491	3 319
- Deferred tax assets to be recovered within 12 months - temporary differences	1 830	4 460
TOTAL	**18 044**	**23 018**
DEFERRED TAX LIABILITIES		
- Deferred tax liabilities to be paid after 12 months - temporary differences	697	697
- Deferred tax liabilities to be paid within 12 months - temporary differences	14	157
TOTAL	**711**	**854**
Net deferred tax assets	**17 333**	**22 164**

The recognized temporary differences are mainly related to non-deductible provisions in Belgium entity and to taxable deferred revenues, non-deductible allowance for doubtful accounts, expenses accrual and inventory in the United States entities.

(EUR 000)	TOTAL
DEFERRED TAX ASSETS	
As at January 1, 2013	**13 624**
Credited/(charged) to the income statement	4 526
Transfers to assets held for sale	0
Currency translation difference	-106
As at December 31, 2013	**18 044**
Credited/(charged) to the income statement	4 689
Transfers to assets held for sale	0
Currency translation difference	285
As at December 31, 2014	**23 018**

(EUR 000)	TOTAL
DEFERRED TAX LIABILITIES	
As at January 1, 2013	**1 083**
(Credited)/charged to the income statement	113
Transfers to liabilities directly related to assets held for sale	0
Currency translation difference	-23
Impact of liquidation of a dormant Swedish entity	-462
As at December 31, 2013	**711**
(Credited)/charged to the income statement	143
Transfers to liabilities directly related to assets held for sale	0
Currency translation difference	0
As at December 31, 2014	**854**

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

On December 31, 2014, EUR 12.7 million of deferred taxes were not recognized as assets in the balance sheet (EUR 22.1 million in 2013).

Tax losses and corresponding temporary differences have no expiry dates.

13. OTHER LONG-TERM ASSETS

(EUR 000)	December 31, 2013	December 31, 2014
Long-term receivables on contracts in progress	959	925
Research tax credit	4 712	6 694
Other assets	12 620	12 920
TOTAL	**18 291**	**20 539**

As at December 31, 2014, “Other assets” consists primarily of EUR 2.5 million in receivables with associated companies, a loan to third party investment for EUR 3.8 million, a vendor loan reimbursable over a maximum of seven years ending on October 31, 2020 based on an allocation of 60% of the Bioassays’ EBIT above a certain threshold of EUR 3.1 million and a discounted Earn-out related to the disposal of Pharmalogic Montreal assets concluded in March 2014 for EUR 1.2 million. The discounted Earn-out if and when certain Bioassays‘s long term receivables are collected of EUR 0.8 million has been reclassified during the year to other current receivables.

As at December 31, 2013, “Other assets” consisted primarily of EUR 2.5 million in receivables with associated companies, a loan to third party investment for EUR 3.8 million, a vendor loan reimbursable over a maximum of seven years based on an allocation of 60% of the Bioassays’ EBIT above a certain threshold of EUR 3.1 million and a discounted Earn-out if and when certain Bioassays‘s long term receivables are collected for EUR 0.8 million.

14. INVENTORIES AND CONTRACTS IN PROGRESS

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

(EUR 000)	December 31, 2013	December 31, 2014
Raw materials and supplies	41 031	50 085
Finished products	3 837	3 671
Work in progress	2 678	2 441
Contracts in progress	31 040	42 798
Write-off of inventories	-5 844	-7 264
Inventories and contracts in progress	**72 742**	**91 731**
Costs to date and recognized revenue	183 149	391 140
Less : progress billings	-152 109	-348 342
Contracts in progress	**31 040**	**42 798**
Net amounts due to customers for contracts in progress (Note 24)	72 364	81 237

As at December 31, 2013 and 2014, there are no contracts in progress set as a warranty to cover the financing of a proton therapy contract.

15. TRADE AND OTHER RECEIVABLES

15.1 TRADE RECEIVABLES

Trade account receivables are detailed as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Amounts invoiced on contracts in progress but for which payment has not yet been received at balance sheet date	146	5 472
Other trade receivables	44 102	52 548
Impairment of trade receivables (-)	-2 796	-3 221
TOTAL	**41 452**	**54 799**

Other trade receivables include a sum of EUR 915 (EUR 1 929 in 2013) for receivables assumed under the agreement with SK Capital Partners, their due payment date is not included in the table below.

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

(EUR 000)	TOTAL	not due	< 30 days	30-59	60-89	90-179	180-269	270-360	> 1 year
2013	**42 319**	13 870	10 523	3 338	3 951	2 070	3 309	3 216	2 042
2014	**57 105**	30 065	6 029	1 320	6 608	3 258	2 510	3 667	3 648

As at December 31, 2014, trade receivable impairments totaled EUR 3.2 million. Changes in the provision for doubtful debts for the past two years are as follows:

(EUR 000)	
As at January 1, 2013	**3 310**
Charge for the year	642
Utilizations	-573
Write-backs	-486
Reclassification	0
Change in the consolidation scope	0
Currency translation difference	-97
As at December 31, 2013	**2 796**
Charge for the year	812
Utilizations	-43
Write-backs	-488
Reclassification	0
Change in the consolidation scope	0
Currency translation difference	144
As at December 31, 2014	**3 221**

15.2 OTHER RECEIVABLES

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

Other receivables are detailed as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Non-trade receivables and advance payments	18 022	10 046
Deferred charges	1 033	1 101
Accrued income	3 540	769
Current income tax receivable	615	3 211
Other current receivables	18 501	5 143
TOTAL	**41 711**	**20 270**

As at December 31, 2014, the "Other current receivables" heading is mainly of a receivable related to an earn-out in relation with the disposal of Cisbio Bioassays business amounting to EUR 0.93 million (amount was transferred in 2014 from heading ''Other long-term assets''), short term part of a vendor loan repayable over a maximum of seven years based on an allocation of 60% of the Bioassays's EBIT above a certain threshold of EUR 1.18 million, an amount of EUR 1.56 million related to the sale of the Radiopharmaceutical business (assets that will flow back when provision is used) and the "'research tax credit" of EUR 0.85 million.

As at December 31, 2014, the ''Current income tax receivable'' heading is composed by tax asset in the United States for EUR 1.0 million (EUR 0.61 million in 2013), in Germany for EUR 2.1 million and in China for EUR 0.1 million.

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

16. CASH AND CASH EQUIVALENTS

(EUR 000)	December 31, 2013	December 31, 2014
Bank balances and cash	13 863	24 142
Accounts with restrictions shorter than 3 months	6	7
Short-term bank deposits	15 073	13 027
CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS	**28 942**	**37 176**
Cash and cash equivalents attributable to discontinued operations (Note 6)	148	0
CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS	**29 090**	**37 176**

As at December 31, 2014, the effective interest rate on the cash position was 0.21% (0.27% in 2013). Short-term deposits have an average maturity of less than 30 days.

17. CAPITAL STOCK AND SHARE-BASED PLANS

17.1 CAPITAL STOCK

	Number of shares	Issued capital stock (EUR)	Capital surplus (EUR)	Treasure shares (EUR)	Total (EUR)
Balance as at January 1, 2013	**27 374 028**	**38 420 257**	**25 032 105**	**-8 612 421**	**54 839 941**
Stock options exercised	251 180	352 732	581 658	0	934 390
Capital decreases (other)	10 231	14 359	37 205	0	51 564
Other	0	0	0	0	0
Balance as at December 31, 2013	**27 635 439**	**38 787 348**	**25 650 968**	**-8 612 421**	**55 825 895**
Stock options exercised	237 533	333 446	1 511 388	0	1 844 834
Capital increases (other)	520 832	730 987	5 269 013	0	6 000 000
Other	0	0	0	0	0
Balance as at December 31, 2014	**28 393 804**	**39 851 781**	**32 431 369**	**-8 612 421**	**63 670 729**

As at December 31, 2014, 63.69% of IBA's stock was ''trading'' on Euronext. Full details of the Group's shareholders are set out in the section "The stock market and shareholders" on page 146 of this annual report.

On June 30, 2014, the Group has strengthened his equity with a capital increase from two leading regional and federal investment companies in Belgium 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. 10 million were used to repay outstanding bank loans. A new subordinated facility bond of EUR 9 million has been granted by S.F.P.I (undrawn as at December 31, 2014).

The Board of Directors intends to recommend to the General Assembly that a gross dividend of EUR 0.17 per share be paid in 2015 based on 2014 results representing a payout ratio of about 20%.

17.2 STOCK OPTIONS AND SHARE-BASED PAYMENTS

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

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

As at December 31, 2014, IBA had 8 stock option plans in place.

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

In 2013, no stock option plan has been launched.

Stock option plan launched in 2014 has the following vesting scheme: 100 percent vesting as at December 31, 2018.

Details of the plans launched in 2014 and 2013 are given in this section.

	December 31, 2013	December 31, 2014
Type of plan	Stock option	Stock option
Date of grant	N/A	30/08/2014
Number of options granted	N/A	196 500
Exercise price	N/A	11.52
Share price at date of grant	N/A	11.69
Contractual life (years)	N/A	10
Settlement	N/A	Shares
Expected volatility	N/A	37.06%
Expected option life at grant date (years)	N/A	7
Risk-free interest rate	N/A	0.67%
Expected dividend (stated as % of share price at grant date)	N/A	0%
Expected departures at grant date	N/A	0%
Fair value per granted option at grant date	N/A	4.63
Valuation model	Black & Scholes	Black & Scholes

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

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

As at December 31, 2014, a charge of EUR 0.63 million was recognized in the pre-tax Financial statements for employee stock options (EUR 1.1 million in 2013).

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

	December 31, 2013		December 31, 2014	
Expiration date	Exercise price (EUR)	Number of stock options	Exercise price (EUR)	Number of stock options
September 30, 2014	14.18	95 627	14.18	0
September 30, 2014	6.37	40 087	6.37	0
September 30, 2015	13.64	101 292	13.64	101 292
September 30, 2015	8.26	364 119	8.26	256 725
September 30, 2016	19.94	65 400	19.94	65 400
September 30, 2016	7.80	402 937	7.80	312 885
September 30, 2017	5.10	638 176	5.10	638 176
September 30, 2018	4.78	504 697	4.78	504 697
June 30, 2024	11.52	N/A	11.52	196 500
TOTAL outstanding stock options		**2 212 335**		**2 075 675**

Please note that, on February 24, 2015, IBA decided to shift the exercise periods for SOPs 2006, 2007, 2009, 2010, 2011, 2012 and 2014. Exercise Periods of March, June and September were shifted to April, July and October respectively, so as to have the four exercise periods well distributed along the year (January, April, July and October).

Stock option movements can be summarized as follows:

Expiration date	December 31, 2013 Average exercise price in EUR per share	 Number of stock options	December 31, 2014 Average exercise price in EUR per share	 Number of stock options
Outstanding as at January 1	**7.97**	**2 697 943**	**7.28**	**2 212 335**
Issued	0.00	0	11.52	196 500
Forfeited (-)	18.94	-234 428	0	0
Exercised (-)	3.72	-251 180	7.77	-237 533
Lapsed (-)	0.00	0	0	-95 627
Outstanding as at December 31	**7.28**	**2 212 335**	**7.61**	**2 075 675**
Exercisable as at December 31		**776 964**		**977 169**

18. RESERVES

(EUR 000)	December 31, 2013	December 31, 2014
Hedging reserves	-1 064	-2 891
Other reserves - value of stock option plans and share-based compensation	13 537	14 167
Other reserves - Reserves movements of investments accounted for using the equity method	725	4 335
Other reserves – reverse convertible bond SRIW	0	5 000
Other reserves – other	141	175
Other reserves - fair value adjustment of available-for-sale investments	0	0
Actuarial reserves	0	0
Reserves for assets held for sale	0	0
Currency translation difference	-4 716	-3 725
Retained earnings	2 789	26 794

According to the Belgian Company Code, the legal reserve must equal at least 10% of the Company's capital stock. Until such time as this level is attained, a top slice of at least one twentieth of the net profit for the year (determined according to Belgian accounting law) must be allocated to building this reserve fund.

The hedging reserve includes changes in the fair value of financial instruments used to hedge cash flows of future transactions.

Cumulative translation difference includes differences related to the translation of financial statements of consolidated entities whose functional currency is not the euro. It also includes foreign exchange differences arising on long-term loans that are part of the Group's net investment in foreign operations.

In 2014, a loss of EUR -0.38 million on the retranslation of these loans were reclassified to equity in order to offset the gain arising on the translation of these loans between subsidiaries of the Group (loss of EUR -0.52 million in 2013).

As at December 31, 2013, the following loans between subsidiaries are designated as Group's permanent financing in foreign operations:

- IBA SA to IBA USA Inc.: USD 0.5 million
- IBA SA to IBA Proton Therapy Inc.: USD 10.2 million and EUR 0.8 million
- IBA SA to IBA Industrial Inc.: EUR 3.1 million

As at December 31, 2014, the following loans between subsidiaries are designated as Group's permanent financing in foreign operations:

- IBA SA to IBA USA Inc.: USD 0.5 million
- IBA SA to IBA Industrial Inc.: EUR 3.1 million
- Ion Beam Beijing Medical Applications Technology Service Co. Ltd. to IBA SA : CNY 45.0 million and CNY 14.8 million

In 2013 the movement of the currency translation adjustment results in EUR 7.1 million from the technical recycling of currency translation adjustment to the income statement further to liquidation of a dormant Swedish entity (IAS 21.48).

19. BORROWINGS

(EUR 000)	December 31, 2013	December 31, 2014
Non-current		
Bank debts (Note 19.1)	41 250	26 250
Financial lease liabilities (Note 19.2)	621	429
TOTAL	**41 871**	**26 679**
Current		
Short-term bank loans	0	0
Bank borrowings (Note 19.1)	5 000	5 000
Financial lease liabilities (Note 19.2)	201	196
TOTAL	**5 201**	**5 196**

19.1 BANK BORROWINGS

(EUR 000)	December 31, 2013	December 31, 2014
Non-current	41 250	26 250
Current	5 000	5 000
TOTAL[2]	**46 250**	**31 250**

Changes in bank borrowings are as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Opening balance	**69 502**	**46 250**
New borrowings[1]	10 769	0
Repayment of borrowings	-34 021	-15 000
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	0
Closing balance[2]	**46 250**	**31 250**

The maturities of bank borrowings are detailed as follows:

(EUR 000)	December 31, 2013	December 31, 2014
One year or less	5 000	5 000
Between 1 and 2 years	5 000	5 000
Between 2 and 5 years	16 607	12 679
Over 5 years	19 643	8 571
TOTAL	**46 250**	**31 250**

The minimum payments of bank borrowings are as follows:

(EUR 000)	December 31, 2013	December 31, 2014
One year or less	7 239	6 293
Between 1 and 5 years	25 817	20 883
Over 5 years	23 930	9 874
	56 986	**37 050**
Future interest expense on bank borrowings (-)	-10 736	-5 800
TOTAL	**46 250**	**31 250**

[1] In 2013, the new debts amount includes EUR 0.77 million of undisbursed interest charges.

[2] Including EUR 10 million SRIW subordinated loan at end 2014 (2 loans for EUR 20 million at end 2013).

The effective interest rates for bank borrowings at the balance sheet date were as follows:

	December 31, 2013		December 31, 2014	
	EUR	USD	EUR	USD
Bank debts	3.63%	N/A	4.14%	N/A

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(EUR 000)	December 31, 2013	December 31, 2014
EUR	46 250	31 250
USD	0	0
TOTAL	**46 250**	**31 250**

Utilized credit facilities are as follows:

(EUR 000)	December 31, 2013	December 31, 2014
FLOATING RATE		
– expiring within one year	5 000	5 000
– expiring beyond one year	21 250	16 250
TOTAL FLOATING RATE	**26 250**	**21 250**
FIXED RATE		
– expiring within one year	0	0
– expiring beyond one year	20 000	10 000
TOTAL FIXED RATE	**20 000**	**10 000**
TOTAL	**46 250**	**31 250**

Unutilized credit facilities are as follows:

(EUR 000)	December 31, 2013	December 31, 2014
FLOATING RATE		
– expiring within one year	15 000	30 000
– expiring beyond one year	0	0
TOTAL FLOATING RATE	**15 000**	**30 000**
FIXED RATE		
– expiring within one year	0	9 000
– expiring beyond one year	0	0
TOTAL FIXED RATE	**0**	**9 000**
TOTAL	**15 000**	**39 000**

The facilities expiring within one year are annual facilities subject to review at various dates during the 12 months following the end of the financial year. The other facilities have been arranged to help to finance the proposed expansion of the Group's activities.

19.2 FINANCIAL LEASE LIABILITIES

(EUR 000)	December 31, 2013	December 31, 2014
Non-current	621	429
Current	201	196
TOTAL	**822**	**625**

Changes in financial lease liabilities are as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Opening balance	**977**	**822**
New borrowings	24	0
Repayment of borrowings	-179	-199
Transfers to liabilities directly related to assets held for sale	0	0
Currency translation difference	0	2
Closing balance	**822**	**625**

Minimum lease payments on financial lease liabilities are as follows:

(EUR 000)	December 31, 2013	December 31, 2014
One year or less	239	230
Between 1 and 5 years	690	455
Over 5 years	0	0
TOTAL	**929**	**685**
Future financial charges on financial leases (-)	-107	-60
Present value of financial lease liabilities	**822**	**625**

The present value of financial lease liabilities is as follows:

(EUR 000)	December 31, 2013	December 31, 2014
One year or less	201	196
Between 1 and 5 years	621	429
Over 5 years	0	0
TOTAL	**822**	**625**

The carrying amounts of financial lease liabilities are denominated in the following currencies:

(EUR 000)	December 31, 2013	December 31, 2014
EUR	791	612
CNY	12	0
USD	19	13
TOTAL	**822**	**625**

As at December 31, 2014, the average interest rate paid on financial lease debts was 4.02% (4.02% in 2013).

20. LONG-TERM AND SHORT-TERM PROVISIONS

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2013	**5 773**	**2 908**	**135**	**0**	**196**	**57 282**	**66 294**
Additions (+)	17	2 889	0	0	74	10 102	13 082
Write-backs (-)	-386	-1 380	-135	0	0	-3 872	-5 773
Utilizations (-)	0	-1 234	0	0	-91	-41 409	-42 734
Actuarial (gains)/losses generated during the year	0	0	0	0	0	0	0
Reclassifications	0	660	0	0	0	-660	0
Transfers to liabilities directly related to assets held for sale	0	0	0	0	0	0	0
Currency translation difference	0	-9	0	0	0	-25	-34
Total movement	**-369**	**926**	**-135**	**0**	**-17**	**-35 864**	**-35 459**
As at December 31, 2013	**5 404**	**3 834**	**0**	**0**	**179**	**21 418**	**30 835**

	Environment	Warranties	Litigation	Defined employee benefits	Other employee benefits	Other	Total
As at January 1, 2014	**5 404**	**3 834**	**0**	**0**	**179**	**21 418**	**30 835**
Additions (+)	795	2 619	0	0	44	314	3 772
Write-backs (-)	0	-1 415	0	0	0	-2 016	-3 431
Utilizations (-)	0	-1 763	0	0	-88	-12 645	-14 496
Actuarial (gains)/losses generated during the year	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Transfers to liabilities directly related to assets held for sale	0	0	0	0	0	0	0
Currency translation difference	0	10	0	0	0	77	87
Total movement	**795**	**-549**	**0**	**0**	**-44**	**-14 270**	**-14 068**
As at December 31, 2014	**6 199**	**3 285**	**0**	**0**	**135**	**7 148**	**16 767**

20.1 ENVIRONMENT

Provisions for decommissioning costs related to the Group sites where radiopharmaceutical agents are produced have been recognized where an obligation exists to incur these costs. These provisions are measured at the net present value of the best estimate of the costs that will need to be incurred. For more information on these provisions, see Note 3 of this report.

Movements can be detailed as follows:

- Unwinding of the discount on decommissioning of radiopharmaceutical agents' production sites excluded from the transaction with SK Capital Partners (Belgium Fleurus site) for EUR 0.8 million.

20.2 WARRANTIES

Provisions for warranties cover warranties for machines sold to customers.

Movements can be detailed as follows:

- New provisions in relation to Proton therapy/ Particle accelerators amounting to EUR 2.62 million.
- Reversals of provisions in relation to Proton therapy/Particle accelerators amounting to EUR -1.4 million.
- Reversals of provisions in relation to Dosimetry amounting to EUR -0.01 million.
- Utilizations of provisions in relation to Proton therapy/Particle accelerators amounting to EUR -1.76 million.

20.3 OTHERS

Other provisions as at December 31, 2014 consisted primarily of the following:

- An amount of EUR 1.5 million relating to non-recurring commitments on proton therapy projects, an amount of EUR 4.3 million covering the Group's estimated commitments under the agreement with SK Capital Partners, including the impacts of the agreement on a full and final settlement for all claims and counterclaims in relation with by Rose Holding SARL (vehicle for investment by SK Capital Partners in IBA Molecular) signed in December, 2013, an amount of EUR 0.3 million relating to a bank guarantee granted to an associate company and un amount of EUR 1.0 million covering tax risks.

Details of the main movements are as follows:

- New provisions amounting to EUR 0.3 million in respect of provisions for tax risks.
- Reversal of provisions amounting to EUR -1.5 million for the Group's estimated commitments under the agreement with SK Capital Partners and EUR -0.5 million for non-recurring commitments on proton therapy projects.
- Utilizations of provisions amounting to EUR -0.9 million for completion of works, provisions amounting to EUR -9.9 million covering the Group's estimated commitments under the agreement with SK Capital Partners, provisions amounting to EUR -1.3 million relating to non-recurring commitments on proton therapy projects, provisions amounting to EUR -0.4 million relating to a bank guarantee granted to an associate and provisions amounting to EUR -0.2 million for reorganization costs of the Group.

21. OTHER LONG-TERM LIABILITIES

(EUR 000)	December 31, 2013	December 31, 2014
Advances received from local government	248	302
Other	0	2 764
TOTAL	**248**	**3 066**

In 2014, the Group received new advances from the local government amounting to EUR 0.05 million and recorded long-term contractual obligations related to proton therapy projects for EUR 2.8 million.

In 2013, the Group transferred received advances from the local government to other short-term liabilities amounting to EUR 0.61 million.

22. OTHER FINANCIAL ASSETS AND LIABILITIES

(EUR 000)	December 31, 2013	December 31, 2014
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	298	1
- Foreign exchange rate swaps	14	0
- Interest rate caps	0	0
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
- Forward foreign exchange contracts	0	0
- Foreign exchange rate swaps	55	380
Short-term financial assets	**367**	**381**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	207	1
Long-term financial assets	**207**	**1**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	881	1 131
- Foreign exchange rate swaps	0	370
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
- Forward foreign exchange contracts	33	189
- Foreign exchange rate swaps	113	69
Short-term financial liabilities	**1 027**	**1 759**
HEDGE-ACCOUNTED FINANCIAL INSTRUMENTS		
- Forward foreign exchange contracts	505	860
INSTRUMENTS RECOGNIZED AT FAIR VALUE		
- Forward foreign exchange contracts	48	22
- Foreign exchange rate swaps	0	0
Long-term financial liabilities	**553**	**882**

The Group's policy on use of financial instruments is detailed in Note 1.22 on Group accounting policies and Note 2 on financial risk management.

As at December 31, 2014, an amount of EUR 0.38 million recognized as a short-term financial asset represented EUR 0.38 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2013, an amount of EUR 0.37 million recognized as a short-term financial asset represented EUR 0.31 million in cash flow hedging instruments and EUR 0.06 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2014, an amount of EUR 1.76 million recognized as a short-term financial liability represented EUR 1.5 million in cash flow hedging instruments and EUR 0.26 million in hedging instruments recognized at fair value through profit and loss.

As at December 31, 2013, an amount of EUR 1.03 million recognized as a short-term financial liability represented EUR 0.89 million in cash flow hedging instruments and EUR 0.14 million in hedging instruments recognized at fair value through profit and loss. Some of these financial instruments are designated as hedging instruments as they hedge specific exchange rate risks to which the Group is exposed. Hedge accounting has been applied to these contracts because they are deemed to be effective hedges. Those transactions are highly probable as there are linked to contract transaction. For these cash flow hedges, movements are recognized directly in equity and released to the income statement to offset the income statement impact of the underlying transactions.

As at December 31, 2014, a cumulative loss of EUR 2.89 million was therefore directly accounted in the equity (under "Hedging Reserves"). At December 31, 2013, the cumulated loss was amounted to EUR 1.06 million.

23. TRADE PAYABLES

As at December 31, the payment schedule for trade payables was as follows:

(EUR 000)	TOTAL	Due	< 3 months	4-12 months	1-5 years	> 5 years
2013	**30 819**	9 439	20 881	499	0	0
2014	**36 145**	15 890	20 255	0	0	0

24. OTHER PAYABLES

(EUR 000)	December 31, 2013	December 31, 2014
Amounts due to customers for contracts in progress (or advances received on contracts in progress)	72 364	81 237
Social debts	12 166	11 344
Accrued charges	2 725	3 419
Accrued interest charges	167	231
Deferred income	5 255	6 321
Capital grants	1 131	735
Non-trade payables	1 237	867
Other	7 583	3 842
TOTAL	**102 628**	**107 996**

As at December 31, 2014, the heading “Other” is mainly composed of advances of EUR 1.8 million received from Walloon Region of Belgium, customers advance payments of EUR 0.9 million and other amounting to EUR 1.1 million.

As at December 31, 2013, the heading “Other” is mainly composed of advances of EUR 5.8 million received from Walloon Region of Belgium, customers advance payments of EUR 0.9 million and other amounting to EUR 0.9 million.

25. OTHER OPERATING EXPENSES AND INCOME

25.1 OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Legal costs	200	151
Cost of share-based payments	1 107	630
Depreciation and impairment	1 244	211
Impairment of goodwill for pharmaceutical operations	0	0
Non recurring commitments for projects	2 858	0
Reorganization expenses	1 436	172
Costs related to the transaction with SK Capital Partners	11 184	215
Costs related to the transaction with Argos Soditic	0	126
Other	710	468
TOTAL	**18 739**	**1 973**

As at December 31, 2014, the depreciation and impairment include depreciation on fixed assets for EUR 0.21 million.

As at December 31, 2013, the depreciation and impairment include impairments of inventories for EUR 0.46 million and depreciation on fixed assets for EUR 0.76 million.

As at December 31, 2013, the costs related to the transaction with SK Capital Partners include mainly the loss resulting from the transfer of the bridge loan to SK Capital Partners following the settlement agreement signed in December 2013.

25.2 OTHER OPERATING INCOME

Other operating income can be broken down as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Reversal of provisions	-356	-1 059
Reversal of depreciation and impairment	0	0
Other	-544	-204
TOTAL	**-900**	**-1 263**

In 2014, the heading “Reversal of provisions” includes the impact of the reversal of provisions related to estimated commitments under the agreement with SK Capital Partners.

In 2014, the heading “Other” includes mainly credit notes and repayments received from entities included in Rose Holding SARL (vehicle for investment by SK Capital Partners in IBA Molecular) consolidation scope for EUR 0.2 million.

In 2013, the heading “Reversal of provisions” includes the impact of the reversal of decommissioning provision related to the disposed Belgian Radiopharmaceutical site of Gent.

In 2013, the heading “Other” includes the gain realized on the disposal of the Belgian Radiopharmaceutical site’s equipment of Gent for EUR 0.23 million, the gain on the ’’sales and lease back’’ of the Long Island building for EUR 0.08 million and the gain on disposal of other investments for EUR 0.14 million.

26. FINANCIAL EXPENSES AND INCOME

26.1 FINANCIAL EXPENSES

(EUR 000)	December 31, 2013	December 31, 2014
Interest paid on debts	1 799	1 976
Foreign exchange differences	809	104
Change in fair value of derivatives	1 079	1 628
Unwinding of discount on decommissioning provision	0	792
Other	1 418	818
TOTAL	**5 105**	**5 318**

As at December 31, 2014, the heading "Other" includes mainly discount charges of research tax credit of EUR 0.1 million and commission and bank charges of EUR 0.6 million.

As at December 31, 2013, the heading "Other" includes mainly interest expenses of EUR 0.8 million in relation to a proton therapy project, commission and bank charges of EUR 0.4 million and other expenses of EUR 0.2 million.

26.2 FINANCIAL INCOME

(EUR 000)	December 31, 2013	December 31, 2014
Interest received on cash and cash equivalents	-23	-62
Foreign exchange differences	-335	-1 626
Change in fair value of derivatives	-1 622	-2 919
Other	-5 423	-2 534
TOTAL	**-7 403**	**-7 141**

As at December 31, 2014, the heading "Other" includes mainly EUR 0.4 million of rebilling of interests charges in relation to a proton therapy project, EUR 0.2 million discount income on the deferred dividend not received in cash related to the asset deal of Pharmalogic Pet Services of Montreal Cie and EUR 1.3 million of revaluation of receivables with Cisbio Bioassays SAS and EUR 0.4 million of interest on long-term receivables.

As at December 31, 2013, the heading "Other" includes mainly EUR 3.8 million of rebilling of interests charges in relation to a proton therapy project and EUR 1.0 million of revaluation of a long-term receivable with an associated company.

27. INCOME TAXES

The tax charge/(profit) for the year can be broken down as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Current taxes	1 029	1 133
Deferred taxes	-4 413	-4 546
TOTAL	**-3 384**	**-3 413**

The tax charge on IBA's result before taxes differs from the theoretical amount that would have resulted from application of the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

(EUR 000)	December 31, 2013	December 31, 2014
Result from continuing operations before taxes [1]	**-408**	**17 173**
Deduct share of profit of companies consolidated using equity method	3 226	6 873
Result before tax and before share of associate	**2 818**	**24 046**
Tax charge/(profit) calculated on the basis of local tax rates	**-285**	**8 301**
Unrecognized deferred taxes	981	427
Recognized deferred taxes	-6 049	-4 982
Tax-exempt transactions and non-deductible expenses	2 130	373
Adjustments in respect of income tax charges of previous years	0	195
Utilization of previously unrecognized tax losses	0	-7 727
Utilization of deferred taxes	1 636	0
Other tax (income)/expense	-1 797	0
Booked tax charge/(profit)	**-3 384**	**-3 413**
Theoretical tax rate	**-10.1%**	**34.5%**
Effective tax rate	**-120.1%**	**-14.2%**

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

Given the available tax losses, IBA did not calculate deferred taxes on items credited or charged directly to equity.

28. EMPLOYEE BENEFITS

28.1 DEFINED CONTRIBUTION PLANS

As at December 31, 2014, the Group recognized expenses of EUR 1.03 million for contribution based plans (EUR 0.94 million as at December 31, 2013).

The Group has a contribution-based pension plan which it accounts for using the intrinsic value. As at 31 December 2013 and 2014, the assets in the plan were sufficient to cover the contributions paid and the guaranteed return. Therefore, there is no provision related to post employment benefit obligations in the statement of financial position.

(EUR 000)	December 31, 2013	December 31, 2014
Sum of mathematical reserves on individual accounts	3 811	4 539
Sum of minimum guaranteed reserves as at closing date on individual accounts	3 811	4 540
Defined contribution plan gap	**0**	**1**

The guaranteed return on the contributions, although achieved as at 31 December of 2014 might have an impact on the future cash flows of the Group in case the insurance company would not be able to achieve this return in the long term.

29. CASH FLOW STATEMENT

As at December 31, 2014, the heading “Other non-cash items” includes mainly expenses in connection with employee stock option plans and stock plans (EUR +0.6 million), the net impact of losses and write-downs on inventories (EUR +1.4 million), write off on other investments (EUR +0.1 million), the impact of deferred dividend not received in cash related to the asset deal of Pharmalogic Pet Services of Montreal Cie (EUR -1.2 million), the impact of research tax credit not received in cash during the year (EUR -2.8 million), Grant depreciation (EUR -0.5 million) and the impact of revaluation of long term assets (EUR -1.3 million).

As at December 31, 2014, “Other cash flows from financing activities” includes repayment of grants and advances from the Walloon Region of Belgium (EUR -4.0 million), new payment of grants in Belgium and in Germany (EUR +0.2 million).

As at December 31, 2013, the heading “Other non-cash items” includes expenses in connection with employee stock option plans and stock plans (EUR +1.1 million), the net impact of losses and write-downs on inventories (EUR +0.5 million), the net impact of the write-down of the bridge loan with Rose Holding SARL (EUR +8.9 million), the impact of taking into account unrealized foreign exchange differences on the revaluation of the intercompany balance sheet positions of the Group (EUR -0.7 million) and the impact of research tax credit not received in cash during the year (EUR -1.2 million) and the impact of revaluation of long term assets (EUR +1.0 million).

As at December 31, 2013, “Other cash flows from investing activities” primarily includes cash advances to an associated company (EUR -1.43 million) and a loan granted to a proton therapy customer (EUR -3.8 million).

As at December 31, 2013, “Other cash flows from financing activities” includes repayment of grants and advances from the Walloon Region of Belgium (EUR -3.1 million), changes in liabilities towards Group employees in connection with the exercise of stock option plans (EUR +0.1 million).

30. LITIGATION

The Group is currently not involved in any significant litigation. The potential risks connected with these minor proceedings are deemed to be insignificant or unquantifiable or, where potential damages are quantifiable, adequately covered by provisions.

Developments in litigation mentioned in the 2013 annual report are presented in this Note.

DEVELOPMENT IN LITIGATION MENTIONED IN THE 2013 ANNUAL REPORT AND STILL PENDING AT DECEMBER 31, 2014

IBA Dosimetry GmbH was the defendant in a patent infringement claim filed June 24, 2013 by Sun Nuclear Corporation in United States District Court, Florida Middle District Court, Orlando Office. Sun Nuclear alleged indirect infringement of "one or more claims" of U.S. Patent No. 6.125.335 and sought preliminary injunction, permanent injunction, damages, enhanced damages, and attorneys' fees. IBA denied all claims by Sun Nuclear, including the defenses of non-infringement and invalidity. Without waiting for the judgment, end of April 2014, parties signed a settlement by which Sun Nuclear filed a notice of voluntary dismissal of claims while IBA kept its right to use the technology associated to the said patent.

31. COMMITMENTS

31.1 OPERATING LEASES

The Group has a number of non-cancelable operating leases relating to vehicle, equipment, and office space rental. Total future minimum lease payments under non-cancelable operating leases are as follows:

31.1.1. OPERATING LEASES OF CONTINUING OPERATIONS

(EUR 000)	December 31, 2013	December 31, 2014
Due	0	15
One year or less	4 702	5 019
Between 1 and 5 years	7 365	7 848
Over 5 years	4 484	5 221
TOTAL	**16 551**	**18 103**

Those operating leases are related to :

(EUR 000)	December 31, 2013	December 31, 2014
Building	10 416	12 457
Equipment	1 455	1 157
Vehicles	4 680	4 489
Other	0	0
TOTAL	**16 551**	**18 103**

The Group operating leases were concluded at the following conditions:

- Buildings: terms between three and fifteen years. The Group has the option to lease the assets for additional term negotiable with the lessor or for an additional term of four years for two operating leases in the Unites-States.
- Equipment: terms between five and seven years. The Group has the option, under some of its leases, to lease the assets for additional term negotiable with the lessor.
- Vehicles: terms of three and four years and no option to lease the assets for additional term.

Total operating lease payments included in the income statement:

(EUR 000)	December 31, 2013	December 31, 2014
Building	2 141	2 404
Equipment	373	317
Vehicles	2 474	2 634
Other	0	0
TOTAL	**4 988**	**5 355**

Operating lease charges are recognized in the income statement in the line items “Cost of sales and services”, “Sales and marketing expenses”, “General and administrative expenses”, and “Research and development expenses ”.

31.1.2. OPERATING LEASES OF DISCONTINUED OPERATIONS

(EUR 000)	December 31, 2013	December 31, 2014
One year or less	0	0
Between 1 and 5 years	0	0
Over 5 years	0	0
TOTAL	**0**	**0**

31.2 FINANCIAL GUARANTEES

As at December 31, 2014, IBA held financial guarantees for EUR 56.0 million given by Group's business units as security for debts or commitments, mainly in advance payment guarantees.

32. RELATED PARTY TRANSACTIONS

32.1 CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted companies is provided in Note 5.

32.2 TRANSACTIONS WITH AFFILIATED COMPANIES

The main transactions completed with affiliated companies (mainly companies using the equity accounting method) are the following:

(EUR 000)	December 31, 2013	December 31, 2014
ASSETS		
Receivables		
Long-term receivables	2 488	2 478
Trade and other receivables	3 023	1 581
Impairment of receivables	-588	- 588
TOTAL RECEIVABLES	**4 923**	**3 471**
LIABILITIES		
Payables		
Trade and other payables	375	121
TOTAL PAYABLES	**375**	**121**
INCOME STATEMENT		
Sales	712	8 010
Costs	-525	-815
Financial income	972	14
Financial expense	-681	-96
Other operating income	0	1 002
Other operating expense	-10 156	0
TOTAL INCOME STATEMENT	**-9 678**	**8 115**

Following the disposal of Cisbio Bioassays business, in 2013, there are no relationships between businesses held for sale and related parties.

Under the agreement with SK Capital Partners, the Group granted 2 loans to Rose Holding SARL.

In 2013, as part of the agreement on the full and final settlement for outstanding claims and counterclaims regarding IBA Molecular, the Group sold one of those loans for one EUR to SK Rose SARL.

The terms and conditions of the remaining loan is detailed below:

CONTINGENT LOAN

The principal amount of this loan of nominal value EUR 26.4 million must be repaid at the earliest (i) on December 31, 2021 or (ii) on the sale by SK Capital Partners and IBA SA of their total stakes in Rose Holding SARL (the repayment date). If the repayment date occurs within the first two years of signature of the agreement and SK Capital Partners has not received twice its investment in Rose Holding SARL, the loan including interest will not be repaid. If the repayment date occurs after the first two years of the agreement and SK Capital Partners has not received three times its investment in Rose Holding SARL, the loan including interest will not be repaid.

This loan has been granted at an annual interest rate of 2%. This interest is capitalized but may be paid provided that the main lenders of Rose Holding SARL state their agreement to payment. All interest not paid shall be capitalized up to the loan repayment date. Rose Holding SARL may decide at any time to make early repayments on this loan.

The Group has accepted that the repayment of this loan shall be subordinate to the prior repayment of any existing or future debt of Rose Holding SARL to banks, financial lease companies and other financial institutions. As this loan is treated as quasi-equity, it is recognized in investments accounted for using the equity method.

The Group has also committed to support the Radiopharmaceutical business sold by paying EUR 16 million over a period of 2 years (amount accrued in the financial statements). On December 31, 2014, the total amount of this provision has been paid.

The Group has also paid the amount of EUR 4.9 million for receivables due from the sold Italian entities and Spanish entity. These entities are responsible for recovery and shall reimburse the Group when they receive payments. On December 31, 2014, the remaining balance to collect amounts to EUR 0.9 million of which EUR 0.6 million have been provisioned.

All retained assets by the Group in the IBA Molecular activity sold to SK Capital assets amounted to 34.5 million. The value of these assets is highly dependent on the achievement of budgets and plans submitted by the Management.

32.3 SHAREHOLDER RELATIONSHIPS

The following table shows IBA shareholders at December 31, 2014:

	Number of shares	%
Belgian Anchorage SCRL	6 639 668	23.38%
IBA Investments SCRL	610 852	2.15%
IBA SA	75 637	0.27%
UCL ASBL	426 885	1.50%
Sopartec SA	344 531	1.21%
Institut des Radioéléments FUP	1 423 271	5.01%
Société Régionale d'Investissement de Wallonie (S.R.I.W.)	704 491	2.48%
Société Fédérale de Participation et d'investissement (S.F.P.I.)	86 805	0.31%
Public	18 081 664	63.69%
TOTAL	**28 393 804**	**100.00%**

The main transactions completed with the shareholders are the following:

(EUR 000)	December 31, 2013	December 31, 2014
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
Trade and other payables	0	0
TOTAL PAYABLES	**0**	**10 000**
INCOME STATEMENT		
Sales	0	0
Costs	0	0
Financial income	0	0
Financial expense	0	-884
Other operating income	0	0
Other operating expense	0	0
TOTAL INCOME STATEMENT	**0**	**-884**

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

32.4 DIRECTORS AND MANAGEMENT

See remuneration report on page 52.

33. FEES FOR SERVICES RENDERED BY THE STATUTORY AUDITORS

Ernst & Young Réviseurs d'Entreprises SCCRL, auditors of the statutory accounts of IBA SA and auditors of the consolidated accounts of IBA, provided the following services during the year:

(EUR 000)	December 31, 2013	December 31, 2014
Remuneration for statutory audits and audit of consolidated accounts	360	297
Tax-related services	0	0
Other services	61	35
TOTAL	**421**	**332**

34. EVENTS AFTER THE BALANCE SHEET DATE

AT THE CLOSING OF THE BALANCE SHEETS

None.

35. NET EARNINGS PER SHARE

35.1 NET BASIC EARNINGS

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

BASIC EARNINGS PER SHARE	December 31, 2013	December 31, 2014
Earnings attributable to parent equity holders (EUR 000)	-1 010	24 294
Weighted average number of ordinary shares	26 792 315	27 319 611
Net earnings per share from continuing and discontinued (EUR per share)	**-0.038**	**0.889**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-4 098	20 586
Weighted average number of ordinary shares	26 792 315	27 319 611
Basic earnings per share from continuing operations (EUR per share)	**-0.153**	**0.753**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	3 088	3 708
Weighted average number of ordinary shares	26 792 315	27 319 611
Basic earnings per share from discontinued operations (EUR per share)	**0.115**	**0.136**

35.2 DILUTED EARNINGS

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for the effects of conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: stock options and the reverse convertible bond.

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

DILUTED EARNINGS PER SHARE	December 31, 2013	December 31, 2014
Weighted average number of ordinary shares	26 792 315	27 319 611
Weighted average number of stock options	1 142 873	1 712 483
Average share price over period	6.22	11.28
Dilution effect from weighted number of stock options	0 (*)	1 075 612
Weighted average number of ordinary shares for diluted earnings per share	26 792 315	28 395 222
Earnings attributable to parent equity holders (EUR 000)	-1 010	24 294
Diluted earnings per share from continuing and discontinued operations (EUR per share)	**-0.038**	**0.856**
Earnings from continuing operations attributable to parent equity holders (EUR 000)	-4 098	20 586
Diluted earnings per share from continuing operations (EUR per share)	**-0.153**	**0.725**
Earnings from operations held for sale attributable to parent equity holders (EUR 000)	3 088	3 708
Diluted earnings per share from discontinued operations (EUR per share)	**0.115**	**0.131**

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

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Statutory auditor's report to the general meeting of the company Ion Beam Applications SA for the year ended 31 December 2014

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report contains our opinion on the consolidated statements (the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements as defined below. The Consolidated Financial Statements include the consolidated statement of the financial position as of 31 December 2014, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year ended 31 December 2014, the notes including the summary of significant group accounting policies and other explanatory notes, and the required additional statements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Ion Beam Applications SA ("the Company") and its subsidiaries (collectively referred to as "the Group") as of and for the year ended 31 December 2014. These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. The total of the consolidated statement of financial position amounts to € (thousand) 307.056 and the consolidated income statement shows a profit for the year of € (thousand) 24.294.

Responsibility of the board of directors for the preparation of the Consolidated Financial Statements

The board of directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

Audit report dated 24 March 2015 on the Consolidated Financial Statements of Ion Beam Applications SA as of and for the year ended 31 December 2014 (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Group as at 31 December 2014 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the board of directors' report on the Consolidated Financial Statements, including the corporate governance statement, in accordance with articles 96 and 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard issued by the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we provide the following additional statements, which do not modify the scope of our opinion on the Consolidated Financial Statements.

- The board of directors' report on the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Building a better working world

Audit report dated 24 March 2015 on the Consolidated Financial Statements of Ion Beam Applications SA as of and for the year ended 31 December 2014 (continued)

- In the context of our audit of the statutory financial statements of Ion Beam Applications SA, we ascertained that the board of directors of the Company had complied with the legal provisions applicable to cases of conflicting interests of a financial nature. In conformity with the Belgian Company Code, these transactions have been covered explicitly in our report on the statutory financial statements of Ion Beam Applications SA.

Diegem, 24 March 2015

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Blockx

Martine Blockx*
Partner
*Permanent representative of MARTINE BLOCKX SPRL

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IBA SA

ANNUAL FINANCIAL STATEMENTS

In accordance with article 105 of the Belgian Company Code, the following statements represent a condensed version of the annual financial statements. The full text is available on request from the headquarters of the Company and will be filed with the National Bank of Belgium. This condensed version does not contain all of the appendixes or the auditor's report, who expressed an unqualified opinion.

ASSETS (EUR 000)	2012	2013	2014
FIXED ASSETS	**108 072**	**91 363**	**93 441**
Formation expenses	**0**	**0**	**0**
Intangible fixed assets	**12 691**	**21 672**	**29 023**
Tangible fixed assets	**6 175**	**5 561**	**6 477**
Land and buildings	401	335	471
Plant, machinery, and equipment	735	1 645	2 616
Furniture and vehicles	790	531	456
Leases and similar rights	3 029	2 857	2 690
Assets under construction and advance payments	1 220	193	244
Financial assets	**89 206**	**64 130**	**57 941**
Affiliated companies	83 927	63 602	57 176
Other investments	4 749	0	0
Others financial assets	530	528	765
CURRENT ASSETS	**651 309**	**606 163**	**509 830**
Accounts receivable in more than one year	**9 265**	**15 720**	**16 565**
Inventories and contracts in progress	**483 478**	**433 711**	**351 642**
Inventories	27 087	33 151	40 089
Contracts in progress	456 391	400 560	311 552
Accounts receivable within one year	**123 328**	**129 489**	**115 110**
Trade receivables	57 572	64 543	71 193
Other receivables	65 756	64 946	43 917
Investments	**16 220**	**15 498**	**13 716**
Cash at bank and in hand	**14 662**	**5 111**	**9 022**
Deferred charges and accrued income	**4 356**	**6 634**	**3 775**
TOTAL ASSETS	**759 381**	**697 526**	**603 271**

LIABILITIES AND EQUITY (EUR 000)	2012	2013	2014
SHAREHOLDERS' EQUITY	**42 019**	**66 182**	**123 460**
Capital stock	**38 420**	**38 787**	**39 852**
Capital surplus	**25 032**	**25 651**	**32 431**
Reserves	**2 508**	**2 680**	**4 878**
Legal reserve	1 887	1 887	3 985
Reserves not available for distribution	418	590	690
Untaxed reserves	203	203	203
Retained earnings (-)	**-25 074**	**-1 883**	**45 698**
Capital grants	**1 133**	**947**	**601**
PROVISIONS AND DEFERRED TAXES	**65 629**	**29 859**	**15 426**
LIABILITIES	**651 733**	**601 485**	**464 385**
Accounts payable in more than one year	**230 686**	**166 000**	**188 642**
Financial debts	36 804	41 860	31 674
Advances received on contracts in progress	193 024	123 892	145 958
Other accounts payable	858	248	11 010
Accounts payable within one year	**417 303**	**432 935**	**272 100**
Current portion of accounts payable in more than one year	61 181	35 099	7 293
Financial debts	2 500	0	0
Trade debts	65 726	69 566	54 452
Advances received on contracts in progress	277 524	317 797	202 940
Current tax and payroll liabilities	9 459	9 550	6 409
Other accounts payable	913	923	1 006
Accrued charges and deferred income	**3 744**	**2 550**	**3 642**
TOTAL LIABILITIES	**759 381**	**697 526**	**603 271**

INCOME STATEMENT (EUR 000)	2012	2013	2014
Operating income	**212 011**	**196 240**	**211 002**
Operating expenses (-)	**-213 018**	**-169 090**	**-178 459**
Raw materials, consumables, and goods for resale	-77 612	-50 979	-51 233
Services and other goods	-71 299	-68 583	-67 818
Salaries, social security, and pensions	-40 870	-44 314	-42 949
Depreciation and write-offs on fixed assets	-20 887	-9 233	-16 181
Increase/(Decrease) in write-downs on inventories, work in progress, and trade debtors	-1 281	-16 591	-1 692
Provisions for liabilities and charges	297	35 770	14 433
Other operating expenses	-1 366	-15 160	-13 018
Operating profit/loss)	**-1 007**	**27 150**	**32 543**
Financial income	**12 925**	**13 736**	**27 771**
Income from financial assets	4 735	0	18 952
Income from current assets	5 495	3 298	1 921
Other financial income	2 695	10 438	6 898
Financial expenses (-)	**-9 014**	**-11 559**	**-8 471**
Interest expense	-3 550	-2 540	-2 589
Amounts written off on current assets other than inventories, work in progress and trade debtors - increase (decrease)	- 1	0	0
Other financial charges	-5 463	-9 019	-5 882
Profit/(Loss) on ordinary activities before taxes	**2 904**	**29 327**	**51 843**
Extraordinary income (+)	**36 854**	**24 315**	**66**
Plus-values sur réalisation d'actifs immobilisés	36 802	14 000	0
Other extraordinary income	52	10 315	66
Extraordinary expense (-)	**-64 554**	**-30 318**	**-1 899**
Extraordinary depreciation and write-offs on fixed assets	0	0	-211
Impairment on financial assets	-3 669	-19 835	-71
Provisions for extraordinary charges and risk	-48 745	0	0
Other extraordinary expenses	-12 140	-9 927	-1 617
Profit/(loss) for the period before taxes	**-24 797**	**23 324**	**50 010**
Income taxes (-) (+)	- 219	38	-230
Profit/(loss) for the period	**-25 015**	**23 362**	**49 780**
Transfers to tax free reserves (-)			
Profit/(loss) for the period available for appropriation	**-25 015**	**23 362**	**49 780**

APPROPRIATION OF RESULTS (EUR 000)	2012	2013	2014
Loss to be appropriated (-)	**-126 393**	**-1 712**	**47 897**
Profit/(loss) for the period available for appropriation	-25 015	23 362	49 780
Loss carried forward (-)	-101 377	-25 074	-1 883
Transfers to capital and reserves	**101 377**	**0**	**0**
On capital stock and capital surplus	101 377	0	0
From reserves	0	0	0
Appropriations to capital and reserves	**58**	**171**	**2 199**
To capital stock and capital surplus	0	0	0
To legal reserve	0	0	2 099
To other reserves	58	171	100
Profit/(Loss) to be carried forward	**-25 074**	**-1 883**	**45 698**
Profit to distribute	**0**	**0**	**0**
Dividends	0	0	0

		2013		2014
STATEMENT OF CAPITAL (EUR 000)	**Amount (EUR 000)**	**Number of shares**	**Amount (EUR 000)**	**Number of shares**
Capital				
1. Issued capital				
At the end of the previous financial year	**38 420**		**38 787**	
Changes during the financial year	367	261 411	1 065	758 365
At the end of the current financial year	**38 787**		**39 852**	
2. Structure of the capital				
2.1. Categories of shares				
• Ordinary shares without designation of face value	20 786	14 932 950	21 851	15 691 315
• Ordinary shares without designation of face value with WPR strips	18 001	12 702 489	18 001	12 702 489
2.2. Registered or bearer shares				
• Registered shares		9 387 723		8 420 612
• Bearer shares		18 247 716		19 973 192
Own shares held by				
• The Company itself	106	75 637	106	75 637
• Its subsidiaries	857	610 852	857	610 852
Stock issue commitments				
Following exercise of share options				
• Number of outstanding share options		2 212 335		2 224 802
• Amount of capital to be issued	3 105		3 732	
Maximum number of shares to be issued		2 212 335		2 658 829
Amount of non-issued authorized capital	**25 000**		**23 309**	

DECLARATION BYTHE MANAGEMENT

Pursuant to Article 12, §2, 3° of the the Royal Decree of November 14, 2007 regarding obligations of issuers of financial instruments admitted to trading on a regulated market, Olivier Legrain, Chief Executive Officer (CEO), and Jean-Marc Bothy, Chief Financial Officer (CFO) of IBA SA, declare that, to their knowledge:

➢ the enclosed financial statements, prepared in accordance with applicable accounting standards and thoroughly reviewed by the auditors, accurately reflect the assets, financial position, and results of IBA SA and the undertakings included in the consolidation;

➢ this management report gives exact information and a true and fair view of the business situation, the earnings, and the position of IBA and the undertakings included in the consolidation, as well as a description of the principal risks and uncertainties facing them. This management report does not omit any information that would be significantly misleading as to any other information given in it.

GENERAL INFORMATION

CORPORATE NAME

Ion Beam Applications SA, abbreviated IBA SA.

REGISTERED OFFICE

Chemin du Cyclotron, 3; B-1348 Louvain-la-Neuve, Belgium; enterprise number VAT BE0428.750.985, RPM Nivelles.

DATE, FORM AND PERIOD OF INCORPORATION

IBA was incorporated for an indefinite period on March 28, 1986 as a "Société Anonyme" under Belgian law. IBA is a listed corporation pursuant to Article 4 of the Belgian Company Code and a Company having issued equity to the public pursuant to Article 438 of the Code.

CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF INCORPORATION)

The purpose of the Company is to engage in research and development and to acquire intellectual property rights with a view to the exploitation, fabrication, and commercialization of applications and equipments in the field of applied physics. It may engage in any and all securities, real-estate, financial, commercial, and industrial operations that are directly or indirectly related to its corporate purpose. It may acquire an interest, by contribution, merger, purchase of shares, or any other means, in companies, partnerships, or corporations whose purpose is similar, analogous, related, or useful to the achievement of its corporate purpose in whole or in part.

CONSULTATION OF CORPORATE DOCUMENTS

The Company's statutory and consolidated statements are filed with the National Bank of Belgium. Copies of the Company's consolidated articles of incorporation, its annual and semi-annual reports, and all other shareholder documentation may be obtained at the Company's website (www.iba-worldwide.com) or by shareholder request to the Company's registered office.

CAPITAL

At December 31, 2014, IBA capital amounted to EUR 39 851 780,70 and was represented by 28 393 804 fully paid up shares with no par value, of which 12 702 489 shares with VVPR strips.

In October 2005, the Company issued 90 000 stock options for Group employees ("2005 Plan"). They allow the beneficiary to purchase a new share at EUR 6.37 following certain procedures during specific periods between December 1, 2008 and September 30, 2011 (plan of which the exercise periods were extended until September 30, 2014).

At December 31, 2013, there were 40 087 outstanding stock options of this plan.

The following exercises of these stock options were recorded in 2014: exercise of 32 197 stock options by notarial deed of February 28, 2014, exercise of 7 890 stock options by notarial deed of April 28, 2014.

At December 31, 2014, there were thus no outstanding stock options of this plan.

In October 2006, the Company issued 575 000 stock options for Group employees ("2006 Plan"). They allow the beneficiary to purchase a new share at EUR 13.64 (EUR 13.96 for determined persons) following certain procedures during specific periods between December 1, 2009 and September 30, 2012 (plan of which the exercise periods were extended until September 30, 2015).

At December 31, 2013, there were 101 292 outstanding stock options of this plan.

No cancelations nor exercises of these stock options were recorded in 2014.

At December 31, 2014, there were thus 101 292 outstanding stock options of this plan.

In October 2007, the Company issued 450 000 stock options for Group employees ("2007 Plan"). They allow the beneficiary to purchase a new share at EUR 19.94 (EUR 20.22 for the determined persons) following certain procedures during specific periods between December 1, 2010 and September 30, 2013 (plan of which the exercise periods were extended until September 30, 2016).

At December 31, 2013, there were 65 400 outstanding stock options of this plan.

No cancelations nor exercises of these stock options were recorded in 2014.

At December 31, 2014, there were thus 65 400 outstanding stock options of this plan.

In September 2008, the Company issued 350 000 stock options for Group employees (“2008 Plan”). They allow the beneficiary to purchase a new share at EUR 14.18 (EUR 14.70 for determined persons) following certain procedures during specific periods between December 1, 2011 and September 30, 2014.

At December 31, 2013, there were 95 627 outstanding stock options of this plan.

The following cancelations of these stock options were recorded in 2013: cancellation of 5 504 options recorded by notarial act on October 25, 2013. No exercise of these stock options was recorded in 2013.

At December 31, 2013, there were 95 627 outstanding stock options of this plan.

No cancelations nor exercises of these stock options were recorded in 2014.

At December 31, 2014, there were thus 95 627 outstanding stock options of this plan.

In September 2009, the Company issued 1 000 000 stock options for Group employees (“2009 Plan”). They allow the beneficiary to purchase a new share at EUR 8.26 following certain procedures during specific periods between December 1, 2012 and September 30, 2015.

At December 31, 2013, there were 364 119 outstanding stock options of this plan.

The following exercises of these stock options were recorded in 2014: exercise of 221 stock options by notarial deed of April 28, 2014, exercise of 78 679 stock options by notarial deed of July 25, 2014, exercise of 28 494 stock options by notarial deed of November 6, 2014.

At December 31, 2014, there were 256 725 outstanding stock options of this plan.

In September 2010, the Company issued 900 000 stock options for Group employees (“2010 Plan”). They allow the beneficiary to purchase a new share at EUR 7.80 following certain procedures during specific periods between January 1, 2014 and September 30, 2016.

At December 31, 2013, there were 402 937 outstanding stock options of this plan.

The following exercises of these stock options were recorded in 2014: exercise of 208 stock options by notarial deed of April 28, 2014, exercise of 63 535 stock options by notarial deed of July 25, 2014, exercise of 26 309 stock options by notarial deed of November 6, 2014.

At December 31, 2014, there were 312 885 outstanding stock options of this plan.

In September 2011, the Company issued 1 487 000 stock options for Group employees (“2011 Plan”). They allow the beneficiary to purchase a new share at EUR 5.03 (EUR 5.42 for determined persons) following certain procedures during specific periods between January 1, 2015 and September 30, 2017.

At December 31, 2013, there were 638 176 outstanding stock options of this plan.

No cancelations nor exercises of these stock options were recorded in 2014.

At December 31, 2014, there were thus 638 176 outstanding stock options of this plan. At December 31, 2014, none of these options were exercisable.

In September 2012, the Company issued 870 000 stock options for Group employees (“2012 Plan”). They allow the beneficiary to purchase a new share at EUR 4.78 following certain procedures during specific periods between January 1, 2016 and September 30, 2018.

At December 31, 2013, there were 504 697 outstanding stock options of this plan.

No cancelations nor exercises of these stock options were recorded in 2014.

At December 31, 2014, there were thus 504 697 outstanding stock options of this plan. At December 31, 2014, none of these options were exercisable.

In June 2014, the Company issued 250 000 stock options for the Group management (“2014 Plan”). They allow the beneficiary to purchase a new share at EUR 11.52 following certain procedures during specific periods between January 1, 2019 and June 30, 2024.

No cancelations nor exercises of these stock options were recorded in 2014.

At December 31, 2014, there were thus 250 000 outstanding stock options of this plan. At December 31, 2014, none of these options were exercisable.

As at December 31, 2014, 2 224 802 options were issued and outstanding.

As at December 31, 2014, 2 224 802 options were issued and outstanding. However, further to the exercises and cancellations of options recorded on February 26, 2015, only 1 732 343 were issued and outstanding at that date.

Please note that, on February 24, 2015, IBA decided to shift the exercise periods for SOPs 2006, 2007, 2009, 2010, 2011, 2012 and 2014. Exercise Periods of March, June and September were shifted to April, July and October respectively, so as to have the four exercise periods well distributed along the year (January, April, July and October).

The last exercise periods under each of these SOPs shall be for SOPs 2006, 2007, 2009, 2010, 2011, 2012 and 2014, from 1 to 31 October 2015, 2016, 2015, 2016, 2017, and 2018, and 1 to 31 July 2024 respectively. All other conditions of the above mentioned SOPs remain unchanged.

All stock options may also be exercised in the event of a takeover bid for IBA or of an increase in shareholders' equity with preemptive rights.

In June 2014, the Board of Directors proceeded, in the framework of the authorized capital, to the issue of EUR 5 000 000 subordinated reverse convertible bonds, the convertibility of which being at the entire discretion of IBA (the "RC Obligations") and enabling their beneficiary to subscribe to newly issued IBA shares. The RC Obligations were subscribed in full by the SRIW. The RC Obligations are split into 7 separate RC Obligations, the nominal and maturity of which are as follows:

Maturity	Reference no of the RC Obligation	Nominal (EUR)
4/05/2018	1	715 000
4/05/2019	2	715 000
4/05/2020	3	715 000
4/05/2021	4	715 000
4/05/2022	5	715 000
4/05/2023	6	715 000
4/05/2024	7	710 000

The conversion price of the RC Obligations into shares shall be in accordance with Article 598 of the Belgian Companies Act (average market price of the last 30 days preceding the date of their issue), it being EUR 11.52. If the total amount of the RC Obligation was converted into shares, it would represent 434 027 shares.

The base rate of the RC Obligations amounts to 5% (Exact/360) on the amounts drawn. During the convertibily period, the base rate is increased by 3.85% (Exact/360).

AUTHORIZED CAPITAL

At December 31, 2014, the authorized capital amounted to EUR 23 308 980.39.

PATENTS AND TECHNOLOGIES

IBA is careful to patent all aspects of its technology for which a patent provides a commercial advantage.

In addition, the Company has maintained the secrecy of a significant portion of its know-how that is not patentable or for which the Company believes secrecy is more effective than publication in a patent application. More fundamentally, the Company believes that the best way to protect itself from its competitors is not by patenting its inventions, but by maintaining its technological lead.

IBA also licenses patents from third parties and pays royalties on them.

LICENSING AND COOPERATION AGREEMENTS

IBA has licensing agreements involving various aspects of its technology. Listing and explaining the nature and terms of these licensing agreements is beyond the scope of this annual report. These agreements cover, for example, certain aspects of its particle accelerator technology and a number of components of its proton therapy equipment.

FIVE-YEAR CAPITAL HISTORY

OPERATION	Number of new shares	Total number of shares	Variation (Δ)	Amount
01/20/2010 Exercise of options under 2004 Plan	55 900	26 775 055	78 500.00	37 583 003.49
01/20/2010 Exercise of options under extended 2004 Plan	23 400	26 798 455	32 861.00	37 615 864.11
01/20/2010 Exercise of options under short-term 2002 Plan	3 000	26 801 455	4 175.10	37 620 039.21
04/21/2010 Exercise of options under 2004 Plan	64 200	26 865 655	90 156.06	37 710 195.27
04/21/2010 Exercise of options under extended 2004 Plan	7 400	26 873 055	10 391.82	37 720 587.09
07/26/2010 Exercise of options under extended 2002 Plan	150	26 873 205	208.76	37 720 795.85
07/26/2010 Exercise of options under 2004 Plan	28 300	26 901 505	39 741.69	37 760 537.54
07/26/2010 Exercise of options under extended 2004 Plan	3 000	26 904 505	4 212.90	37 764 750.44
11/08/2010 Exercise of options under 2002 Plan	680	26 905 185	946.36	37 765 696.79
11/08/2010 Exercise of options under 2002 Plan	600	26 905 785	835.02	37 766 531.81
11/08/2010 Exercise of options under 2004 Plan	81 730	26 987 515	114 773.44	37 881 305.25
11/08/2010 Exercise of options under extended 2004 Plan	3 500	26 991 015	4 915.05	37 886 220.31
11/08/2010 Exercise of options under 2005 Plan	1 000	26 992 015	1 404.20	37 887 624.51
02/21/2011 Exercise of options under 2002 Plan	6 140	26 998 155	8 545.04	37 896 169.55
02/21/2011 Exercise of options under 2004 Plan	4 000	27 002 155	5 617.20	37 901 786.75
02/21/2011 Exercise of options under 2005 Plan	12 000	27 014 155	16 850.40	37 918 637.15
04/29/2011 Exercise of options under short-term 2002 Plan	4 150	27 018 305	5 775.56	37 924 412.71
04/29/2011 Exercise of options under extended 2004 Plan	5 000	27 023 305	7 021.50	37 931 434.21
06/29/2011 ESP Plan (2011)	52 643	27 075 948	73 894.98	38 005 329.19
08/05/2011 Exercise of options under US (AP) long-term 2002 Plan	281 380	27 357 328	391 596.55	38 396 925.74
08/05/2011 Exercise of options under US (AP) short-term 2002 Plan	1 100	27 358 428	1 530.87	38 398 456.61
08/05/2011 Exercise of options under extended 2004 Plan	6 600	27 365 028	9 268.38	38 407 724.99
04/27/2012 Exercise of options under 2004 Plan	500	27 365 528	702.15	38 408 427.14
08/10/2012 Exercise of options under 2002 Plan	8 500	27 374 028	11 829.45	38 420 256.59
02/26/2013 Exercise of options under extended 2004 Plan	10 350	27 384 378	14 534.51	38 434 791.10
05/07/2013 Exercise of options under extended 2004 Plan	52 701	27 437 079	74 008.01	38 508 799.11
07/11/2013 ESP Plan (2013)	10 231	27 447 310	14 359.21	38 523 158.32
07/11/2013 Exercise of options under extended 2004 Plan	77 619	27 524 929	109 000.36	38 632 158.68
25/10/2013 Exercise of options under extended 2004 Plan	110 510	27 635 439	155 189.19	38 787 347.87
28/02/2014 exercice de warrants du plan 2005 prolongé	32 197	27 667 636	45 211.03	38 832 558.90
29/04/2014 exercice de warrants du plan 2005 prolongé	7 890	27 675 526	11 079.14	38 843 638.04
29/04/2014 exercice de warrants du plan 2009 BE	221	27 675 747	310.22	38 843 948.26
29/04/2014 exercice de warrants du plan 2010 BE	208	27 675 955	291.97	38 844 240.23
27/06/2014 augmentation de K en faveur SRIW/SFPI	520 832	28 196 787	730 987.71	39 575 227.94
25/07/2014 exercices de warants du plan 2009	78 679	28 275 466	110 441.71	39 685 669.65
25/07/2014 exercices de warants du plan 2010	63 535	28 339 001	89 184.08	39 774 853.73
6/11/2014 exercices de warants du plan 2009	28 494	28 367 495	39 997.03	39 814 850.76
6/11/2014 exercices de warants du plan 2010	26 309	28 393 804	36 929.94	39 851 780.70

THE STOCK MARKET AND THE SHAREHOLDERS

IBA STOCK

IBA stock is quoted on the Euronext Brussels continuous market (Compartment B since January 17, 2013). It was introduced on the Stock Exchange on June 22, 1998 at a price of EUR 11.90 (adjusted for a 5 to 1 split in June, 1999).

IBA stock closed at EUR 14.34 at December 31, 2014.

The total number of outstanding stock options as at December 31, 2014 amounts to 2 224 802 stock options. However, further to the exercises and cancellations of options recorded on February 26, 2015, only 1 732 343 were issued and outstanding at that date. As mentioned above, if the entire amount of the RC Obligation was converted into shares, this would represent 434 027 actions. There are no other convertible bonds or bonds with warrants outstanding as at 31 December 2014.

Situation as at	**31/12/2014 Non diluted**		**31/12/2014 Fully diluted**	
	Number of shares	**%**	**Number of shares**	**%**
Belgian Anchorage SCRL [1]	6 639 668	23.38%	6 639 668	21.69%
IBA Investments SCRL [2]	610 852	2.15%	610 852	2.00%
IBA SA	75 637	0.27%	75 637	0.25%
UCL ASBL	426 885	1.50%	426 885	1.39%
Sopartec SA	344 531	1.21%	344 531	1.13%
SRIW	704 491	2.48%	704 491	2.30%
SFPI	86 805	0.31%	86 805	0.28%
Institut des Radioéléments FUP	1 423 271	5.01%	1 423 271	4.65%
Sous total	**10 312 140**	**36.31%**	**10 312 140**	**33.69%**
Public	18 081 664	63.69%	20 306 466	66.31%
Total	**28 393 804**	**100.00%**	**30 618 606**	**100.00%**

[1] Belgian Anchorage is a company established and wholly owned by IBA Management and a number of IBA employees.
[2] IBA Investments is a second-tier subsidiary of IBA SA.

SHAREHOLDERS' SCHEDULE

Interim statements, first quarter 2015	May 13, 2015
2015 Annual Shareholders' Meeting	May 13, 2015
Publication of the semi-annual results as of June 30, 2015	August 27, 2015
Interim statements, third quarter 2015	November 17, 2015
Publication of the annual results on December 31, 2015	March 24, 2016

STOCK MARKET PRICES

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