

Barco 6 months ended

30 June 2009



BARCO

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Obligations with regard to periodical information following the transparency directive effective as of 1 January 2008

Declaration regarding the information given in this report 6 months ended 30 June 2009

The undersigned declare that:

- the quarterly accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies;
- the report 6 months ended 30 June 2009 gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Eric Van Zele, CEO

Dirk De Man, CFO

Key figures on the basis of continuing operations*

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Net sales	164,716	176,662	309,451	339,736
Gross Profit	46,988	60,399	85,970	121,482
EBIT before restructuring	-5,579	6,721	-11,574	12,592
EBIT after restructuring	-5,579	5,121	-11,574	10,992
Profit before taxes	-5,955	4,687	-12,766	9,739
Net income from continuing operations	-4,861	3,904	-10,406	7,745
Net income from discontinued operations	-376	703	4,319	3,445
Net income attributable to the equityholder	-5,230	4,607	-6,074	11,190
EBITDA before restructuring	8,347	21,408	15,656	40,861
EBITDA after restructuring	8,347	19,808	15,656	39,261
Earnings per share (in euro)	-0.44	0.39	-0.51	0.94
Diluted earnings per share (in euro)	-0.41	0.36	-0.48	0.88

*excluding the balance sheet of the medical advanced visualization activities of the business unit Voxar

Key figures as reported

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Net sales	164,717	193,749	309,951	375,800
Gross Profit	46,984	68,328	86,322	139,507
EBIT before restructuring	-5,695	7,977	-11,648	17,253
EBIT after restructuring	-5,695	6,377	-11,648	15,653
Profit before taxes	-6,396	5,947	-5,633	14,405
Net income attributable to the equityholder	-5,230	4,607	-6,074	11,190
EBITDA before restructuring	8,232	24,775	15,847	49,727
EBITDA after restructuring	8,232	23,175	15,847	48,127
Earnings per share (in euro)	-0.44	0.39	-0.51	0.94
Diluted earnings per share (in euro)	-0.41	0.36	-0.48	0.88

Number of employees

30 June 2009

30 June 2008

Total	3,277	3,741
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Capital & ownership of the company's shares

On 30 June 2009, the capital amounted to euro 54,169,171.60, represented by 12,669,955 shares.

Ownership of the company's shares was as follows:

VIM	9.87%	(1,249,921 shares)
Franklin Templeton Investment Corp.	5.01%	(634,430 shares)
Templeton Investment Counsel, LLC	3.14%	(397,984 shares)
Barco	5.82%	(737,963 shares)
Public	76.16%	(9,649,657 shares)
Total	100%	(12,669,955 shares)

Fully diluted

VIM	9.33%	(1,249,921 shares)
Franklin Templeton Investment Corp.	4.74%	(634,430 shares)
Templeton Investment Counsel, LLC	2.97%	(397,984 shares)
Barco	5.51%	(737,963 shares)
Public	77.45%	(10,376,029 shares)
Total	100%	(13,396,327 shares)

This information is updated on www.barco.com on an ongoing basis.

Management discussion and analysis of the results

Barco continues to generate good cash flows. Big contracts for digital cinema bode well for the future.

Kortrijk, Belgium, 22 July 2009 - Barco (Euronext: BAR; Reuters: BARbt.BR; Bloomberg: BAR BB) today announced results for the three and six-month periods ended 30 June, 2009.

Commenting on the results of 2Q09 Mr Van Zele, CEO, re-emphasized that Barco's strategy to focus on cash generation and a healthy balance sheet continued to bear fruit in 2Q09. Free cash flow generated in 2Q09 was 12.4 million euro, 8.2 million euro more than in the same quarter of 2008, thanks to a positive operating cash flow of 8.5 million euro and continued reduction of working capital. Also operating expenses were reduced by 11.8 million euro in 2Q09, bringing the total cost reduction for 1H09 to 26 million euro. At the end of the quarter Barco had a net cash position of 36.9 million euro, up from 24 million euro at the end of the previous quarter.

Sales were down 12 million euro or 6.8% versus the same quarter of last year, but nevertheless up 20 million euro compared to 1Q09. All operating divisions grew their sales compared to the previous quarter except for the medical division, where sales remained flat.

Barco's total order book at the end of the quarter remained healthy at 336.7 million euro, up 1.6%

from last year. This order book does not yet reflect several big digital cinema contracts that have been signed during the quarter and that will help to offset the shortfalls in the events market. These contracts have a potential sales value over the next couple of years in excess of 250 million euro.

The company's incoming orders for the quarter were down 22.7% to 140.7 million euro, excluding recent big wins in digital cinema. This is a shortfall of 41.7 million euro compared to 2Q08, primarily in the events and the traffic and surveillance markets.

Gross profit margin was lower year-on-year and continued to be below target, mainly due to substantial inventory write-offs. However, it was improving versus 1Q09. EBITDA was 8.4 million euro compared to 21.4 million euro in 2Q08. Reported EBIT was minus 5.5 million euro for the quarter, depressed by non-cash charges such as reduced capitalization and increased inventory write-offs. Without these non-cash charges EBIT would have been positive for the quarter.

Mr Van Zele concluded his comments on the 2Q09 results by stating that the economic environment is expected to remain difficult in the second half of the year. Nevertheless Barco has a very healthy balance sheet and intends to keep it that way. Furthermore the ongoing management attention for increasing operational excellence will continue to bear fruit. For the remainder of 2009 he also expects the digital

cinema market to further offset the decline in sales in other markets which are currently suffering from the economic crisis.

Mr Van Zele also announced that Barco had recently signed an 85 million euro revolving credit facility with key relationship banks. This agreement extends existing maturities with two and a half years.

CONSOLIDATED RESULTS FOR THE QUARTER

Second Quarter 2009 Financial Highlights on the basis of continuing operations:

- Order book at the end of June 2009 was 336.7 million euro. This is an increase of 1.6% compared to the order book of 331.2 million euro the year before. Order intake for the quarter decreased by 22.7% to 140.7 million euro.
- Sales of 164.7 million euro, down 6.8% year-over-year.
- Gross profit declined by 22.2% to 47.0 million euro from 60.4 million euro the previous year. Gross profit margin was 28.5%. Gross profit was 39.0 million in 1Q09, a gross profit margin of 26.9%.
- EBITDA was 8.4 million euro compared to 21.4 million euro in 2Q08.

¹ Following IFRS rules comparison must be made on the basis of "continuing operations". This means that the results of the medical advanced visualization activities of the business unit Voxar are shown as a separate line ("results from discontinued operations") and added to the net results of the continuing operations. All financial data appearing further in this announcement will be based on "continuing operations", unless otherwise indicated. Barco divested Voxar to Toshiba Medical Systems Corporation, Tokyo, Japan, in 1Q09. The company now owns 737,963 of its own shares or 5.82% before dilution. The buy-back program started in 2003. In 1Q09 Barco did not buy back any of its own shares.

- EBIT was minus 5.5 million euro versus 6.7 million euro before restructuring in 2Q08. EBIT was negatively affected by non-cash charges such as lower R & D capitalization versus higher amortization and increased inventory write-offs.
- Net income including income from discontinued business was minus 5.2 million euro. In 2Q08 it was 4.6 million euro.
- Net earnings per share were minus 0.44 euro compared to 0.39 euro in 2Q08.
- Free cash flow at the end of the quarter was 12.4 million euro compared to 4.2 million euro the year before.

Sales and Order Intake

Sales for the quarter were 164.7 million euro, a 6.8% year-on-year decrease. Compared to 1Q09 sales remained flat in the medical division, but increased in all other divisions.

Sales to Europe, Middle East and Africa represented 46.8% of consolidated sales, while 33.6% of sales were realized in the Americas and 19.6% in Asia Pacific.

Orders in 2Q09 were 140.7 million euro, a decrease of 22.7% compared to the same quarter the year before.

The order book at the end of the quarter was 336.7 million euro or 1.6% higher than at the end of 2Q08.

Gross Profit

Gross profit decreased year-on-year by 22.2% to 47.0 million euro. Gross profit margin at 28.5% compared to 34.2% in the year ago quarter. Contributing elements to this decrease are a less favorable mix, sell off of slow moving products and very substantial inventory write offs (primarily in the events segment).

EBIT

EBITDA was positive at 8.4 million euro. EBIT however, decreased to minus 5.5 million euro from 6.7 million euro (before restructuring) the previous year, mainly driven by non-cash items such as excess amortization of capitalized R&D and inventory write-offs.

Research & development expenses increased year-on-year from 18.3 million euro to 19.2 million euro, or from 10.3% to 11.7% of sales. The 18.3 million euro in 2Q08 consisted of 20.5 million R & D cash expenses and a net positive impact of capitalization versus amortization of R & D to the amount of 2.2 million euro. In 2Q09 cash expenses were 15.6 million euro and there was a net negative impact of 3.6 million euro of capitalization versus amortization.

Sales & Marketing expenses decreased from 28.6 million euro to 24.5 million euro, respectively 16.2% and 14.9% of sales. General & administration also decreased from 11.9 million euro or 6.7% of sales to 10.6 million euro or 6.4% of sales.

Other operating income was 1.9 million euro. 2Q08 had other operating income of 5.1 million euro.

Income Taxes

In 2Q09 there was a positive tax impact of 1.1 million euro compared to a tax expense of 0.8 million euro in 2Q08.

Net Income

Net income for the quarter decreased to minus 5.2 million euro from 4.6 million euro for 2Q08. These amounts include the net income from discontinued operations. Net margin for the quarter was minus 3.2% from 2.6% the year before.

Net earnings per ordinary share (EPS) were minus 0.44 euro, down from 0.39 euro in 2Q08. Fully diluted net earnings per share decreased to minus 0.41 euro from 0.36 euro.

Order book progress

Total	2Q09	1Q09	4Q08	3Q08	2Q08	1Q08
Order book	336.7	366.5	351.3	343.5	331.2	323.9

DIVISIONAL RESULTS FOR 2Q09

Media & Entertainment division

Sales in the Media & Entertainment division remained almost flat in 2Q09 compared to the same quarter the year before. Sales are stabilizing and bottoming out in the video & lighting and media segments, but remain weak in the events segment. Sales in the digital cinema market again almost doubled compared to 2Q08 but were still hampered by supply chain shortages. Compared to 1Q09 sales for the division grew by 15.7%.

Order intake is down 26.7% for the division compared to 2Q08 with a clear downward trend in orders from rental companies. Order intake remains stable in fixed installations. In the digital cinema market orders are depending on financing structures. The latter being further developed, very large frame agreements have been made with key integrators and exhibitors worldwide.

The order book at the end of June was 79.4 million euro, up 2.8% from the year before.

Gross profit decreased strongly year-on-year due to a drop in gross margin, which results to a large extent from a shift towards lower margin products and the forced sell-off of media inventory. Furthermore there were also accelerated inventory write-offs in the media segment. EBIT for 2Q09 was at minus 7.8 million euro compared to minus 0.9 million euro the year before. Cost containment actions are ongoing. A further reduction in staff has been carried through and resources are re-allocated between the various market segments served by the Media & Entertainment division.

Security & Monitoring division

Sales in the Security & Monitoring division declined 17.1% year-on-year, despite a strong performance in the defense market, more particularly in the EMEA (Europe, Middle East, Africa) and the APAC (Asia-Pacific) regions. This good performance in sales was a result of the strong order intake in 2008. On the other hand a low order intake in 1Q09 resulted in weak sales for the division in civil applications in North America. Sales performance in general suffers from delays in customer projects. Compared to 1Q09 sales grew by almost 24%.

Order intake for the division was down 16% year-on-year, mainly due to weakening market conditions in the Asian-Pacific region. Specifically in the civil markets there is strong pressure from local competition.

The order book at the end of the quarter was 130.8 million euro, up 9.1% year-on-year.

Gross profit declined compared to 2Q08 as the positive margin evolution in the defense market was offset by price pressure in the civil markets. Despite the decline in gross profit EBIT was on a break even level as lower margins were compensated by strong reductions in operating expenses. There was also an increase in inventory write-offs of 1 million euro and warranty obligation for 0.7 million euro.

Medical Imaging division

Sales at the Medical division remained flat compared to the previous quarter but declined 11.0% year-on-year. The EMEA and APAC regions performed well. Sales in North America were weaker than the year before but this market shows signs of recovery.

Order intake declined 3.4% compared to 2Q08 as the sales potential of several large system integrators

declined in all regions in the quarter. However, when comparing with 1Q09 a modest recovery can be observed.

The order book at the end of the quarter was 46.4 million euro, an increase of 11.3% compared year-on-year.

Gross profit increased to 40%, up from 38.7% in 2Q08 due to favorable changes in product mix, positive currency effects and higher efficiency in operations. EBIT margin was strong at 12.7% thanks to the positive evolution in gross profit as well as a reduction in operating expenses.

Avionics & Simulation division

Sales in the Avionics & Simulation division were up 17.3% year-on-year with a strong growth of 38.2% in the simulation market. The Avionics market on the other hand went down 29.1% compared to 2Q08. Compared to the previous quarter sales went up almost 10%.

Order intake for the division dropped in line with the global weakness of the aircraft market and with customer decisions in the simulation market being delayed. However, there are signs for a stronger demand in the avionics segment in 2H09, with an expected early recovery in the refurbishment and retrofit segment.

The order book at the end of June 2009 was 81.3 million euro, a drop of 13.3% year-on-year.

Gross profit margins were up both in the avionics and in the simulation segments, resulting in a 7.8 percentage points increase in gross profit margin for the division. EBIT was 1.1 million euro. Operating expenses in the avionics segment were drastically reduced.

CONSOLIDATED RESULTS FOR THE FIRST HALF

BALANCE SHEET

At the end of June 2009 Barco had a net cash position of 36.9 million euro, compared to a net debt position of 32.8 million euro on 31 December 2008 and a net cash position of 24.0 million euro on 31 March 2009. Barco did not buy back any of its own shares in 1H09. On 30 June 2009 accounts receivable were at 122.2 million euro, down 46.1 million euro compared to 31 December 2008 and 6.0 million euro down compared to the end of 1Q09. End June DSO was 67 days, down from 89 days the year before, a reduction of 25%. Inventory was at 161.6 million euro, a decrease of 19.1 million versus end March 2009. Trade payables were 53.4 million euro, down 7.2 million euro from end March 2009. Capex for 1H09, excluding capitalized R & D, was 1.8 million euro.

OUTLOOK FOR 2009

The following statements are forward looking and actual results may differ materially.

Management expects the economic environment to remain difficult also in the second half of 2009. Nevertheless management points at the very healthy balance sheet of the company and its ongoing efforts to increase operational excellence, which will continue to bear fruit. Management also anticipates the digital cinema market to further offset the decline in sales in other markets which are currently suffering from the economic crisis.

² The company now owns 737,963 of its own shares or 5.82% before dilution. The buy-back program started in 2003. In 1H09 Barco did not buy back any of its own shares.

Income statement on the basis of continuing operations*

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Net sales	164,716	176,662	309,451	339,736
Cost of goods sold	-117,728	-116,263	-223,481	-218,254
Gross profit	46,988	60,399	85,970	121,482
Research and development expenses	-19,246	-18,284	-36,482	-35,035
Sales and marketing	-24,536	-28,571	-46,210	-57,433
General and administration expenses	-10,594	-11,902	-20,862	-24,057
Other operating income (expense) - net	1,808	5,079	6,010	7,635
EBIT before restructuring	-5,579	6,721	-11,574	12,592
Restructuring cost	0	-1,600	0	-1,600
EBIT after restructuring	-5,579	5,121	-11,574	10,992
Interest income	254	900	1,400	1,499
Interest expense	-629	-1,334	-2,592	-2,752
Other non-operating income (expense) - net	0	0	0	0
Income before taxes	-5,955	4,687	-12,766	9,739
Income taxes	1,094	-783	2,360	-1,994
Net income from continuing operations	-4,861	3,904	-10,406	7,745
Net income from discontinued operations	-376	703	4,319	3,445
Net income	-5,237	4,608	-6,087	11,190
Minority interest	8	0	13	0
Net income attributable to the equityholder of the parent	-5,230	4,607	-6,074	11,190
Earnings per share	-0.44	0.39	-0.51	0.94
Diluted earnings per share	-0.41	0.36	-0.48	0.88

Income statement as reported

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Net sales	164,717	193,749	309,951	375,800
Cost of goods sold	-117,733	-125,421	-223,629	-236,292
Gross profit	46,984	68,328	86,322	139,507
Research and development expenses	-19,246	-21,271	-36,682	-40,859
Sales and marketing	-24,571	-31,486	-46,414	-62,967
General and administration expenses	-10,611	-12,763	-20,971	-26,059
Other operating income (expense) - net	1,749	5,168	6,097	7,631
EBIT before restructuring	-5,695	7,977	-11,648	17,253
Restructuring cost	0	-1,600	0	-1,600
EBIT after restructuring	-5,695	6,377	-11,648	15,653
Interest income	150	912	879	1,525
Interest expense	-525	-1,347	-2,071	-2,778
Other non-operating income (expense) - net	-326	5	7,207	5
Income before taxes	-6,396	5,947	- 5,633	14,405
Income taxes	1,159	-1,339	-454	-3,214
Net income	-5,237	4,608	-6,087	11,190
Minority interest	8	0	13	0
Net income attributable to the equityholder of the parent	-5,230	4,607	-6,074	11,190
Earnings per share	-0.44	0.39	-0.51	0.94
Diluted earnings per share	-0.41	0.36	-0.48	0.88

Interim consolidated statement of comprehensive income as reported

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Net income	-5,237	4,608	-6,087	11,190
Exchange differences on translation of foreign operations	-158	-1.481	429	-8,239
Net (loss)/gain on cash flow hedges	-276	-315	-242	-45
Income tax	<u>-51</u>	<u>0</u>	<u>-45</u>	<u>0</u>
	-225	-315	-197	-45
Other comprehensive income (loss) for the period, net of tax	-383	-1,796	232	-8,284
Total comprehensive income for the period, net of tax	-5,620	2,811	-5,855	2,906

Interim consolidated statement of financial position on the basis of continuing operations*

[in thousands of euros]	30 June 2009	31 Dec 2008
ASSETS		
Goodwill	57,265	57,265
Capitalized development cost	62,395	69,038
Other intangible assets	2,217	2,325
Land and buildings	32,083	33,378
Other tangible assets	25,387	29,058
Investments	327	327
Deferred tax assets	30,854	33,871
Other non-current assets	6,291	5,302
Non-current assets	216,819	230,565
Inventory	161,573	189,104
Trade debtors	122,201	168,325
Other amounts receivable	28,607	30,172
Deposits and cash at bank and in hand	70,670	72,119
Prepaid expenses and accrued income	8,772	7,484
Assets from discontinued operations	5,387	22,960
Current assets	397,211	490,162
Total assets	614,030	720,727
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	397,606	403,173
Minority interest	1	3
Equity	397,607	403,176
Long-term debts	13,567	13,672
Deferred tax liabilities	3,617	3,215
Other long-term liabilities	5,861	5,813
Non-current liabilities	23,045	22,700
Current portion of long-term debts	1,353	1,983
Short-term debts	18,845	89,266
Trade payables	53,366	67,004
Advances received on contracts in progress	20,147	19,180
Tax payables	20,133	20,989
Employee benefits	29,924	38,055
Other current liabilities	3,923	4,636
Accrued charges and deferred income	7,988	7,821
Provisions for liabilities and charges	29,006	40,355
Liabilities from discontinued operations	8,693	5,562
Current liabilities	193,378	294,851
Total equity and liabilities	614,030	720,727

*excluding the balance sheet of the medical advanced visualization activities of the business unit Voxar

Interim consolidated statement of financial position as reported

[in thousands of euros]	30 June 2009	31 Dec 2008
ASSETS		
Goodwill	57,265	72,809
Capitalized development cost	62,395	73,378
Other intangible assets	2,217	2,364
Land and buildings	32,083	33,378
Other tangible assets	25,387	29,263
Investments	327	327
Deferred tax assets	32,796	34,701
Other non-current assets	9,702	5,302
Non-current assets	222,173	251,521
Inventory	161,570	189,252
Trade debtors	122,237	170,140
Other amounts receivable	28,608	30,185
Deposits and cash at bank and in hand	70,670	72,119
Prepaid expenses and accrued income	8,772	7,509
Current assets	391,857	469,206
Total assets	614,030	720,727
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	397,606	403,173
Minority interest	1	3
Equity	397,607	403,176
Long-term debts	13,567	13,672
Deferred tax liabilities	9,062	3,215
Other long-term liabilities	5,861	5,813
Non-current liabilities	28,490	22,700
Current portion of long-term debts	1,353	1,983
Short-term debts	18,845	89,266
Trade payables	53,368	67,135
Advances received on contracts in progress	20,147	19,315
Tax payables	19,034	20,995
Employee benefits	29,924	38,430
Other current liabilities	4,217	4,851
Accrued charges and deferred income	11,631	12,516
Provisions for liabilities and charges	29,414	40,360
Current liabilities	187,932	294,851
Total equity and liabilities	614,030	720,727

Comments

IAS 34 was applied to the quarterly financial report. The same accounting policies and methods of computation are followed in the interim financial statements as were followed in the annual financial statements of 2008, except for the adoption of new Standards and Interpretations as of 1 January 2009, noted below:

IFRS 2 Share-based Payment – Vesting Conditions and Cancellations

The Standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures will only be presented for year-end financial statements as the Group's exposure to Level 3 measurements is limited. The liquidity risk disclosures are not significantly impacted by the amendments.

IFRS 8 Operating Segments

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business

and secondary (geographical) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. Additional disclosures about each of these segments are shown in Note Segment Information, including comparative information.

IAS 1 Revised Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IAS 23 Borrowing Costs (Revised)

The standard has been revised to require capitalisation of borrowing costs on qualifying assets and the Group has amended its accounting policy accordingly. In accordance with the transitional requirements of the Standard this has been adopted as a prospective change. Therefore, borrowing costs have been capitalised on qualifying assets with a commencement date on or after 1 January 2009. No changes have been made for borrowing costs incurred prior to this date that have been expensed.

IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of

specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

IFRIC 13 Customer Loyalty Programmes

This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. The Group does not operate a Customer Loyalty Program.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement

These amendments to IFRIC 9 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for

hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation. As the Group did not dispose of any net investment it has had no impact on the financial position or results.

Improvements to IFRSs

In May 2008 the Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

On 31 January 2009 Barco Group has reached a binding agreement with Toshiba Medical Visualization Systems Europe for the sale of the AVIS division (Voxar). Barco Group has received 27 Mio EUR in cash, subject to adjustments, as stipulated in the

contract, for which 4 million euro was put in escrow. The escrow will be cashed respectively 50% in April 2010 and in July 2011.

According to IFRS 5, the results and cash flows of the AVIS division until 31 January 2009 are shown as a separate line "discontinued operations". The assets and liabilities related to the AVIS division, which were not included in the sale, are shown as a separate line "discontinued operations" per 30 June 2009.

When looking at the quarterly results of Barco, it should be noted that the first and third quarter of the year normally generate lower sales than the second and fourth quarter.

Related party disclosures

In the 1st half of 2009 total remuneration paid to the board of directors including the CEO was 801,958 euro.

Excluding the CEO, total remuneration paid in the 1st half of 2009 to the members of the executive committee, including employer's contributions to personal risk insurances and retirement, was 889,463 euro.

Changes in equity attributable to equityholders of the parent

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Equity attributable to equityholders of the parent on Dec 31	403,083	421,910	403,176	421,605
Net income attributable to equityholders of the parent	-5,230	4,607	-6,074	11,190
Dividend	0	-28,556	0	-28,556
Other comprehensive income (loss) for the period, net of tax	-383	-1,796	232	-8,284
Capital increase	0	8	0	8
Acquisition of own shares	0	-1,217	0	-1,217
Share-based payment	136	110	272	320
Equity attributable to equityholders of the parent on June 30	397,606	395,066	397,606	395,066

Cash flow statement on the basis of continuing operations*

	2009	2008	2009	2008
[in thousands of euros]	2nd quarter	2nd quarter	1st half	1st half
Cash flow from operating activities				
EBIT after restructuring	-5,537	5,121	-11,566	10,992
Restructuring provision (personnel)	-4,880	0	-7,818	0
Amortization capitalized development cost	10,525	12,343	20,488	23,552
Depreciation of tangible and intangible fixed assets	3,401	3,104	6,742	6,210
Gains and losses on tangible fixed assets	186	46	182	-16
Share options recognized as cost	136	110	272	320
Discontinued operations : cash flow from operating activities	-158	2,602	210	7,360
Gross operating cash flow	3,673	23,326	8,510	48,418
Changes in trade receivables	6,466	-5,431	46,469	24,633
Changes in inventory	19,588	1,577	27,813	-15,352
Changes in trade payables	-7,168	790	-13,638	-15,019
Other changes in net working capital	-4,447	11,269	-2,898	12,804
Discontinued operations : change in net working capital	780	-727	-2,714	-1,930
Change in net working capital	15,218	7,478	55,032	5,136
Net operating cash flow	18,891	30,804	63,543	53,554
Interest income/expense	-375	-435	-1,192	-1,253
Income taxes	2,169	-4,912	414	-10,737
Other non-operating results	-302	0	-302	0
Discontinued operations : income taxes	53	-497	414	-1,160
Cash flow from operating activities	20,436	24,960	62,877	40,404
Cash flow from investing activities				
Expenditure on product development	-6,899	-14,540	-14,160	-27,707
Purchases of tangible and intangible fixed assets	-555	-3,365	-1,784	-6,240
Proceeds on disposals of tangible and intangible fixed assets	-27	-85	0	-59
Acquisition of Group companies, net of acquired cash	0	-36,423	0	-36,423
Other investing activities	-1	1	0	-1
Discontinued operations : cash flow from investing activities	0	-824	22,774	4,726
Cash flow from investing activities	-7,482	-55,236	6,830	-65,704
Cash flow from financing activities				
Dividends paid	0	-28,556	0	-28,556
Share issue	0	8	0	8
Acquisition of own shares	0	-1,217	0	-1,217
Proceeds from (+), payments of (-) long-term liabilities	-411	11	-105	-443
Proceeds from (+), payments of (-) short-term liabilities	-34,418	54,445	-71,051	38,383
Cash flow from financing activities	-34,829	24,691	-71,156	8,175
Net decrease in cash and cash equivalents	-21,875	-5,585	-1,448	-17,125
Cash and cash equivalents at beginning of period	92,569	61,795	72,119	73,337
Cash and cash equivalents at end of period	70,670	56,211	70,670	56,211

Free cash flow[❖]

	2009	2008	2009	2008
[in millions of euros]	2nd quarter	2nd quarter	1st half	1st half
EBIT after restructuring	(5.5)	5.1	(11.6)	11.0
Amortization capitalized development cost	10.5	11.6	20.5	22.1
Restructuring 2008	(4.9)	1.2	(7.8)	1.2
Depreciation of tangible and intangible fixed assets	3.4	3.1	6.7	6.1
Gains and losses on tangible fixed assets	0.2	0.0	0.2	(0.0)
Gross operating cash flow	3.6	21.1	8.0	40.5
Changes in trade receivables - (increase)/decrease	6.5	(5.1)	46.5	24.8
Changes in inventory - (increase)/decrease	19.6	1.2	27.8	(15.7)
Changes in trade payables - increase/(decrease)	(7.2)	0.8	(13.6)	(14.4)
Other changes in net working capital	(4.4)	8.7	(2.9)	10.4
Change in net working capital	14.4	5.6	57.7	5.6
Net operating cash flow	18.1	26.7	65.7	45.6
Interest income/expense	(0.4)	(0.4)	(1.2)	(1.3)
Income taxes	2.2	(4.9)	0.4	(10.7)
Cash flow from operating activities	19.9	21.4	65.0	33.6
Expenditure on product development	(6.9)	(13.8)	(14.2)	(26.2)
Purchases of tangible & intangible fixed assets	(0.6)	(3.3)	(1.8)	(6.1)
Proceeds on disposals of tangible & intangible fixed assets	0.0	(0.1)	0.0	(0.1)
Cash flow from investing activities	(7.5)	(17.2)	(15.9)	(32.4)
FREE CASH FLOW	12.4	4.2	49.1	1.3

[❖]excluding the free cash flow of the medical advanced visualization activities of the business unit Voxar

Segment information

For management purposes, the group is organized into divisions based on the professional markets for which the company designs and develops visualization solutions and has four reportable operating segments as follows:

- The **Media & Entertainment** segment covers the markets for digital cinema, events and out of home media, offering a range of projection, image processing and LED solutions
- The **Security and Monitoring** segment focuses on visualization solutions for traffic & surveillance, utilities & process control, broadcast & telecom and defense & security
- The **Medical Imaging** segment covers a wide range of display solutions for medical imaging professionals
- The **Avionics & Simulation** segment offers display solutions for use aboard aircraft and specialized projection solutions for simulation.

Management monitors the operating results of its divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Results per division on the basis of continuing operations*

The following tables present revenue and profit information regarding the Group's operating segments for the second quarter and six months ended 30 June 2009 and 2008, respectively.

[in thousands of euros]	2009			2008		
	2nd quarter			2nd quarter		
	Sales	EBIT	%EBIT	Sales	EBIT	%EBIT
Media & Entertainment	63,394	-8,970	-14.1%	65,852	-506	-0.8%
Security and Monitoring	51,340	-502	-1.0%	61,920	5,258	8.5%
Medical Imaging	28,157	3,006	10.7%	31,630	4,050	12.8%
Avionics & Simulation	23,596	888	3.8%	20,709	-2,081	-10.0%
Eliminations	-1,771	0		-3,449	0	
Total (before restructuring)	164,716	-5,579	-3.4%	176,662	6,721	3.8%

[in thousands of euros]	2009			2008		
	1st half			1st half		
	Sales	EBIT	%EBIT	Sales	EBIT	%EBIT
Media & Entertainment	118,153	-17,972	-15.2%	131,207	60	0.0%
Security and Monitoring	92,859	-744	-0.8%	114,976	7,741	6.7%
Medical Imaging	56,589	6,882	12.2%	64,292	9,201	14.3%
Avionics & Simulation	45,063	261	0.6%	38,493	-4,410	-11.5%
Eliminations	-3,213	0		-9,233	0	
Total (before restructuring)	309,451	-11,574	-3.7%	339,736	12,592	3.7%

*excluding the results of the medical advanced visualization activities of the business unit Voxar

Segment assets on the basis of Continuing operations

The following table presents segment assets of the Group's operating segments as at 30 June 2009 and 31 December 2008:

	2009	2008
[in thousands of euros]		
ASSETS		
Segment assets Media & Entertainment	206,506	227,315
Segment assets Security and Monitoring	130,602	161,890
Segment assets Medical	49,332	59,018
Segment assets Avionics & Simulation	85,684	111,390
Total segment assets	472,124	559,612
Investments	327	327
Deferred tax assets	30,854	33,871
Deposits and cash at bank and in hand	70,670	72,119
Other non-allocated assets	34,668	31,839
Assets from discontinued operations	5,387	22,960
Total assets	614,030	720,727
LIABILITIES		
Segment liabilities Media & Entertainment	53,168	52,219
Segment liabilities Security and Monitoring	49,338	49,818
Segment liabilities Medical	17,176	29,879
Segment liabilities Avionics & Simulation	29,206	40,543
Total segment liabilities	148,888	172,459
Equity attributable to equityholders of the parent	397,607	403,173
Minority interest	1	3
Long-term debts	13,567	13,672
Deferred tax liabilities	3,617	3,215
Current portion of long-term debts	1,353	1,983
Short-term debts	18,845	89,266
Other non-allocated liabilities	21,459	31,394
Liabilities from discontinued operations	8,693	5,562
Total equity and liabilities	614,030	720,727

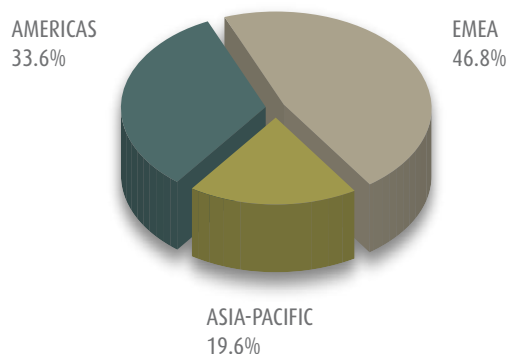
As IFRS 8 is being applied for the first time, these interim condensed financial statements include the disclosures above about how management monitors the segments. This information was not yet required in previous quarters.

Geographical breakdown of sales

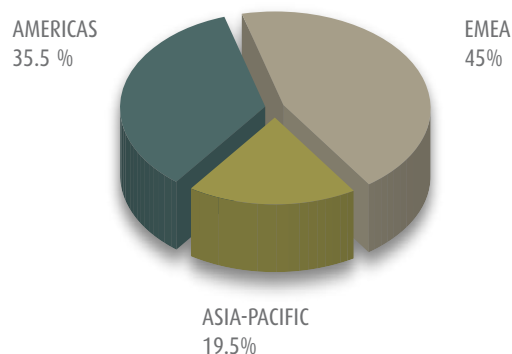
on the basis of continuing operations*

Management directs sales of the Group based on the regions to which the goods are shipped or the services are rendered and has three reportable regions Europe, Middle East and Africa (EMEA), North and Latin America (Americas) and the Asia-Pacific region (APAC). The below pie charts present the distribution of the Group's sales over the regions for the second quarter and six months ended 30 June 2009 and 2008, respectively.

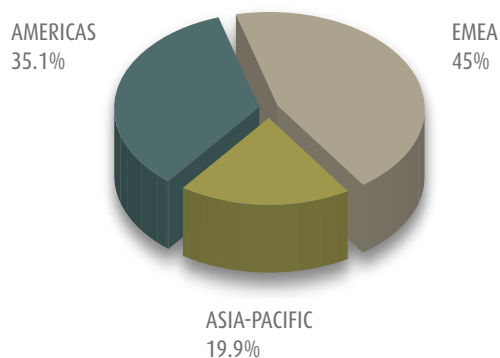
2nd quarter 2009



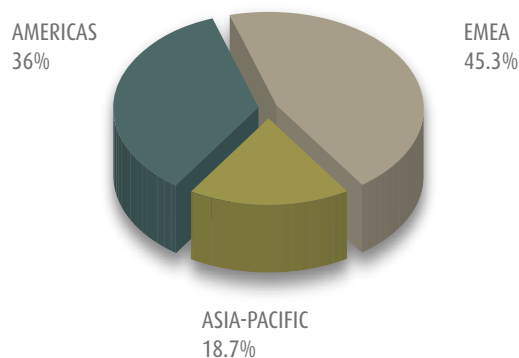
2nd quarter 2008



1st half 2009



1st half 2008



*excluding the results of the medical advanced visualization activities of the business unit Voxar

Events after the statement of financial position date

There are no major events subsequent to the balance sheet date which have a major impact on the further evolution of the company.

Auditor's report

Report of the statutory auditor to the shareholders of barco nv on the review of the interim condensed consolidated financial statements as of June 30, 2009 and for the six months then ended.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Barco NV (the "Company") as at June 30, 2009 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review ("revue limitée/beperkt nazicht" as defined by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted for use in the European Union.

Gent, July 17, 2009

Ernst & Young Bedrijfsrevisoren BCVBA
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Barco VVPR-strip BARS ISIN BE0005583548

Reuters BARbt.BR
Bloomberg BAR BB

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Report

This report "6 months ended 30 July 2009"
is also available in Dutch and can be
consulted on www.barco.com