

Results 1Q09

Eric Van Zele, President and CEO

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Key figures 1Q09

in € million

Continuing Business

	Q1 2009	Q1 2008	Change
Order Book	366.5	323.9	13.2%
Incoming Orders	158.0	196.1	(19.4%)
Incoming Orders (Avg LTM)	181.1	191.8	(5.6%)
Sales	144.7	163.1	(11.2%)
EBITDA	7.3	19.5	(62.6%)
EBIT	(6.0)	5.9	
Free Cash Flow	36.6	(2.9)	

Reported business

Free Cash flow including divestiture Voxar	59.4	(2.9)	
Net Income	(0.9)	5.9	

Managing for cash

- Substantial cash generation : € 59.4 m

Key drivers:

- **Capital employed reduced by 10% driven by strong working capital performance**
- **Divestment Voxar (AVIS) completed**
 - Proceeds € 27.7 m, of which € 22.8 m cashed at closing
 - Gain on divestment € 4.7 m, net after taxes
- Resulting in a net financial cash position of € 24.0 m versus 4Q08 net financial debt of € (32.8) m

Further comments 1Q09

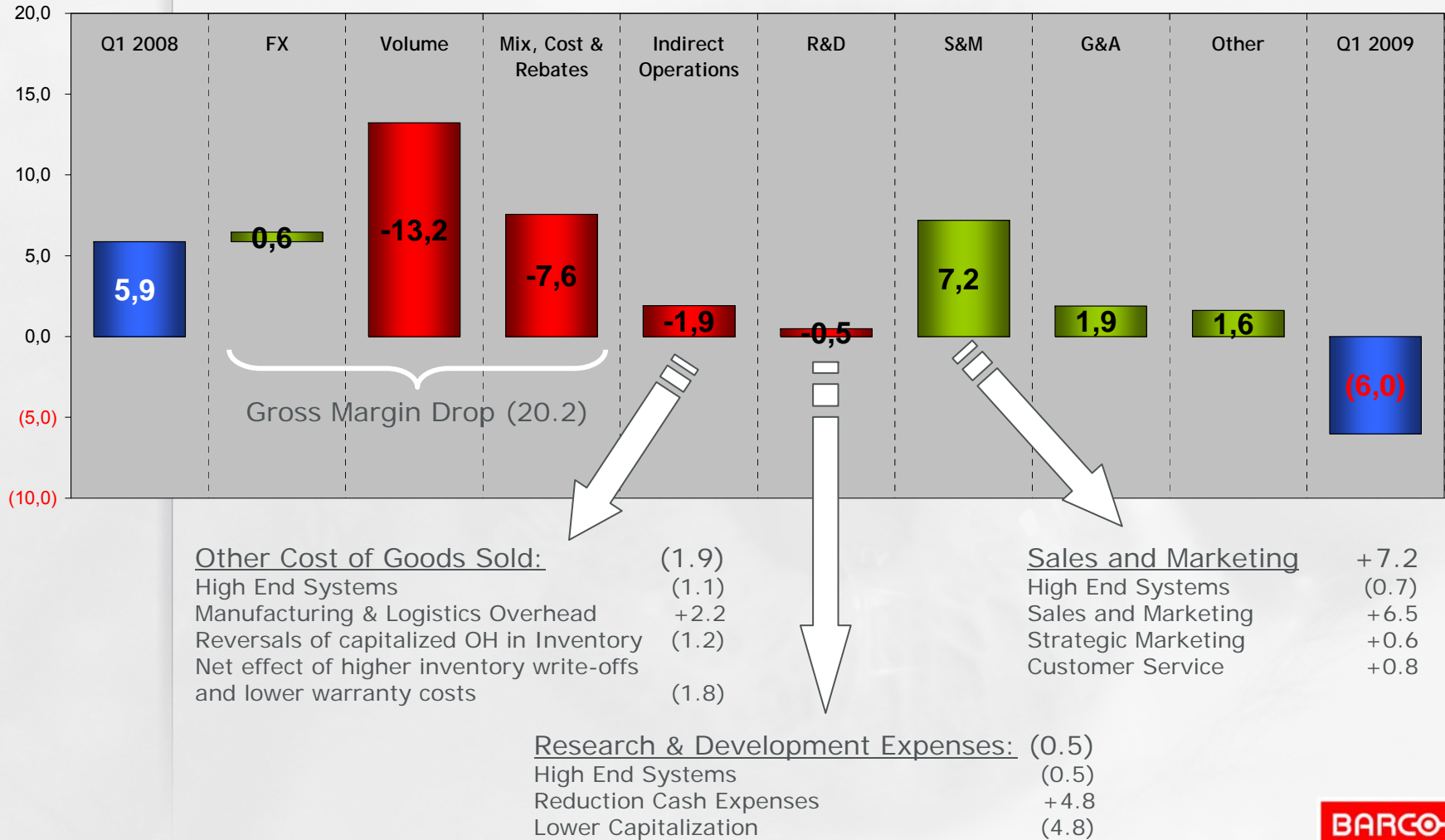
- Although sales decline 11.2%, order book increases 13.2% and this across all divisions
- Gross profit margin erosion (10.6 pts) mainly due to :
 - Unfavorable mix
 - Continued sell off of slow moving stock items
 - Costs of quality and repairs
 - Obsolescence
- Cost savings program yielding results : indirect costs (cash basis) were reduced by € 14.3 m
- Substantially lowered the EBIT break-even point
- EBIT results include the impact of lower capitalization. The 1Q impact versus prior year was € 4.8 m. Full year impact will be less than € 10 m.

Key figures income statement 1Q09

In € million	1Q09		1Q08	
Sales	144.7	100.0%	163.1	100.0%
Cost of goods sold	(105.8)	(73.1%)	(102.0)	(62.5%)
Gross Profit	39.0	26.9%	61.1	37.5%
Research & Development	(17.2)	(11.9%)	(16.8)	(10.3%)
Sales & Marketing	(21.7)	(15.0%)	(28.8)	(17.7%)
General & Administration	(10.3)	(7.1%)	(12.2)	(7.5%)
Other operating result	4.2	2.9%	2.6	1.6%
EBIT	(6.0)	(4.2%)	5.9	3.6%
Interest expense, net	(0.8)	(0.6%)	(0.9)	(0.6%)
Income Taxes	1.3	0.9%	(1.2)	(0.7%)
Net Income from continuing operations	(5.6)	(3.8%)	3.8	2.3%
Net Income from discontinued operations	4.7	3.2%	2.1	1.3%
Net Income	(0.9)	(0.6%)	5.9	3.6%
EBITDA	7.3	5.0%	19.4	11.9%
Free Cash Flow	36.6	25.3%	(2.9)	(1.8%)
Net Earnings per Share (in €)	(0.07)		0.55	

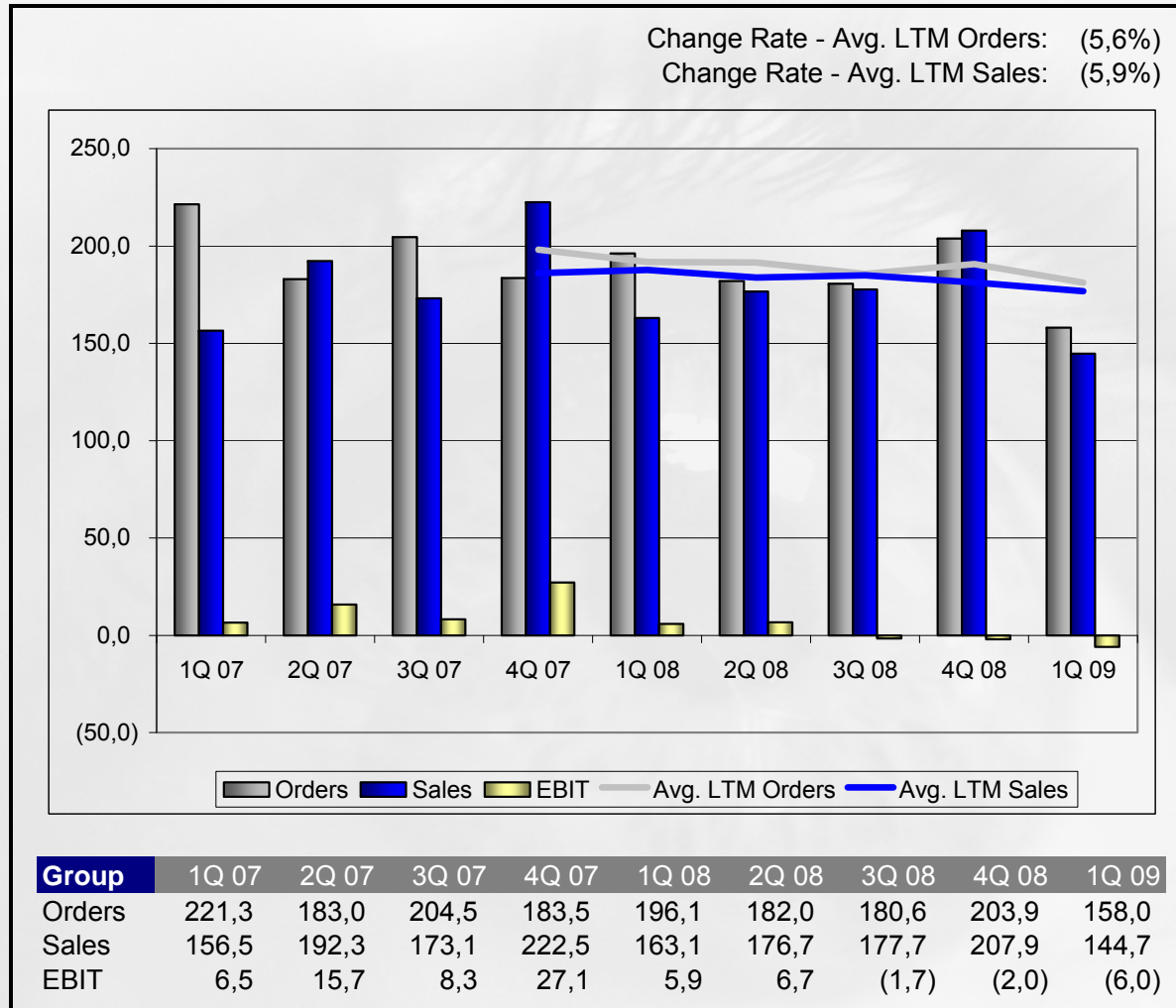
EBIT Waterfall 1Q09 versus 1Q08 (- € 11.9 m)

EBIT in €m



Results per quarter

In € million



Cash & Balance Sheet

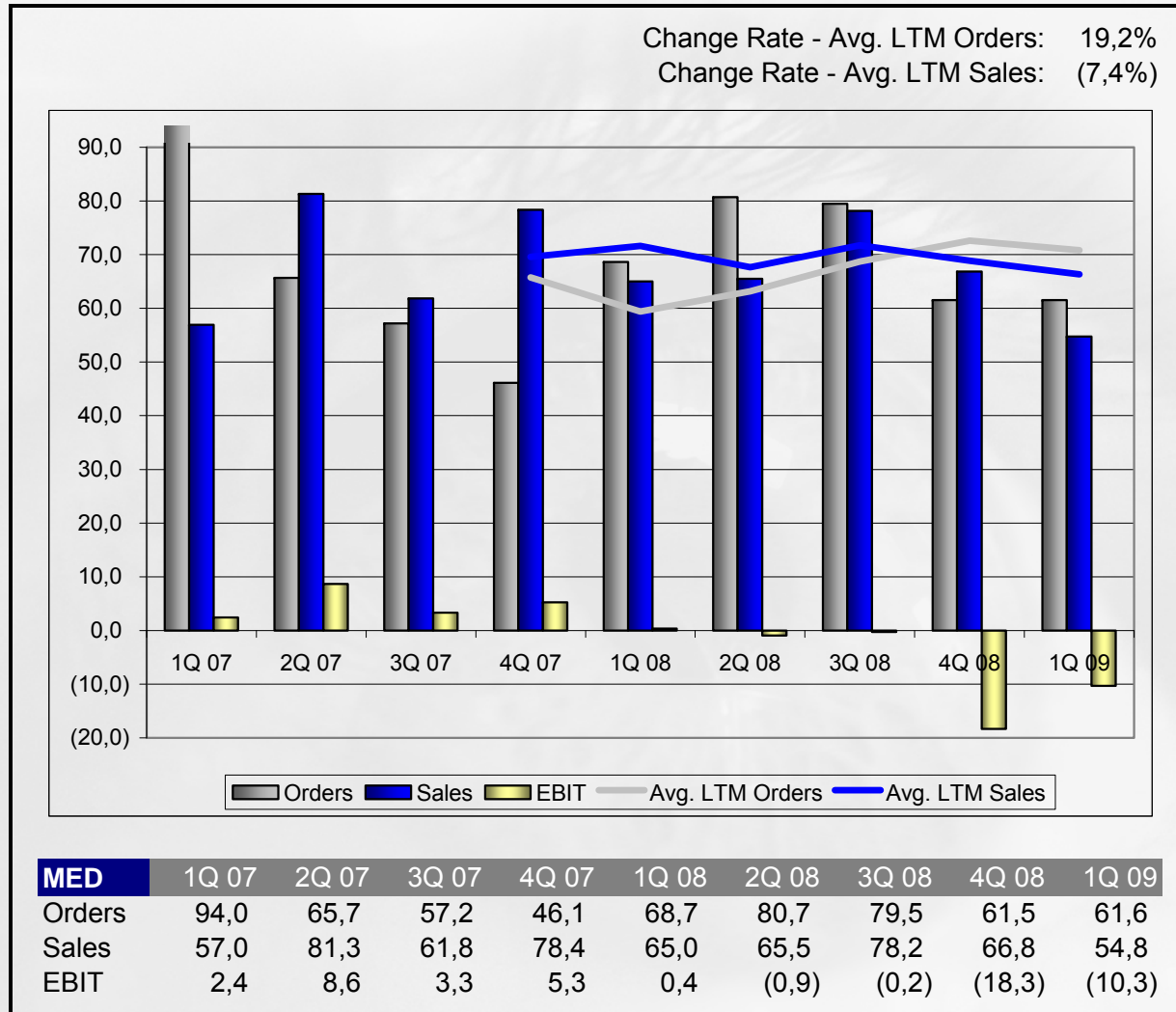
- Substantial cash generation : € 59.4 m
 - Free Cash Flow € 36.6 m
 - Divestiture Voxar generated extra € 22.8 m
- Trade Receivables down € 40.1 m to € 128.2 m
 - DSO reduction from 93 days end of 1Q08 to 80 days end 1Q09 (14%)
- Inventories down € 8.4 m to € 180.7 m
- Trade Payables down € 6.5 m to € 60.5 m
- Net Financial Cash position : € 24.0 m
 - Net financial debt year-end 2008: € 33 m

Evolution of results by division

In € million	1Q09		1Q08	
	Sales	EBITDA minus cap'd R&D	Sales	EBITDA minus cap'd R&D
Media & Entertainment	54.8	(7.4)	65.0	1.1
Security & Monitoring	41.5	0.9	53.1	2.2
Medical Imaging	28.4	4.9	32.7	6.2
Avionics & Simulation	21.5	1.6	17.2	(2.4)
Eliminations	(1.5)	(0.0)	(4.8)	(0.0)
Total	144.7	0.0	163.1	7.1

Media & Entertainment Division

In € million



Media & Entertainment Division

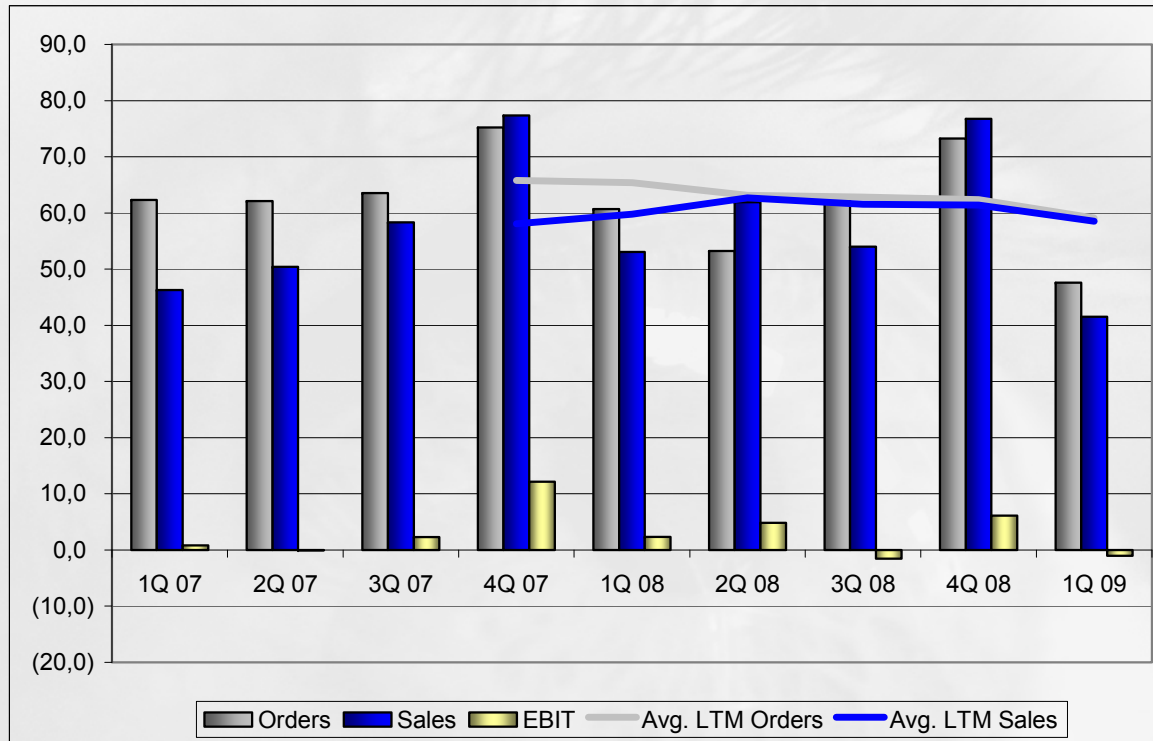
- Orders down 10% for the quarter; order book up 40% year-on-year;
- Sales down almost 16% due to low performance in the events and OHM segments, not offset by the strong shipments in digital cinema;
- Gross profit sharply down due to ongoing sales of slow moving products and inventory write-offs in OHM and events;
- Quarterly EBIT still very negative;
- Corporate events business expected to continue to underperform in 2Q09 with possible recovery in 2H09;
- We remain confident of big opportunities in OHM segment and are looking for alternative business models to stimulate future growth;
- Digital cinema orders 5 times higher than 1Q08, sales more than doubled; Conversion to digital cinema is paced by external financing.

Security & Monitoring Division

In € million

Change Rate - Avg. LTM Orders: (9,6%)

Change Rate - Avg. LTM Sales: (2,1%)



SMD	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09
Orders	62,3	62,1	63,6	75,2	60,7	53,2	62,3	73,3	47,6
Sales	46,3	50,4	58,3	77,4	53,1	61,9	54,0	76,8	41,5
EBIT	0,8	(0,1)	2,3	12,2	2,3	4,9	(1,5)	6,1	(1,0)

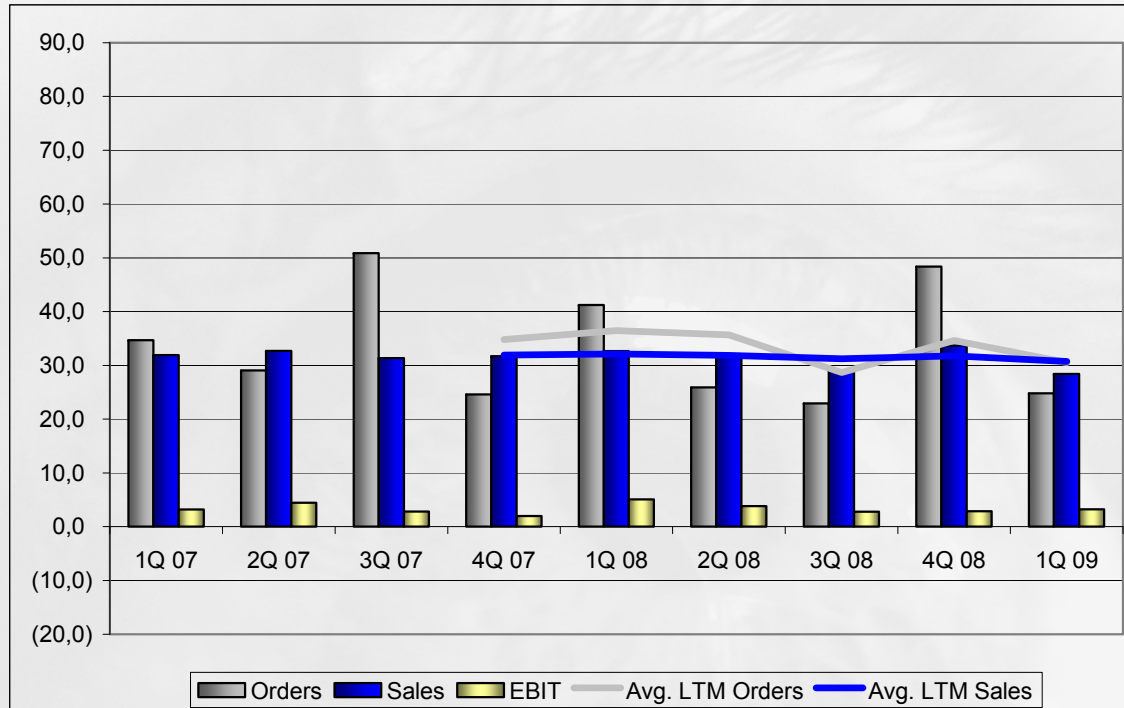
Security & Monitoring Division

- Orders down 21.5% for the quarter but order book remains very healthy at € 135 m up 5% from last year;
- Margins held steady but profits declined due to volume decreases and stock write-offs;
- Business outlook remains cautiously optimistic, because the order funnel looks promising and some projects scheduled to ship in 1Q were delayed to 2Q;
- More software and network enabled solutions are being offered to our customer base, supporting the technology content of our portfolio.

Medical Imaging Division

In € million

Change Rate - Avg. LTM Orders: (16,3%)
 Change Rate - Avg. LTM Sales: (4,4%)



MID	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09
Orders	34,7	29,1	50,9	24,6	41,2	25,9	22,9	48,4	24,8
Sales	31,9	32,7	31,3	31,7	32,7	31,6	29,0	33,7	28,4
EBIT	3,2	4,5	2,8	2,0	5,1	3,8	2,8	2,9	3,2

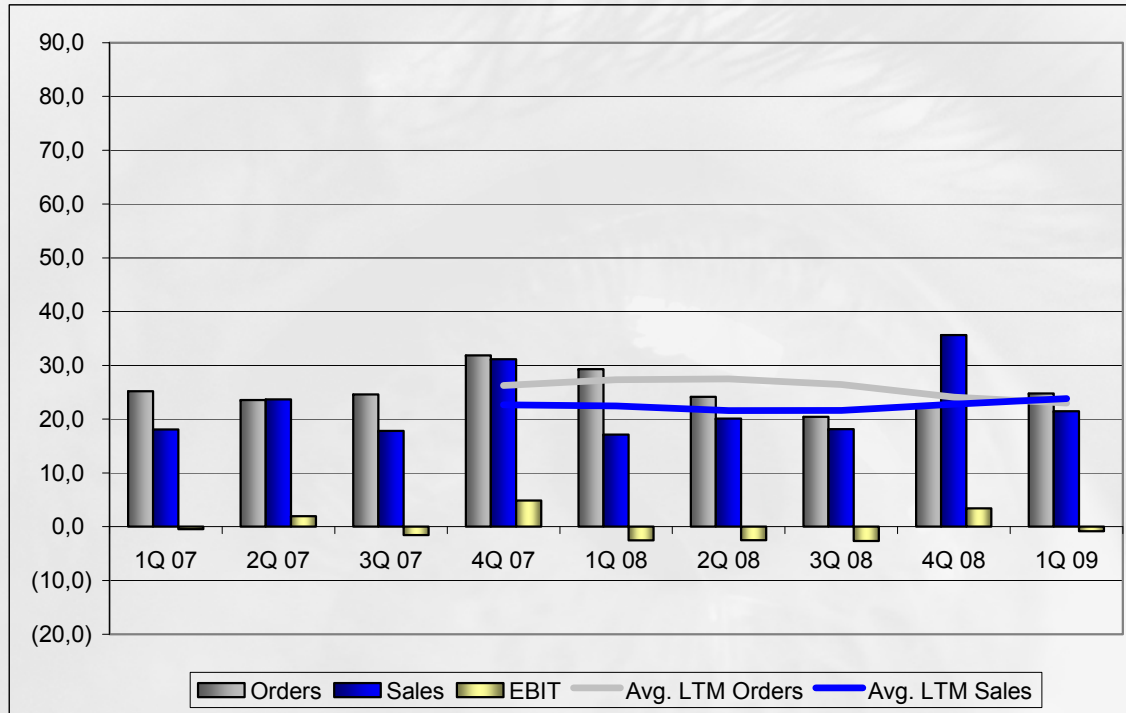
Medical Imaging Division

- Orders 40% and shipments 13% down considerably compared to last year, but order book still up 17% year-on-year;
- The division continues to feature products & systems with unique capabilities that meet with good customer response and acceptance;
- Except for the North American market where projects were indeed delayed, this division performed in line with expectations;
- Double digit EBIT margin realized.

Avionics & Simulation

In € million

Change Rate - Avg. LTM Orders: (15,9%)
 Change Rate - Avg. LTM Sales: 6,2%



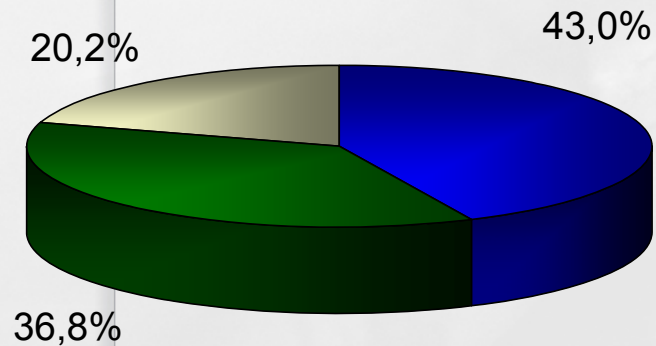
ASD	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09
Orders	25,2	23,5	24,6	31,9	29,3	24,2	20,4	22,5	24,8
Sales	18,1	23,7	17,8	31,2	17,2	20,1	18,1	35,6	21,5
EBIT	(0,5)	2,0	(1,6)	4,9	(2,5)	(2,5)	(2,6)	3,4	(0,9)

Avionics & Simulation

- Orders down 15% for the quarter but order book up 4.6% versus last year;
- Sales up 25% for the quarter because of strong demand in simulation segment;
- Profitability improved but remains slightly negative;
- Outlook for the remainder of the year is for EBIT to turn slightly positive.

Geographical breakdown of sales

1Q 09

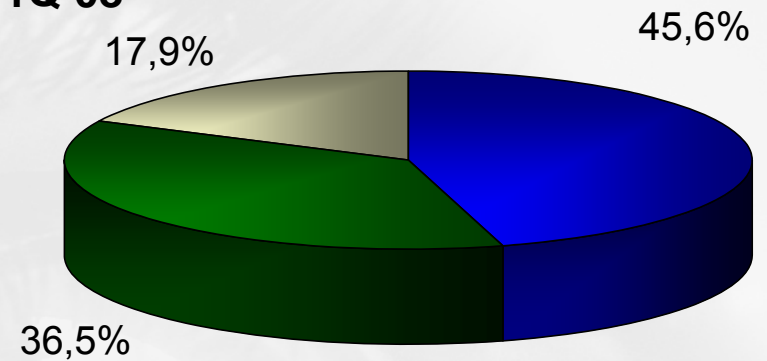


Sales

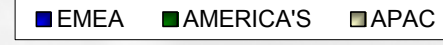


Group	1Q 09	1Q 09	Δ 09-08	
EMEA	62,2	43,0%	(12,1)	-16,3%
AMERICA'S	53,3	36,8%	(6,3)	-10,6%
APAC	29,3	20,2%	0,1	0,5%

1Q 08



Sales



Group	1Q 08	1Q 08
EMEA	74,3	45,6%
AMERICA'S	59,6	36,5%
APAC	29,2	17,9%

The road ahead

Q2 focus will be on restoring profitability and on further deployment of growth strategies for each of our core businesses

Business

- Continue to build on the momentum in Digital Cinema
- Anticipating softness in Q2 in Events / VLI
- Content enabled business model in OHM
- Anticipating slow recovery in SMD
- Anticipating poor visibility on timing of projects in MID

Operational Excellence

- Continued cost containment measures
- Focus on quality related costs
- More value creation in India / China
- Further push for inventory reductions
- Continued focus on design for manufacturability