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Six months ending June 30th 2001



Innovators in image processing

BARCO

Company Profile

BARCO, a Belgian based industrial group, was established in 1934 as a radio assembly company. Today it is an international organization with worldwide ambitions, operating in 4 key areas of electronic technology: Barco Projection, BarcoView, BarcoVision and Barco Graphics.

In 2000, the entire Barco group, without BarcoNet, which was split off from BARCO in the second half of 2000, delivered a revenue of EUR 751 million. Approximately 50% of this revenue is realized outside Western Europe. BARCO is selling high quality products and systems through a network of own sales subsidiaries, distributors and agents in 97 countries worldwide. Investment of over 10% of revenue in research and development keeps BARCO at the forefront of technology in a number of promising niche applications.

BARCO has been quoted on the Brussels Stock Exchange since 1986, and is now quoted on Brussels/Euronext. BARCO is a BEL 20 and a next 150 company.

Current Profit before Taxes decreases by 19.9%

For the first half of 2001, BARCO confirms a current result before taxes and before amortization of goodwill of EUR 35.76 mio. This represents 9% of turnover, which amounted to EUR 404.2 mio. This comes down to a decrease in profit of 19.9% compared to the first half of 2000, while turnover rose by 14%.

The main reason of the decrease in profit is the decrease in sales of Barco Graphics, due to the delay in the shipment of the new computer-to-plate machine Mondrian, and the halt in orders for printstreamers in the market of digital presses. Moreover, since May, one of the business units of Barco Projection has been affected by a slump in the sales of projectors for standard applications.

The tax rate increased from 30.9% in the first semester of 2000 to 32.3% in the same period of 2001. As a result the current profit after taxes decreased by 20.6% to EUR 24.2 mio. On the other hand the current cash flow rose by 1.9% to EUR 62.95 mio, which is 15.6% of turnover.

At the end of June 2001, BARCO had a staff of 5,076 associates (including 113 people of the ETS business unit of Barco Graphics). Compared to December 31, 2000, this means an increase of 168.

Outlook

Assessing the evolution of the economic climate over the second half of 2001 remains a difficult task. Furthermore, the months July and August are not representative enough to make forecasts for the second semester in the current unstable market.

Key Figures

in thousands of euro	2001 1st sem	2000 1st sem	2000 total
Turnover	404,204	353,474	751,111
Current profit* before taxes	35,760	44,638	92,593
Current profit* after taxes	24,197	30,463	63,838
Extraordinary income	-213	-952	-1,277
Amortization of consolidation goodwill	6,782	6,960	14,671
Profit before taxes	28,765	36,726	76,645
Taxes	-11,563	-13,793	-27,917
Profit after taxes	17,202	22,933	48,728
Current cash flow	62,950	61,755	127,911
Current profit* after taxes/share	1.95	2.45	5.14
Number of associates	5,076		4,908

* before amortization of consolidation goodwill and exceptional results

Geographical Breakdown of Turnover per Activity (in %)

in %	W Europe	Nafta	Asia	R of W
Barco Projection	43	32	20	5
BarcoView	32	50	17	1
BarcoVision	75	11	12	2
Barco Graphics	44	34	17	5
Total	49	31	16	4



Company Profile



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Outlook



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Geographical
Breakdown
of Turnover



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Turnover
in '000 euro
and Current
EBIT



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Current Profit
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Activities

**Consolidated
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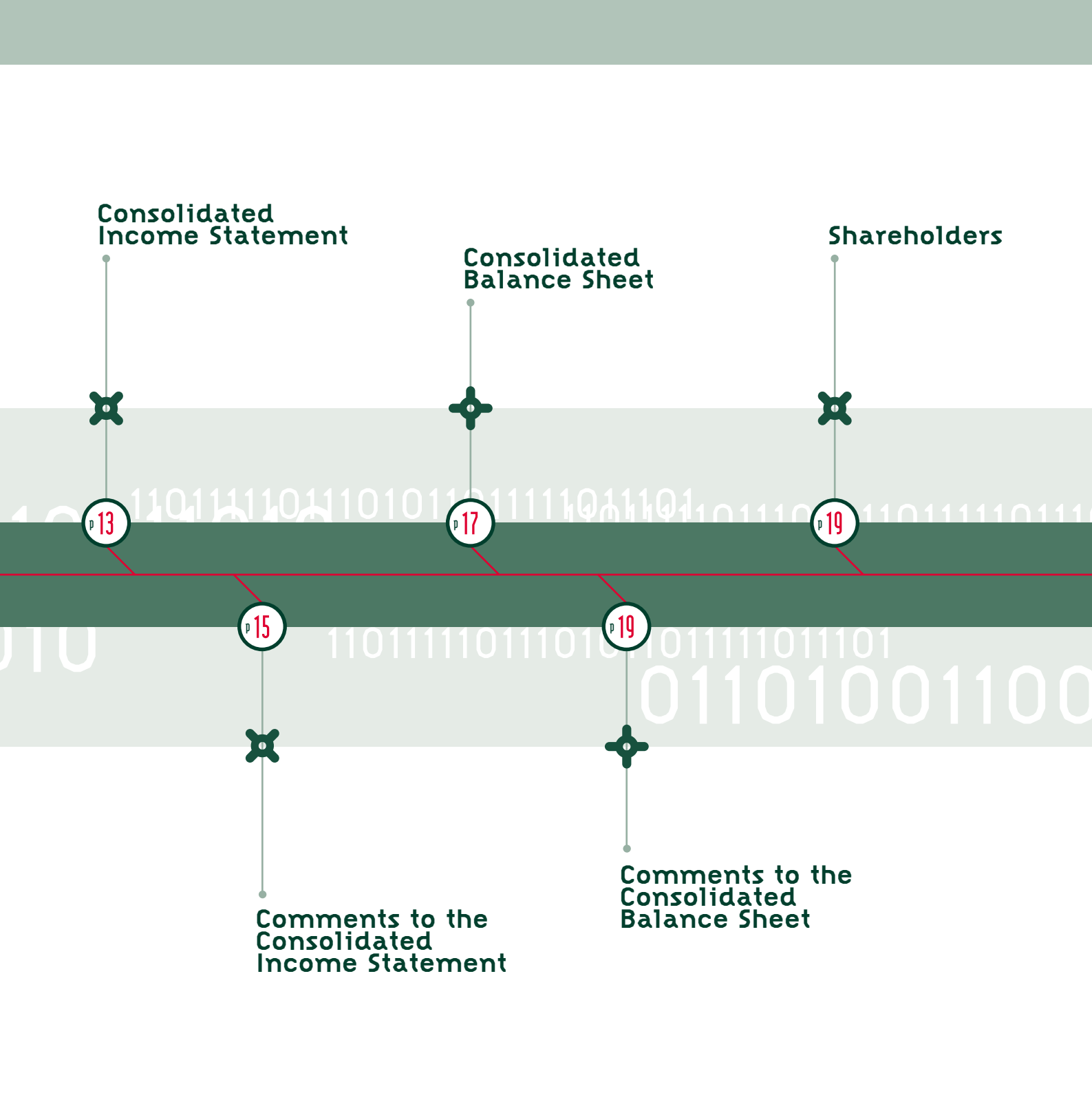
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**Comments to the
Consolidated
Income Statement**

**Comments to the
Consolidated
Balance Sheet**





Activities

Barco Projection

In the first half of 2001, **Barco Projection** booked its all-time highest order volume: EUR 195 million (+24%). Sales grew by 15% to EUR 168 million. EBIT dropped from EUR 27.9 mio to EUR 22.6 mio. On the one hand this is a consequence of the increase of R&D costs in preparation of new products, and the further expansion of the Sales & Marketing network, both of which began in the second half of 2000. On the other hand, the margins on LED walls in the first half were considerably lower than the average at Barco Projection. The growth in sales was largely achieved in the system activities Control Rooms and Simulation, as both continued to increase their turnover in the first half of 2001. Thanks to the high level of specialization and the great product efficiency they have achieved at present, the margins remain incontestably good.



In the market for standard applications for companies and organizations, a slowdown of projector sales was already apparent in the first quarter of the year. These sales then fell back drastically in the second half of May and continued to drop in June, due to the general brake on investments resulting from the economic slack, especially in the USA. Moreover, for less critical applications such as presentations, which require a lower image resolution, users settle for the cheaper and more compact standard projectors designed for a broader public.

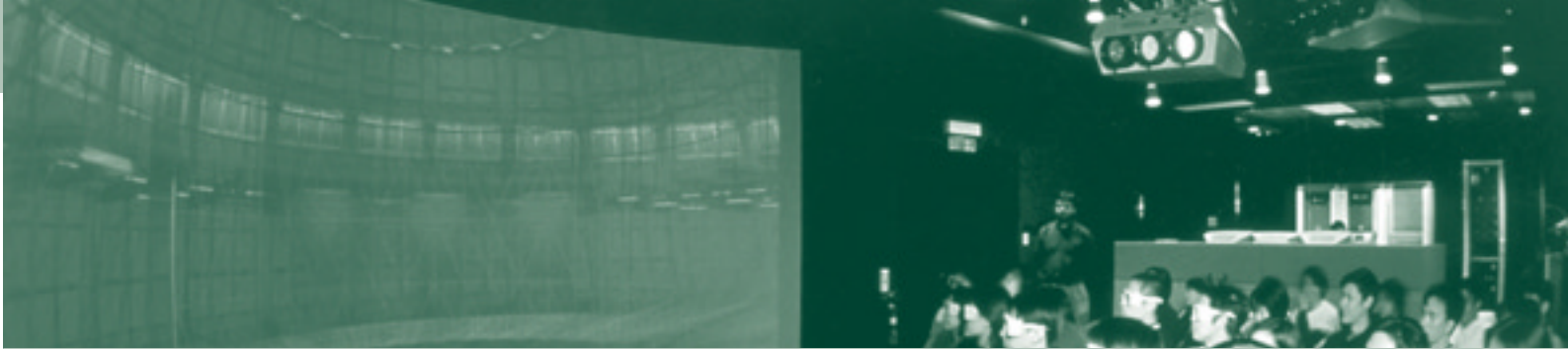
The effect of the bad economic prospects has also made itself felt in the market of rental companies, which has fallen back greatly. On top of that, there was a sudden shift in rental company orders from high-brightness projectors to visualization walls based on LED technology. BARCO is one of the leading suppliers in this technology, for instance with ILite, a recently launched version for indoor use. Although it only started selling LED walls at the end of 1999, Barco Projection has already pushed up to second

place worldwide, and the greatest emphasis at this moment is on further strengthening this position.

With the success of its LED walls, BARCO has more than compensated for the loss of its turnover of projectors, but the market shift from classic projection products to LED-based systems is proceeding much faster than BARCO had expected. That is why the shipment of these systems is unable to keep up with the volume of orders, and why there is a large outstanding order book for the coming months.

Seeing that fast deliveries are called for, BARCO is pulling out all the stops to increase the production of LED modules, but these measures are temporarily causing high initial costs and a lower margin. That explains why the margins on LED walls were markedly lower than the average figure achieved by Barco Projection in the first half of the year.





A number of measures have already been taken to increase the gross margins on the LED modules in the next few months. A new mechanical design and a far-reaching reorganization of production will lead to greater efficiency. The fine-tuning of a number of production methods will result in a better control over the process, which should drastically step up the output. The transfer of the production of the more mechanical parts to the plant in Kladno, Czechia, and the resulting lower labor cost, will have a positive effect on the margin. The greater volume of orders for main components will result in better purchase prices, and this too will contribute to a higher margin. The total profitability will further be increased by producing in greater quantities without increasing the structural costs.

In addition to the measures to improve the margin on LED walls, new products are also being launched for those specific markets that remain extremely well suited for the type of projectors in which BARCO has specialized. At present, preparations are being made for several new projects which are to push up both the market share and the margins again. With the IntelliRoom solution, multiple information sources can be combined and presented on one or more meeting room screens, thus enabling exchange of information and decision-making between remote partners. This solution is already available and has been installed at several clients. Another new product, due to be launched in the fourth quarter of 2001, is a projector to which images can be transmitted via a standard network, and even wireless.

The projector functions themselves can also be controlled via a network or the Internet, and the user can view information on the status of all projectors connected to the network.

New solutions will also be developed for other specialized spheres of applications, and Barco Projection has recently brought its internal structure in line with the markets on which it wants to focus. This will make it possible to follow developments in these market segments closely and to achieve this specialization and growth without having to increase structural costs.

BARCO expects that the first results of these actions will already be noticeable in the fourth quarter of 2001 and that they will start to have a visible effect on the margin at Barco Projection in the first half of 2002.





Activities

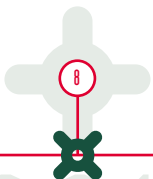
BarcoView



As was expected, **BarcoView** saw a rapid rise of its orders (+20% to EUR 97.8 million) and turnover (+47% to EUR 85.6 million), the result of both internal growth and the addition of the activities of Texen. EBIT increased by 29% to EUR 10.2 mio.

In the first semester Texen was slightly profitable. For Texen a break-even over the whole year is expected. The integration of Texen into the organization of BarcoView led to extra costs.

Medical Imaging Systems and Command & Control continued to do very well in the first half of 2001. With regard to the second business unit, the sales of the new ISIS display for air traffic control are off to a very promising start.



Activities

BarcoVision

The sales of **BarcoVision** were satisfactory in the first half of the year, with an increase of sales of 8% compared to the same period in 2000. EBIT went up 34%. As announced earlier, the order volume fell back strongly, especially in the second quarter, as a result of the negative climate in the textile sector, especially in the United States and Turkey. The total volume of orders fell by 10%. Because of that, BarcoVision expects the second half of the year to be rather difficult.



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Activities

Barco Graphics

At **Barco Graphics**, both orders and turnover fell back in the first half of 2001, compared to the first half of 2000. The order volume shrank from EUR 81 million to EUR 78 million (-4%) and deliveries fell 13% to EUR 70 million. EBIT dropped to EUR -6.5 million. In the packaging activities, however, there was a 17% growth of order volume and a 4.5% turnover growth.

The two main causes of the general drop of Barco Graphics as a whole are the halt in the orders for printstreamers from major OEM clients in the market of digital presses, and the delays with regard to the planned delivery schedule of the Mondrian, the new computer-to-plate machine. Intense efforts are being made to make up the arrears as of October. These efforts are mainly aimed at optimizing the optical tuning, in order to offer a complete guarantee that the Mondrian always yields optimal results, also in the most critical applications. But meanwhile, the extra delay is weighing heavily on the result of the first half of the year, for which the forecast had already been negative.

In the meantime the cost structure of Barco Graphics has already been alleviated by restructuring the European service call centers last April, thus reducing the workforce by approximately 40 employees.

Transferring Barco ETS to a joint venture with the German company MANIA, as announced in June, will also help to reduce costs and create new opportunities. In this way the ETS plant in South Windsor (CT, USA), which has a workforce of 82, will disappear from the structural costs of Barco Graphics, together with a number of software and hardware engineers based in Gent, Belgium, who will be transferred to MANIA-BARCO GmbH.

For this transaction BARCO will receive 1.54 million shares of MANIA as a result of which it will become the second largest shareholder with 11% of the shares. BARCO will obtain 33% of the new Joint Venture MANIA-BARCO GmbH. MANIA has now closed the first 6 months of 2001 with a decrease in turnover of 10% compared to the first half of 2000, and a decrease of the EBITDA of 63%. This is of course the result of the negative evolution of the economic situation, which is seriously affecting companies active in the market of capital goods and outsourcing services for Printed Circuit Boards.

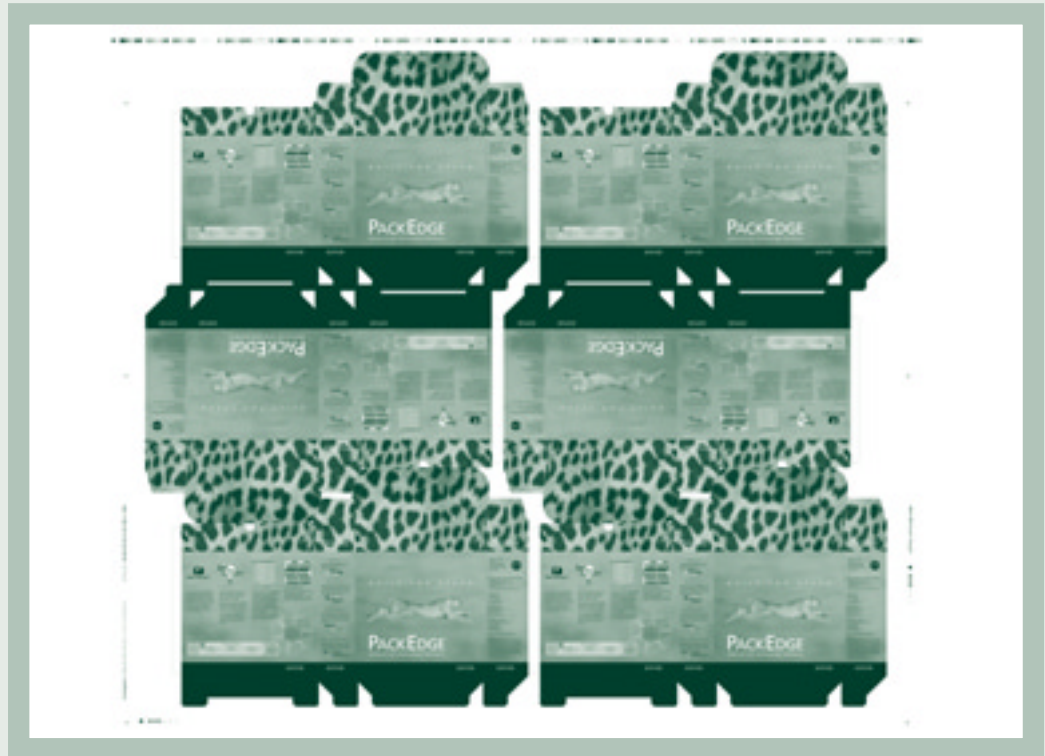
At the time of the negotiations the MANIA share was at EUR 15, thus promising an extraordinary profit. The sudden drop in the price of the MANIA share to about EUR 3 in the first days of September however, is now estimated to create a negative impact of about EUR 15 mio on BARCO's extraordinary results at the closing of the deal.

Meanwhile the board of directors of MANIA has set up an extensive program to improve the profit situation with lasting effect. This program will affect the results of the second half of 2001.

It will only be possible to have a precise view of the situation after the closing of the agreement, planned for the second half of September.



BARCO is currently also looking into opportunities for various forms of alliances of Barco Graphics with other partners. At present BARCO is investigating the possibilities of transferring the Industrial Printing business unit to a separate entity. This would also include other partners. In contrast to the usual applications for the digital printing of documents, this business unit with the.factory ("the dot factory") concentrates on industrial digital applications for printing on special substrates using inkjet technology. Applications range from wall covering to variable information on securities.



Turnover in '000 euro and Current EBIT*

	2000 ^{1st half}		2000 ^{2nd half}		2001 ^{1st half}	
	Sales	EBIT* (%)	Sales	EBIT* (%)	Sales	EBIT* (%)
Barco Projection	145,410	19	168,486	14	168,011	13.5
BarcoView	58,284	14	76,846	20	85,571	12
BarcoVision	49,733	12	50,792	15	53,790	15
Barco Graphics	80,119	2	82,401	2	69,678	-9
Barco Subcontracting	40,846	0	39,758	-2	51,540	3
Elimination	-20,918		-20,646		-24,386	
Total	353,474	12	397,637	12	404,204	9

* Current EBIT: profit before the amortization of goodwill, exceptional results, interest and taxes

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Consolidated Income Statement

in thousands of euro		2001	2000	2000	2000
		1st sem	2nd sem	1st sem	total
I.	Operating income	443,810	436,085	412,070	848,155
A.	Turnover	404,204	397,637	353,474	751,111
B.	Increase (+) decrease (-) in stocks of finished goods, work in process and contracts in progress	6,277	3,920	27,720	31,640
C.	Fixed assets own construction	27,274	24,698	24,943	49,641
D.	Other operating income	6,055	9,830	5,933	15,763
II.	Operating charges (-)	-409,320	-385,749	-368,670	-754,419
A.	Raw materials, consumables and goods for resale	147,327	148,261	147,819	296,080
1.	<i>Purchases</i>	153,642	166,667	156,790	323,457
2.	<i>Increase (-) decrease (+) in stocks</i>	-6,315	-18,406	-8,971	-27,377
B.	Services and other goods	75,372	71,067	67,391	138,458
C.	Remuneration, social security costs and pensions	136,100	123,288	112,934	236,222
D.	Depreciation and amounts written off on formation expenses, intangible and tangible fixed assets	38,753	32,781	31,292	64,073
E.	Increase (+) decrease (-) in amounts written off on stocks, contracts in progress and trade debtors	6,254	11,110	5,613	16,723
F.	Provisions for liabilities and charges	2,085	-3,201	328	-2,873
G.	Other operating charges	3,429	2,443	3,293	5,736
III.	Operating profit	34,490	50,336	43,400	93,736
IV.	Financial income	16,401	12,940	13,771	26,711
A.	Income from financial fixed assets	180	336	67	403
B.	Income from current assets	2,645	2,305	3,503	5,808
C.	Other financial income	13,576	10,299	10,201	20,500
V.	Financial charges (-)	-21,913	-23,032	-19,493	-42,525
A.	Interest and other debt charges	2,830	2,559	1,801	4,360
B.	Depreciation on consolidation differences	6,782	7,711	6,960	14,671
D.	Other financial charges	12,301	12,762	10,732	23,494

	2001	2000	2000	2000
		1st sem	2nd sem	1st sem
				total
VI. Profit on ordinary activities before income taxes of the consolidated enterprises	28,978	40,244	37,678	77,922
VII. Extraordinary income	241	813	0	813
F. Other extraordinary income	241	813		813
VIII. Extraordinary charges (-)	-454	-1,138	-952	-2,090
D. Provisions for extraordinary liabilities and charges	62			
F. Other extraordinary charges	392	1,138	952	2,090
IX. Profit for the period before income taxes of the consolidated enterprises	28,765	39,919	36,726	76,645
X. A. Transfer to deferred taxes and latent taxations	1,336	-1,191	-373	-1,564
XI. Income taxes (-)(+)	-12,899	-12,933	-13,420	-26,353
A. Income taxes (-)	-13,783	-13,126	-13,689	-26,815
B. Adjustment of income taxes and writeback of tax provisions	884	193	269	462
XII. Profit of the consolidated enterprises	17,203	25,796	22,933	48,729
Share of the minority interests	230	46	77	123
Share of the group	16,973	25,750	22,856	48,606



Comments to the Consolidated Income Statement

Internal growth represents the major part of the 14.4% growth in sales: only 4% is generated by the acquisition of Texen in December 2000.

Internal growth was high at BarcoView (+22%) and Projection (+15%), growth was negative at Barco Graphics (-14%). Operating profits decreased by 20.5%; gross margins slightly decreased by a change in product mix at Barco Projection. Salary cost and depreciations show a higher increase than sales, hiring and investments were not fundamentally decreased until late in the second quarter, while lay-offs only occurred at Barco Graphics at the same moment. Due to high inventory risks, depreciation of stocks remained at a high level.

The tax level is calculated on 32.3% of current profit. Current profit before and after taxes decreased by 19.9% and 20.6% respectively. Due to higher depreciations, current cash flow increased by 1.9%.

Current profit after tax per share is EUR 1.95 against EUR 2.45 in the first half of 2000.



Limited Review Report

of the statutory auditor on the semi-annual consolidated balance sheet of Barco NV as of June 30, 2001 and the related consolidated income statement for the six-month period then ended

As statutory auditor of Barco NV, we have performed a limited review on the semi-annual consolidated balance sheet as of June 30, 2001 and the related consolidated income statement for the six-month period then ended of Barco NV. Our review has been performed in accordance with the applicable guidelines issued by the Belgian Institute of Company Auditors. Considering their purpose, our review procedures were substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Belgium, the objective of which is the expression of an opinion on the annual accounts.

Based on our review, we are not aware of any elements which would necessitate material adjustments to the semi-annual consolidated balance sheet as of June 30, 2001 and the consolidated income statement for the six-month period then ended, as taken up in the Barco NV's semi-annual report.

We want to draw your attention to the estimated impact of the agreement between Barco NV and the Mania Group on the sale of the Electronic Tooling Systems business. At its closing this agreement may, as already disclosed by the company, result in a loss of EUR 15 million.

Gent, September 7, 2001

Ernst & Young Bedrijfsrevisoren BCV (B160)
Statutory auditor
Represented by

Ludo Swolfs
Partner

Marc Van Hoecke
Partner



Consolidated Balance Sheet

in thousands of euro	2001 30/06	2000 31/12	2000 30/06
Assets			
FIXED ASSETS	304,404	298,794	295,721
II. Intangible fixed assets	50,558	46,954	44,547
III. Consolidation differences	124,886	131,669	134,116
IV. Tangible fixed assets	122,220	113,043	110,945
A. Land and buildings	61,372	61,053	60,560
B. Plant, machinery and equipment	31,357	29,249	29,518
C. Office furniture and vehicles	16,034	14,375	13,528
D. Leasing and other similar rights	340	564	531
E. Other tangible fixed assets	3,669	2,491	2,214
F. Assets under construction and advance payments	9,448	5,311	4,594
V. Financial fixed assets	6,740	7,128	6,113
B. Other enterprises	6,740	7,128	6,113
1. Shares	3,889	3,877	3,882
2. Amounts receivable and cash guarantees	2,851	3,251	2,231
CURRENT ASSETS	580,235	603,663	504,878
VI. Amounts receivable after one year	1,093	773	1,753
A. Trade debtors	736	578	848
B. Other amounts receivable	357	195	905
VII. Stocks and contracts in progress	196,874	169,195	140,070
A. Stocks	189,630	166,439	137,218
1. Raw materials	87,466	78,033	59,835
2. Work in process	52,510	44,438	42,193
3. Finished goods	49,647	42,766	35,142
6. Prepayments	7	1,202	48
B. Contracts in progress	7,244	2,756	2,852
VIII. Amounts receivable within one year	266,879	294,352	211,946
A. Trade debtors	232,935	245,171	184,528
B. Other amounts receivable	33,944	49,181	27,416
IX. Investments	56,076	65,318	104,592
X. Cash at bank and in hand	47,662	65,632	37,037
XI. Deferred charges and accrued income	11,651	8,393	9,480
TOTAL ASSETS	884,639	902,457	800,599

	2001	2000	2000
	30/06	31/12	30/06
Liabilities			
EQUITY	471,281	450,928	449,257
I. Capital	53,065	53,063	53,059
A. Issued capital	53,065	53,063	53,059
II. Share premium account	120,471	120,447	120,404
IV. Reserves	284,674	267,662	265,343
VI. Translation differences	10,275	7,265	7,025
VII. Investment grants	2,796	2,491	3,427
MINORITY INTERESTS	873	566	273
VIII. Minority interests	873	566	273
PROVISIONS, DEFERRED TAXES AND LATENT TAXATIONS			
IX. A. Provisions for liabilities and charges	51,979	50,164	48,657
1. Pensions and similar obligations	42,237	39,642	39,237
2. Major repair and maintenance	3,530	4,223	3,294
4. Other liabilities and charges	2,546	2,935	3,245
B. Deferred taxes and latent taxations	36,161	32,484	32,698
	9,742	10,522	9,420
CREDITORS	360,506	400,799	302,412
X. Amounts payable after one year	19,342	18,451	20,314
A. Financial debts	17,659	15,728	17,731
1. Subordinated loans	0	0	642
2. Bonds	12,607	12,340	12,170
3. Long term leases and similar obligations	302	499	463
4. Credit institutions	4,699	2,889	4,456
5. Other loans	51	0	0
D. Other amounts payable	1,683	2,723	2,583
XI. Amounts payable within one year	300,819	346,516	258,983
A. Current portion of amounts payable after one year	8,069	11,956	1,987
B. Financial debts	85,202	84,748	56,088
1. Credit institutions	85,202	84,748	56,088
C. Trade debts	89,950	107,052	70,987
1. Suppliers	88,790	106,324	70,864
2. Bills of exchange payable	1,160	728	123
D. Advances received on contracts in progress	30,141	26,857	22,597
E. Taxes, remuneration and social security	71,777	73,149	66,428
1. Taxes	29,017	33,748	29,684
2. Remuneration and social security	42,760	39,401	36,744
F. Other amounts payable	15,680	42,754	40,895
XII. Accrued charges and deferred income	40,345	35,832	23,114
TOTAL LIABILITIES	884,639	902,457	800,599

