Results 4Q08 and FY08

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Key Figures 4Q08 (Continuing Business)

in m €	Q4 2008	Q4 2007	Change
Incoming Orders	**203.9**	**183.5**	**11.1%**
Sales	**207.9**	**222.5**	**(6.6%)**
EBIT (R)	**(2.0)**	**27.1**	**(29.1)**
Free Cash Flow (R)	**34.1**	**(13.3)**	**47.4**
Restructuring & Impairment charges	**22.2**		

Key Figures FY 2008 (Continuing Business)

in m €	FY 2008	FY 2007	Change
Incoming Orders	**762.6**	**784.1**	**(2.7%)**
Sales	**725.3**	**736.4**	**(1.5%)**
EBIT (R)	**8.9**	**58.7**	**(49.8)**
Free Cash Flow (R)	**27.4**	**(23.0)**	**50.4**
Restructuring & Impairment charges	**26.7**		

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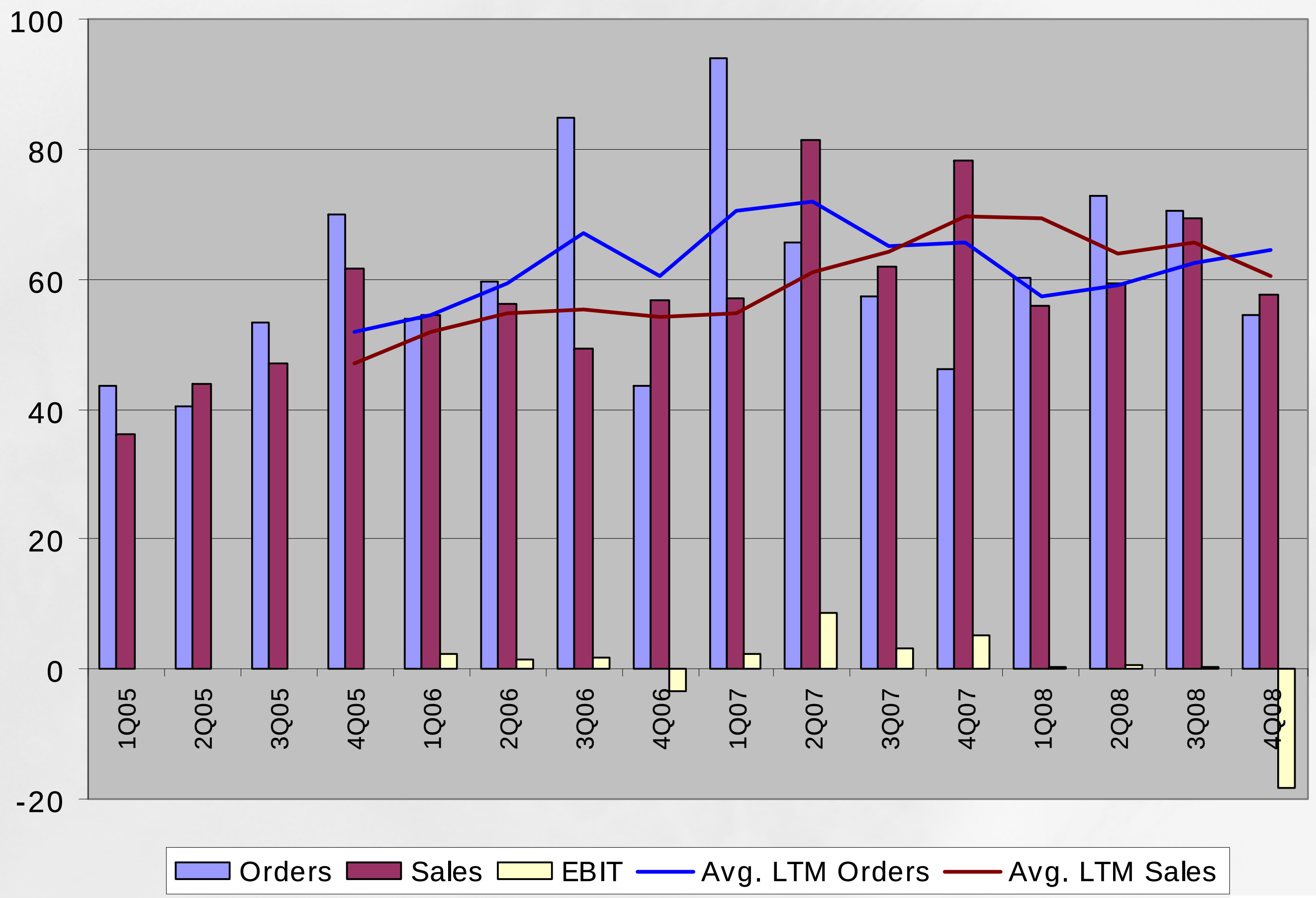
Evolution of results by division

m € **Full Year**	2008		2007		Sales growth 08/07	
	Sales	% EBIT	Sales	% EBIT	Actual FX	Constant FX
Media & Entertainment	242.1	(6.4%)	278.5	7.9%	(13.1%)	(10.2%)
Security & Monitoring	245.8	5.4%	232.4	6.5%	5.7%	9.4%
Medical Imaging	127.0	12.2%	121.1	11.8%	4.9%	10.2%
Other	126.6	(3.6%)	131.6	5.4%	(3.8%)	(0.2%)
Eliminations	(16.1)	0.0%	(27.1)	0.0%		
Total	**725.3**	**1.2%**	**736.4**	**8.0%**	**(1.5%)**	**2.2%**

4th Quarter	4Q08		4Q07		Sales growth 08/07	
	Sales	% EBIT	Sales	% EBIT	Actual FX	Constant FX
Media & Entertainment	57.6	(29.5%)	78.4	7.0%	(26.5%)	(30.9%)
Security & Monitoring	76.8	9.7%	77.4	15.3%	(0.8%)	(2.9%)
Medical Imaging	33.7	10.7%	31.7	11.6%	6.2%	0.7%
Other	44.0	8.9%	42.4	14.3%	3.6%	(0.1%)
Eliminations	(4.2)	0.0%	(7.4)	0.0%		
Total	**207.9**	**(1.0%)**	**222.5**	**12.2%**	**(6.6%)**	**(10.4%)**

Media & Entertainment Division

In € million



Media & Entertainment Comments

- Operating expenses not (yet) in line with current market realities
- Sharp decline in corporate marketing spending globally
- No financing available for conversion to Digital Cinema
- Video & Lighting Integrator segment grows moderately despite crisis
- Global leadership in Events/VLI enhanced by HES acquisition
- Temporary slowdown in out-of-home digital conversion
- Good progress on working capital management, especially in Q4
- Markets not expected to recover in the next quarters

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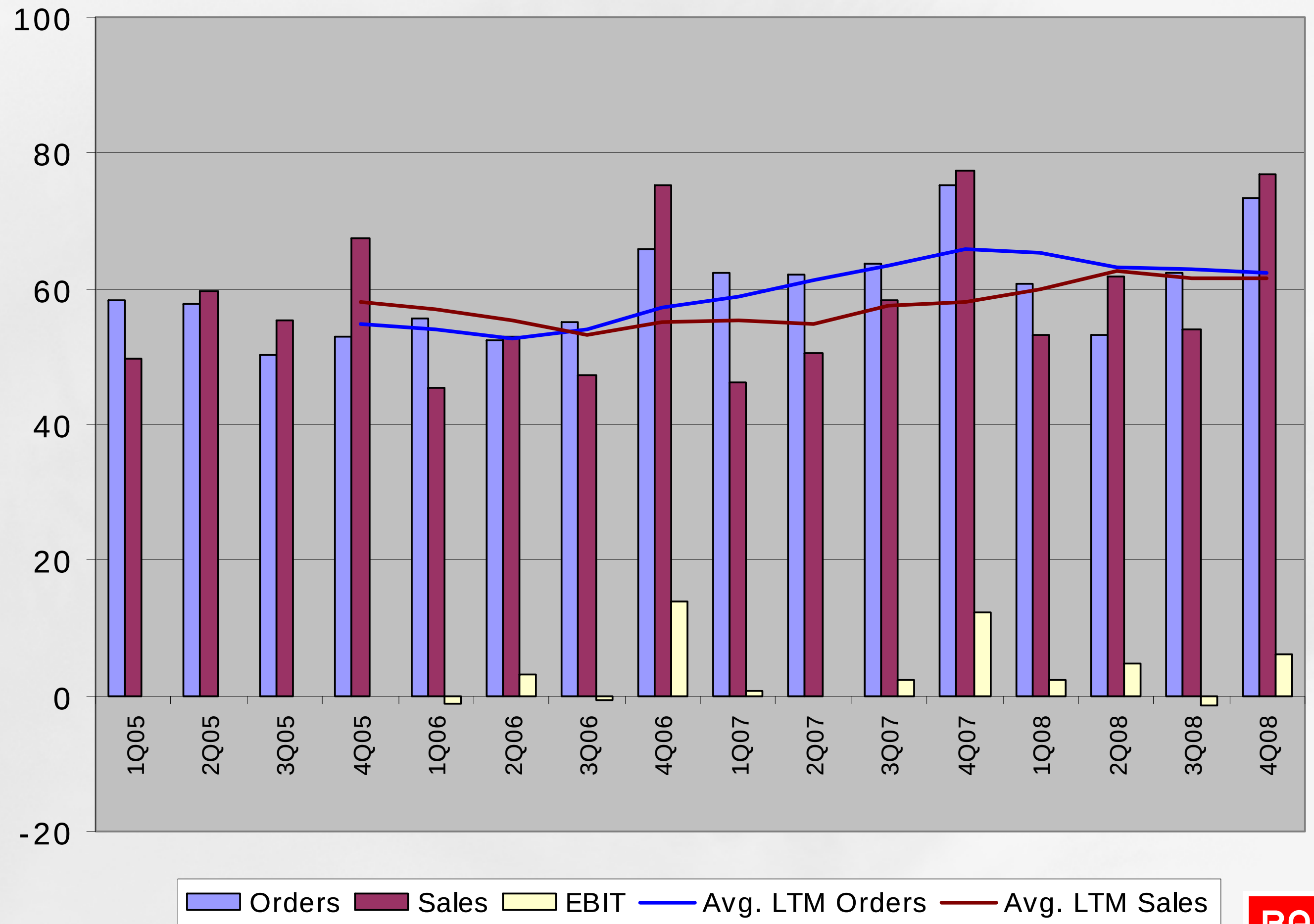
Security & Monitoring Division

In € million



Security & Monitoring Comments

- Sales growth 5.7% to € 246 m
- Margin decline 0.6 ppts due to price pressure
- EBIT down € 3.4 m driven by cost escalation
- Working capital remains too high
- New generation of projection engines launched
- Delays in introduction of new generation controlware for broadcast
- Nearing completion of new generation rugged displays for land based defense vehicles
- Business outlook remains solid

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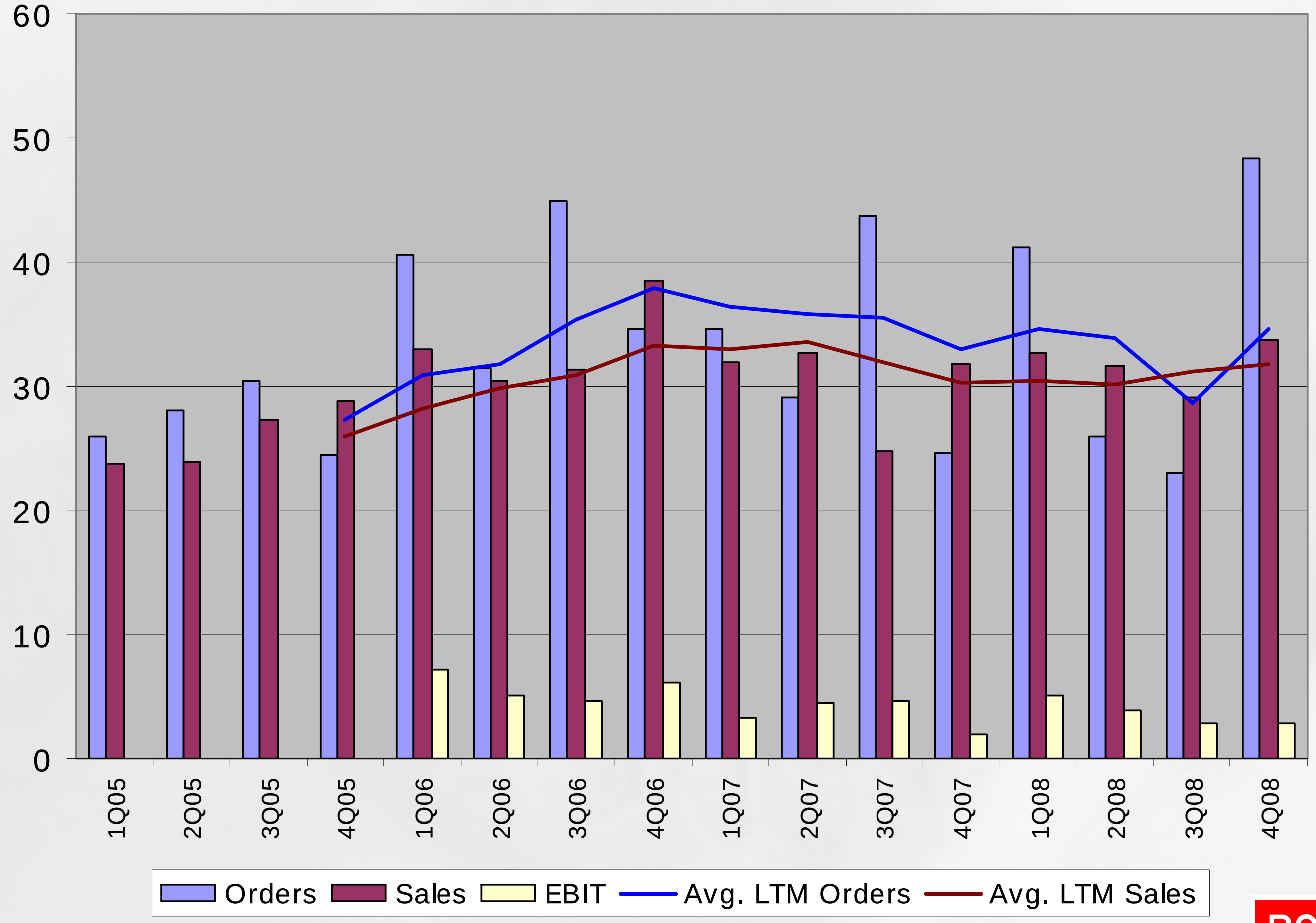
Medical Imaging Division

In € million

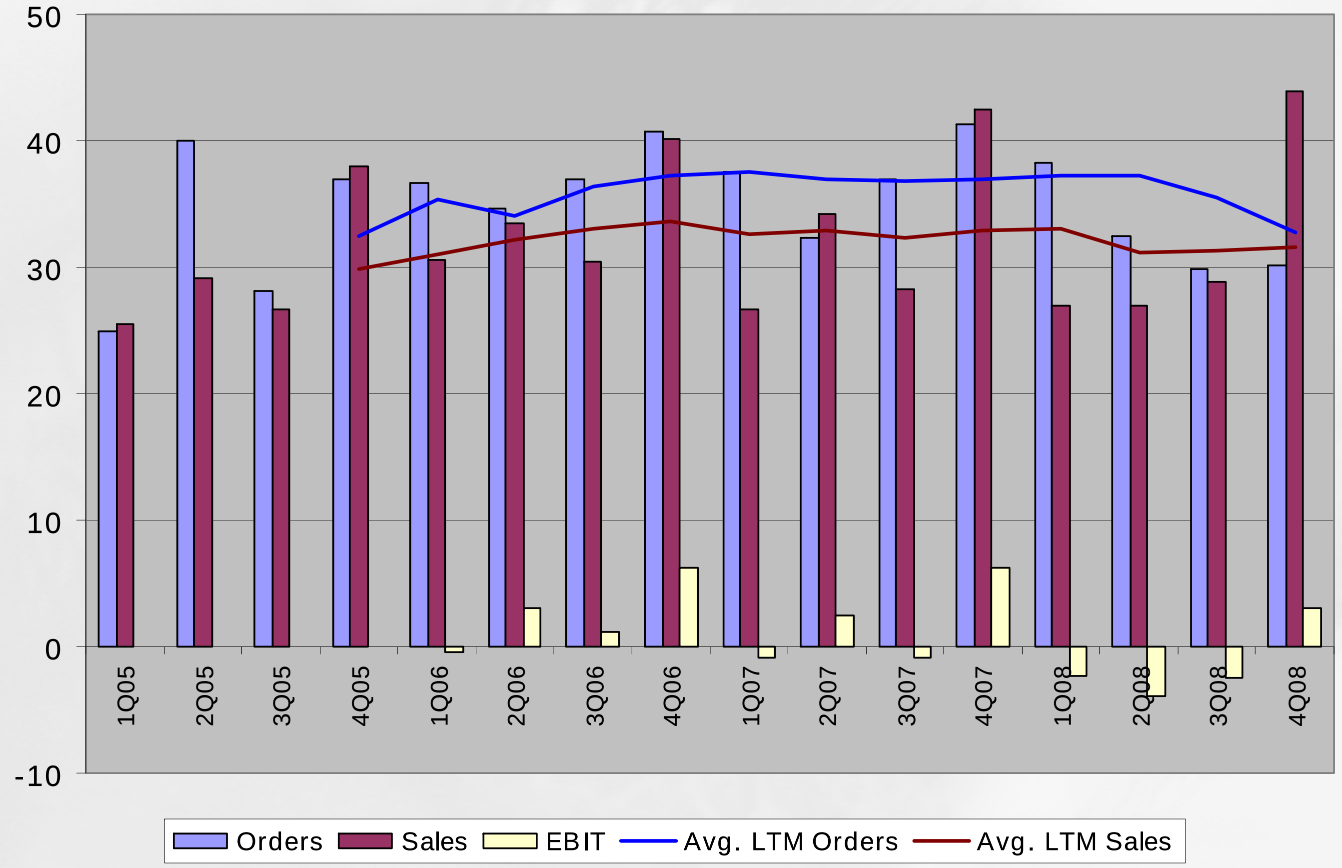


Medical Imaging Comments

- Solid performance with 5% growth in both orders & shipments
- Growth primarily in modality segment
- Good overall cost controls and working capital improvements
- Divestment Voxar (AVIS) completed
- Gained market share in PACS with 6 megapixel Coronis Fusion display
- Less affected by economic downturn

Other Markets

In € million



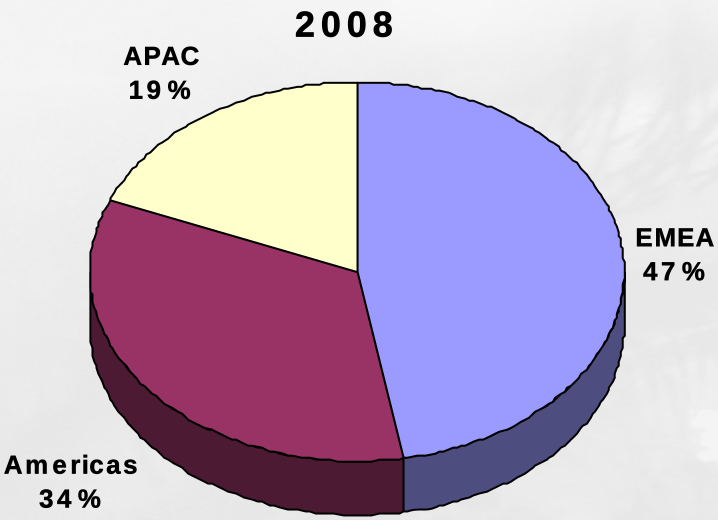
Presentation & Simulation Comments

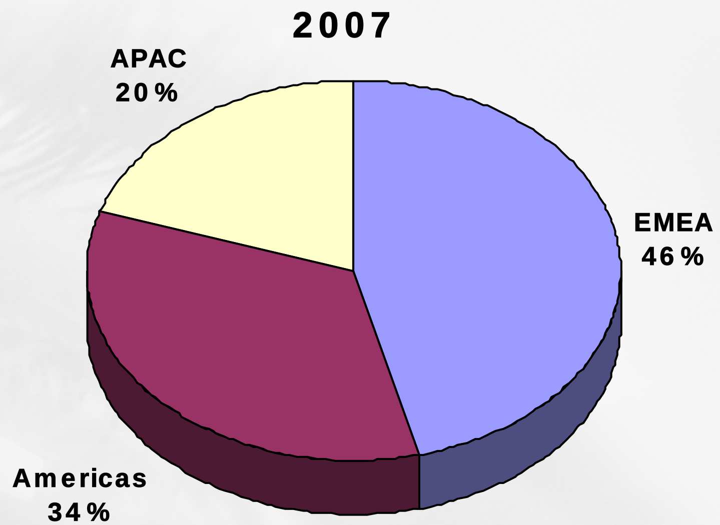
- Corporate audiovisual segment (CAV -13%)
- Virtual & Augmented Reality segment (VAR -26%)
  - **Driven by slowdown in automotive**
  - **Gradually offset by growth in oil & gas**
- Training & simulation segment (T&S +14%)
- New products (SIM7 & Galaxy) meeting with good market response will fuel growth
- Cost reduction measures completed
- Working capital reduction of 20%

Avionics Comments

- Robust growth of 24% with major OEM's
- Solid improvements in working capital
- Still cash flow negative due to investments in R&D and major customer programs
- Business forecasted to continue to grow despite economic slowdown (replacement market)

Geographical breakdown of sales





• EMEA	1.9%
• Americas	-1.8%
• APAC	-7.7%

(at actual exchange rates)

Key figures income statement 2008

In € million	2008		2007	
Sales	**725.3**	**100.0%**	**736.4**	**100.0%**
Cost of goods sold	(477.9)	(65.9%)	(455.6)	(61.9%)
Gross Profit	**247.4**	**34.1%**	**280.8**	**38.1%**
Research & Development	(77.1)	(10.6%)	(65.5)	(8.9%)
Sales & Marketing	(116.2)	(16.0%)	(109.0)	(14.8%)
General & Administration	(51.1)	(7.0%)	(48.4)	(6.6%)
Other operating result	5.9	0.8%	0.7	0.1%
EBIT before restructuring & impairment	**8.9**	**1.2%**	**58.7**	**8.0%**
Restructuring & impairment costs	(26.7)	(3.7%)	0.0	0.0%
EBIT after restructuring & impairment	**(17.8)**	**(2.5%)**	**58.7**	**8.0%**
Non-operating expense (net)	(3.6)	(0.5%)	(2.5)	(0.3%)
Income Taxes	(0.0)	(0.0%)	(10.4)	(1.4%)
Net Income from continuing operations	(21.4)	(2.9%)	45.8	6.2%
Net Income from discontinued operations	39.6	5.5%	7.5	1.0%
Net Income	18.3	2.5%	53.3	7.2%
EBITDA	41.2	5.7%	110.8	15.0%
Net Earnings per Share (in €)	**1.53**		**4.43**	

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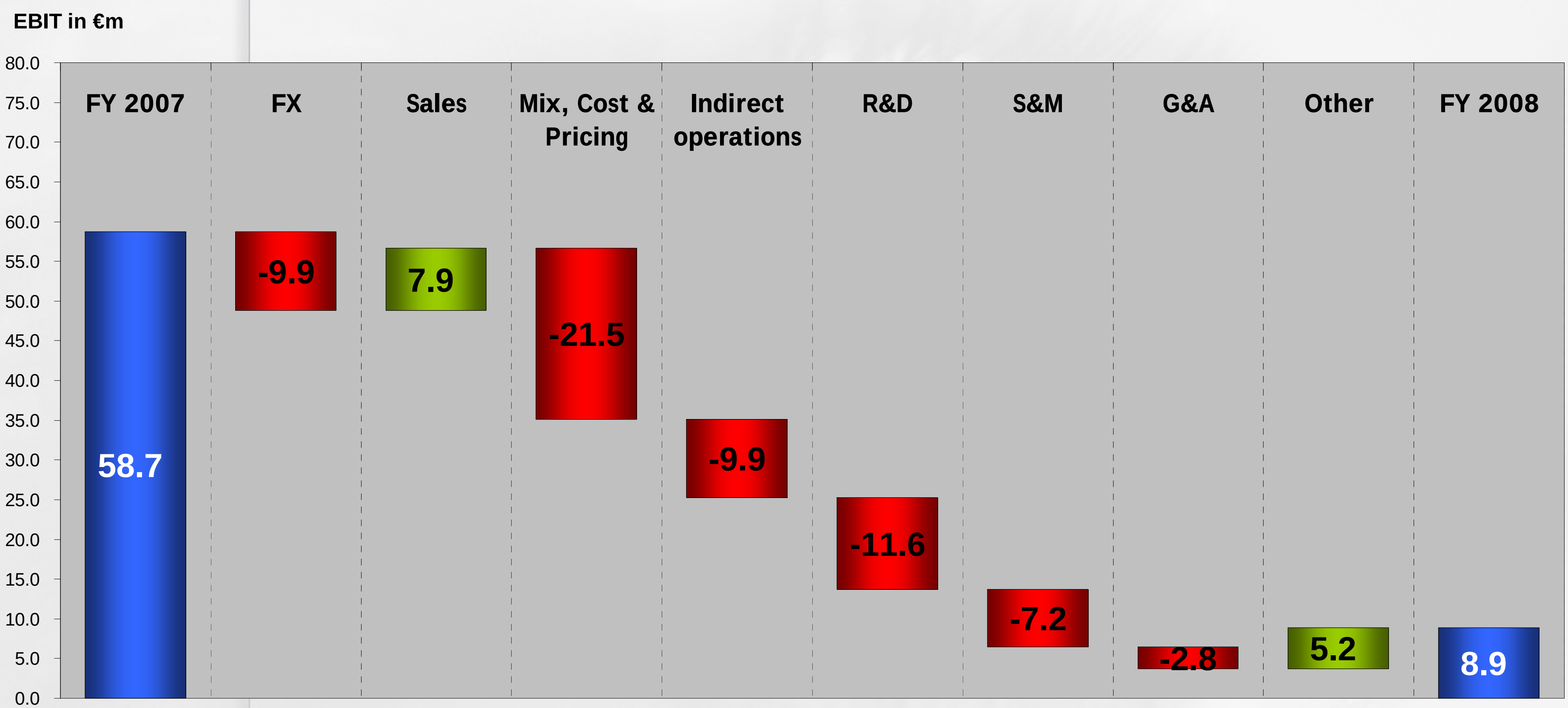
EBIT FY 2008 versus 2007 : - € 50 m



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Why EBIT drop of € 50 m ?

1. Gross margin drop	**(23.5)**
• Volume	+7.9
• Currency	(9.9)
• Mix & price	(21.5)
2. Other Costs of goods sold	**(9.9)**
• HES	(2.0)
• Mfg. & Logistics OVH	(2.6)
• Reversals of capitalized OH in inventory	(8.0)
• Cost reductions/savings	+2.7
3. Research & Development expenses	**(11.6)**
• Flat cash expenses/addition HES	(0.6)
• Higher amortization	(6.4)
• Lower capitalization	(4.6)
4. Sales & Marketing	**(7.2)**
• HES	(2.5)
• More Sales & Customer Services	(4.7)
5. G&A	**(2.8)**
• HES	
• Legal & other fees	
6. Other	**+5.2**
• Research grants	
• Hedge results & balance sheet revaluation	

FY 2008 : Cash & Balance Sheet

- Free Cash Flow before restructuring (and excluding Acquisitions/Divestitures) : +€ 27.4 m
- Trade Receivables : reduced to € 168 m
  - **€ 33 m cash generated**
  - **DSO reduction from 80 to 72 days (10%)**
  - **Driven by our Customer-to-Cash collection improvement program**
- Inventories : reduced to € 189 m
  - **€ 18 m cash generated**
  - **Many initiatives : from sale of slow movers to improved planning processes**
- Trade Payables : reduced to € 67 m
  - **Negative cash flow of € 23 m due to inventory reduction actions**
- Net Financial Debt : reduced to € 33 m
  - **Down from € 53 m**

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Path Forward

1. Conservative financial posture in 09
2. Strengthen back end organization
3. Strengthen front end organization
4. Four operating divisions with P&L responsibility
5. More centralized & corporate approach in G&A
6. Prepare for next generation leadership & senior management

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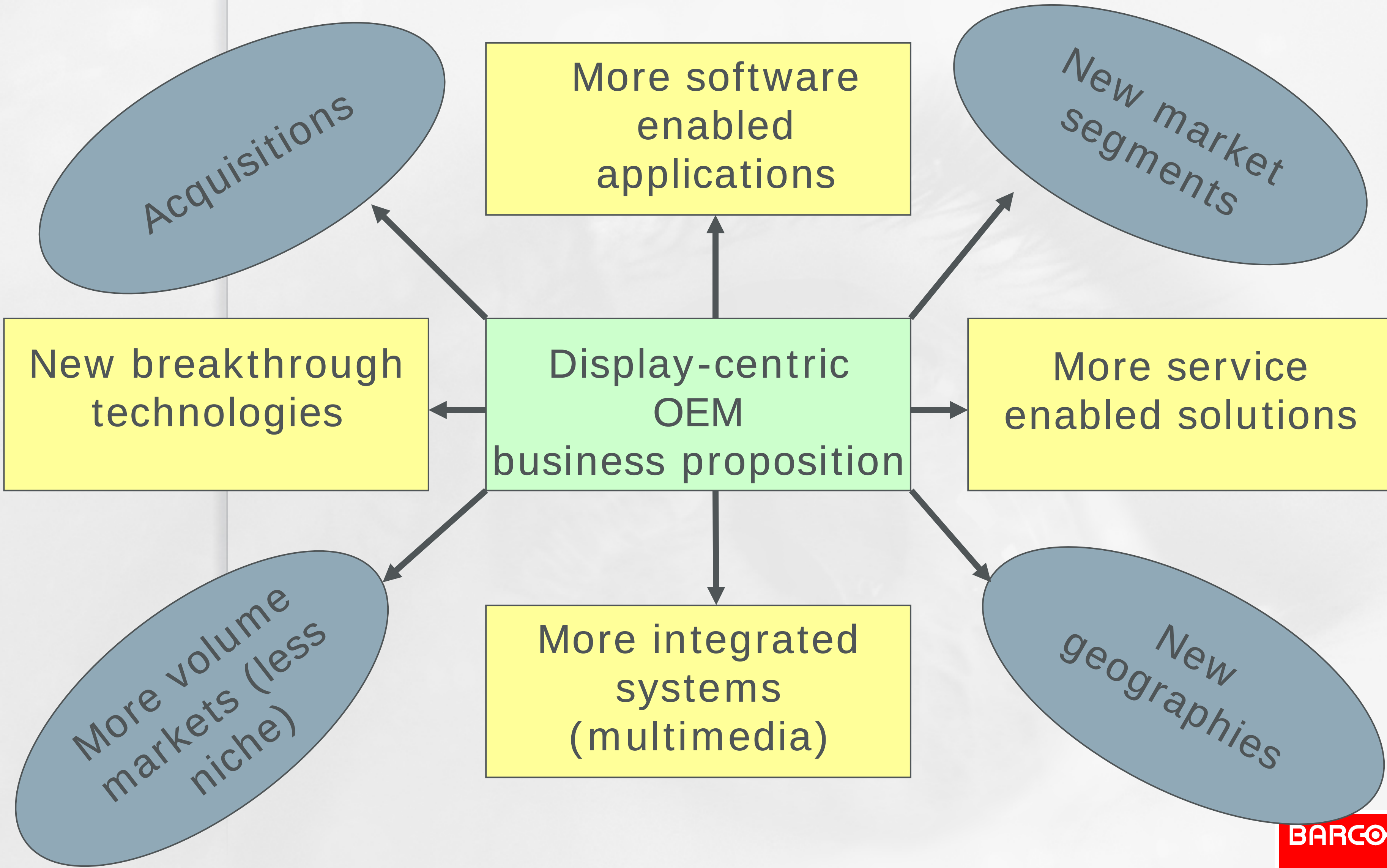
7. Strategic Growth Options Considered



Dividend

- Given the poor 2008 results and the company's choice to pursue a very conservative financial profile, the board will propose to the General Assembly not to pay out a dividend to the shareholders