

Results 3Q09

Eric Van Zele, President & CEO

21 October 2009

Key figures 3Q09

in € million

	Q3 2009	Q3 2008	Q309 vs Q308
Order Book	342.4	343.5	(0.3%)
Incoming Orders	153.0	180.6	(15.3%)
Sales	148.0	177.7	(16.7%)
EBITDA	9.7	13.0	(25.5%)
EBIT before restructuring	(3.3)	(1.7)	
EBIT after restructuring	(3.3)	(4.9)	
Free Cash Flow	5.9	(11.9)	

3Q09 General comments

Business

- Barco's results for 3Q09 were largely in line with expectations
- Continued excellent financial performance in the medical division
- Very strong order intakes for Digital Cinema not yet reflected in quarterly revenues
- Lackluster topline performance in the divisions Security & Monitoring and Avionics & Simulation compensated for by strong margins and good cost controls
- Dramatic declines in Events/OHM businesses (worse than expected) with no immediate relief in sight

Financial

- Good cost controls and continued improvement of working capital
- EBITDA declines in Events/OHM but rises in all other segments
- Healthy cash generation despite excessive remediation costs in Events/OHM
- Results booked were negatively affected by supply chain related ramp-up issues in Digital Cinema

Key figures YTD September

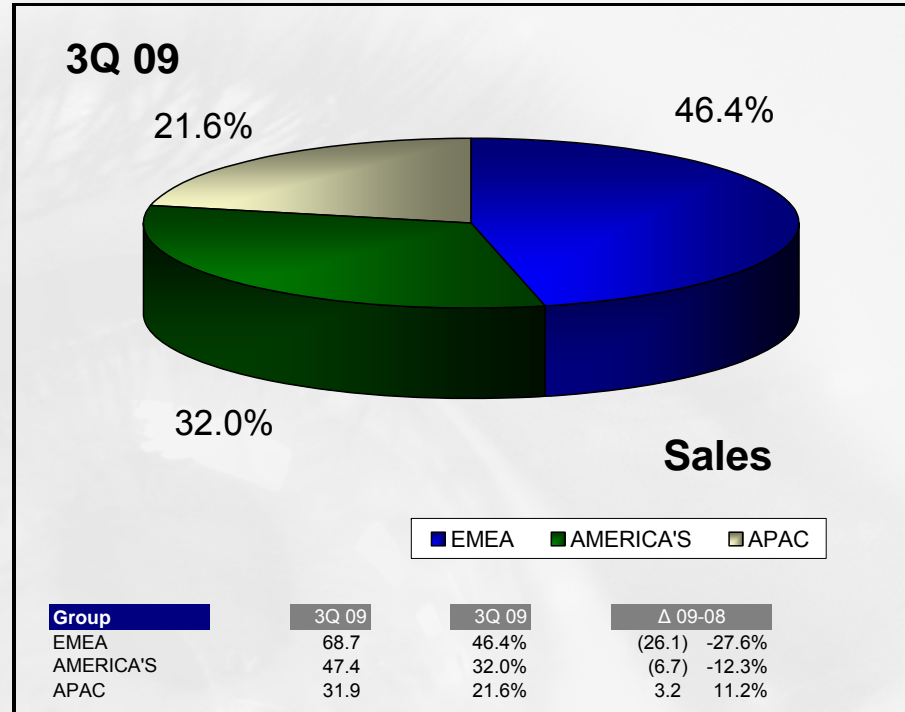
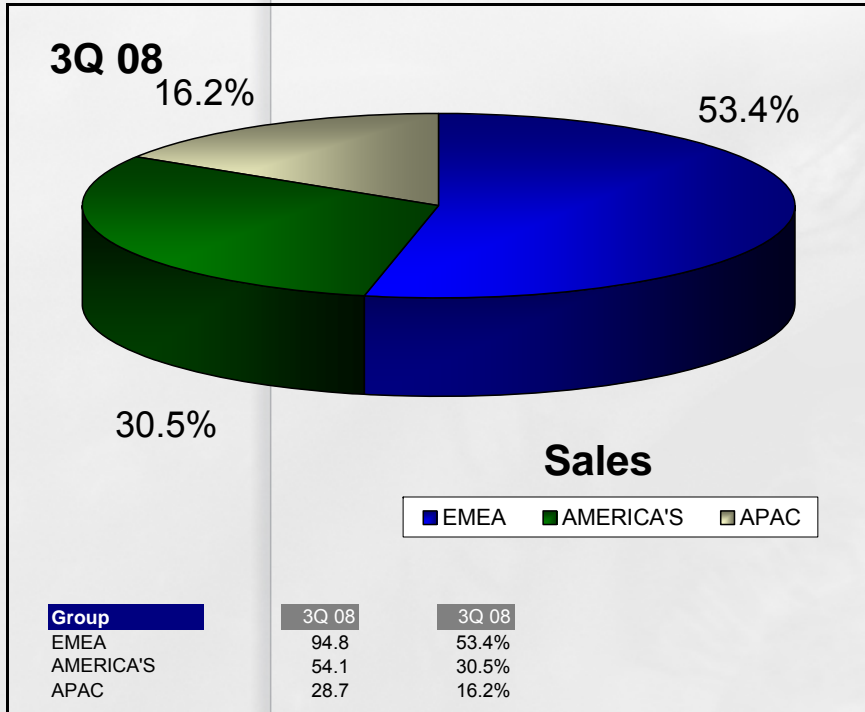
in € million

	YTD Sept09	YTD Sept08	Change
Order Book	342.4	343.5	(0.3%)
Incoming Orders	451.7	558.7	(19.1%)
Sales	457.5	517.4	(11.6%)
EBITDA	25.3	53.8	(53.0%)
EBIT before restructuring	(14.9)	10.9	
EBIT after restructuring	(14.9)	6.1	
Free Cash Flow	55.0	(10.7)	

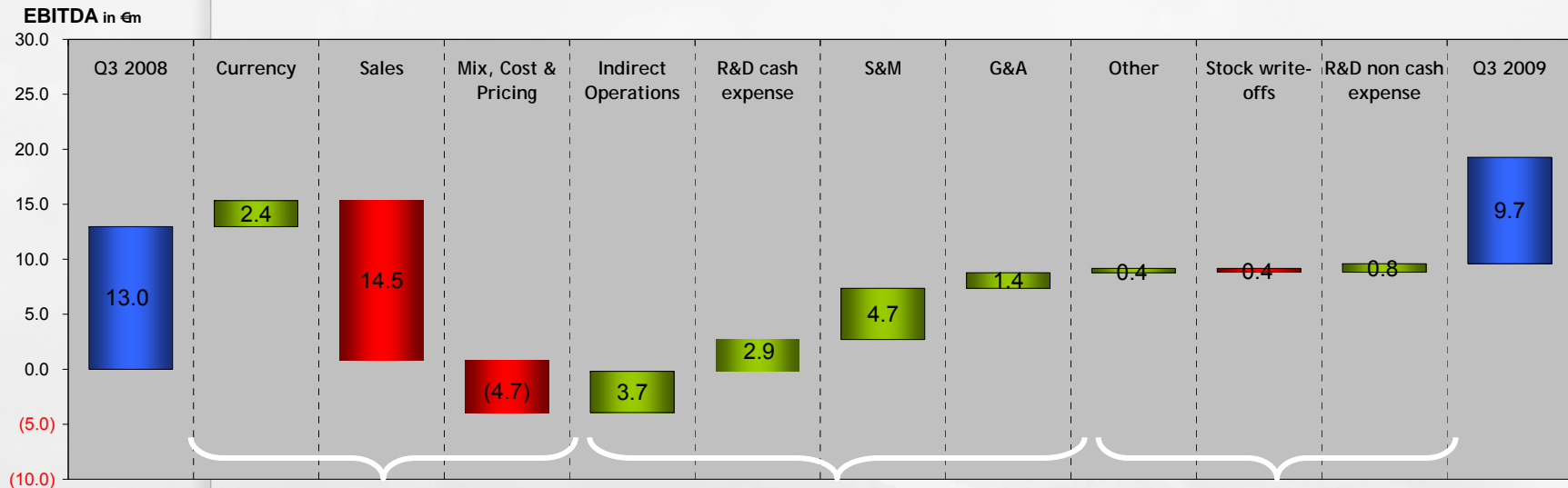
Key figures income statement 3Q09

In € million	3Q09		3Q08	
Sales	148.0	100.0%	177.7	100.0%
Cost of goods sold	(104.2)	(70.4%)	(120.4)	(67.8%)
Gross Profit	43.9	29.6%	57.3	32.2%
R&D cash expense	(15.2)	(10.3%)	(18.1)	(10.2%)
Development capitalization/amortization - net	0.3	0.2%	(1.7)	(1.0%)
Sales & Marketing	(23.1)	(15.6%)	(28.1)	(15.8%)
General & Administration	(10.3)	(7.0%)	(11.9)	(6.7%)
Other operating result	1.2	0.8%	0.8	0.5%
EBIT before restructuring	(3.3)	(2.2%)	(1.7)	(0.9%)
Restructuring costs	(0.0)	(0.0%)	(3.2)	(1.8%)
EBIT after restructuring	(3.3)	(2.2%)	(4.9)	(2.7%)
Interest expense, net	(0.3)	(0.2%)	(1.5)	(0.8%)
Income Taxes	0.7	0.4%	2.8	1.6%
Net Income from continuing operations	(2.9)	(2.0%)	(3.5)	(2.0%)
Net Income from discontinued operations	(0.1)	(0.0%)	36.1	20.3%
Net Income	(3.0)	(2.0%)	32.6	18.3%
EBITDA	9.7	6.5%	13.0	7.3%
Free Cash Flow	5.9	4.0%	(11.9)	(6.7%)
Net Earnings per Share (in €)	(0.25)		2.73	

Geographical breakdown of sales



EBITDA Waterfall 3Q09 versus 3Q08 (- € 3.3 m)



Gross Margin Drop (16.9)



Opex + 12.7



Cost containment actions

Effect non cash items + 0.8



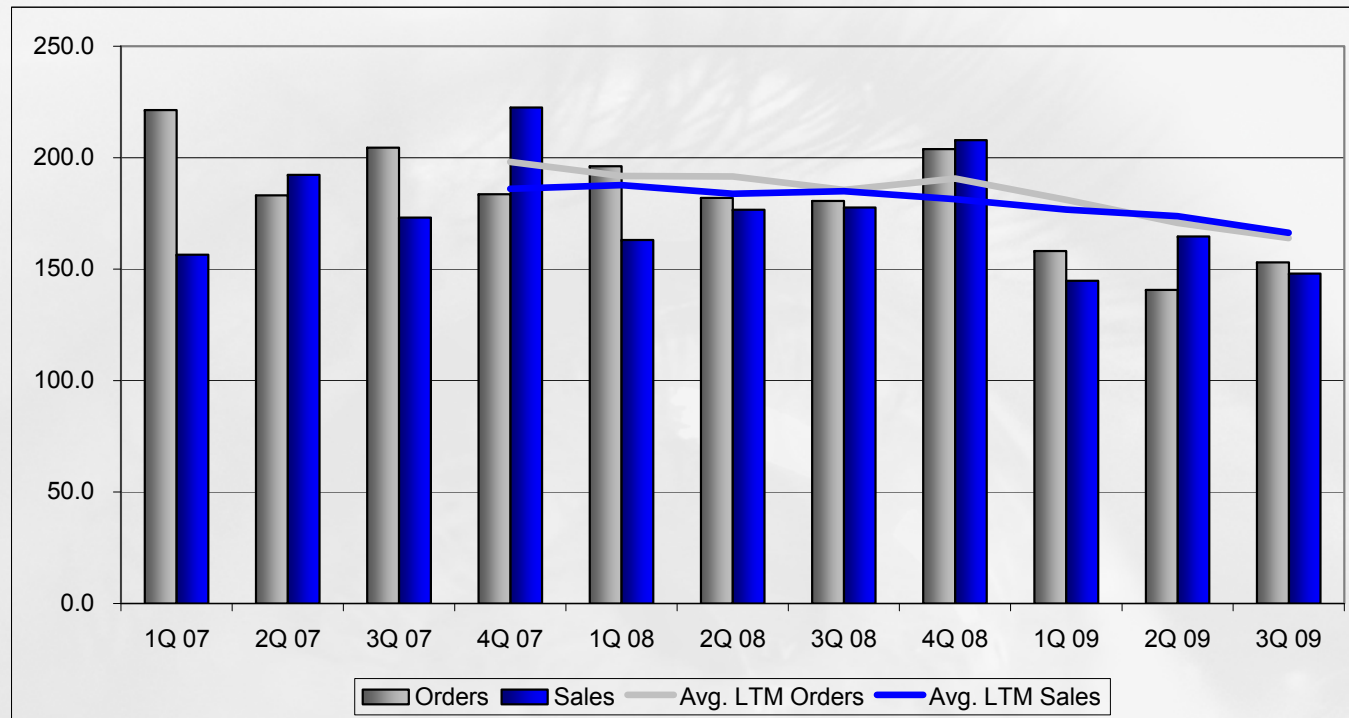
- Net gross margin decrease relates to MED, SIM and MID
- Lower sales in all divisions
- Gross margin% drop mainly due to Events/OHM

- Higher capitalization of development costs 0.8
- Higher reversals of provisions 0.4
- Higher write-off of inventories (0.4)

Results per quarter

In € million

Change Rate - Avg. LTM Orders: (11.7%)
 Change Rate - Avg. LTM Sales: (10.1%)



Group	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09
Orders	221.3	183.0	204.5	183.5	196.1	182.0	180.6	203.9	158.0	140.7	153.0
Sales	156.5	192.3	173.1	222.5	163.1	176.7	177.7	207.9	144.7	164.7	148.0

Cash & Balance sheet

- Continued positive free cash flow: € 5.9 m
- Trade Receivables down € 5.5 m to € 116.7 m
 - DSO reduction from 87 days end of 3Q08 to 71 days end 3Q09 (18%)
- Trade Payables up € 7.3 m to € 60.7 m
 - DPO 53 days (vs 50 days end of 3Q08)
- Inventories slightly down (-2%) to € 158.2 m
 - Inventory turns improvement from 2.1 end of 3Q08 to 3.0 end 3Q09
- Net Financial Cash position : € 42.3 m
 - Net financial cash end of 2Q09: € 36.9 m
 - YTD operational cash generated: € 55 m
 - YTD total cash generated (incl. Voxar): € 75.9 m

Evolution of results by division

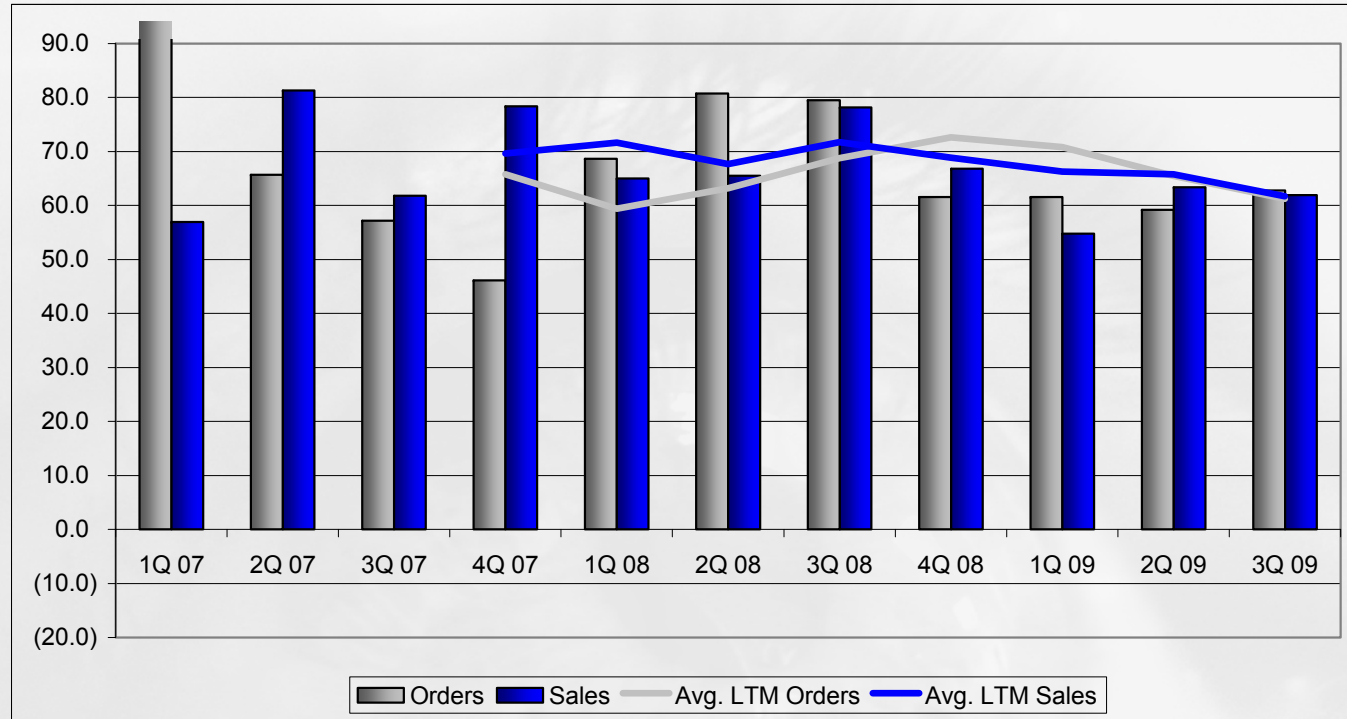
In € million	3Q09		3Q08	
	Sales	EBITDA	Sales	EBITDA
Media & Entertainment	61.9	(1.6)	79.0	4.4
Security & Monitoring	42.5	3.8	54.0	2.4
Medical Imaging	28.3	5.9	29.0	5.1
Avionics & Simulation	16.9	1.6	19.6	1.2
Eliminations	(1.6)	0.0	(4.0)	0.0
Total	148.0	9.7	177.7	13.0

In € million	YTD Sept 09		YTD Sept 08	
	Sales	EBITDA	Sales	EBITDA
Media & Entertainment	180.1	(10.6)	210.2	12.7
Security & Monitoring	135.4	10.9	169.0	18.5
Medical Imaging	84.9	16.6	93.3	19.2
Avionics & Simulation	62.0	8.4	58.1	3.4
Eliminations	(4.8)	(0.0)	(13.2)	0.0
Total	457.5	25.3	517.4	53.8

Media & Entertainment Division

In € million

Change Rate - Avg. LTM Orders: (10.9%)
 Change Rate - Avg. LTM Sales: (14.0%)



MED	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09
Orders	94.0	65.7	57.2	46.1	68.7	80.7	79.5	61.5	61.6	59.2	62.8
Sales	57.0	81.3	61.8	78.4	65.0	65.5	78.2	66.8	54.8	63.4	61.9

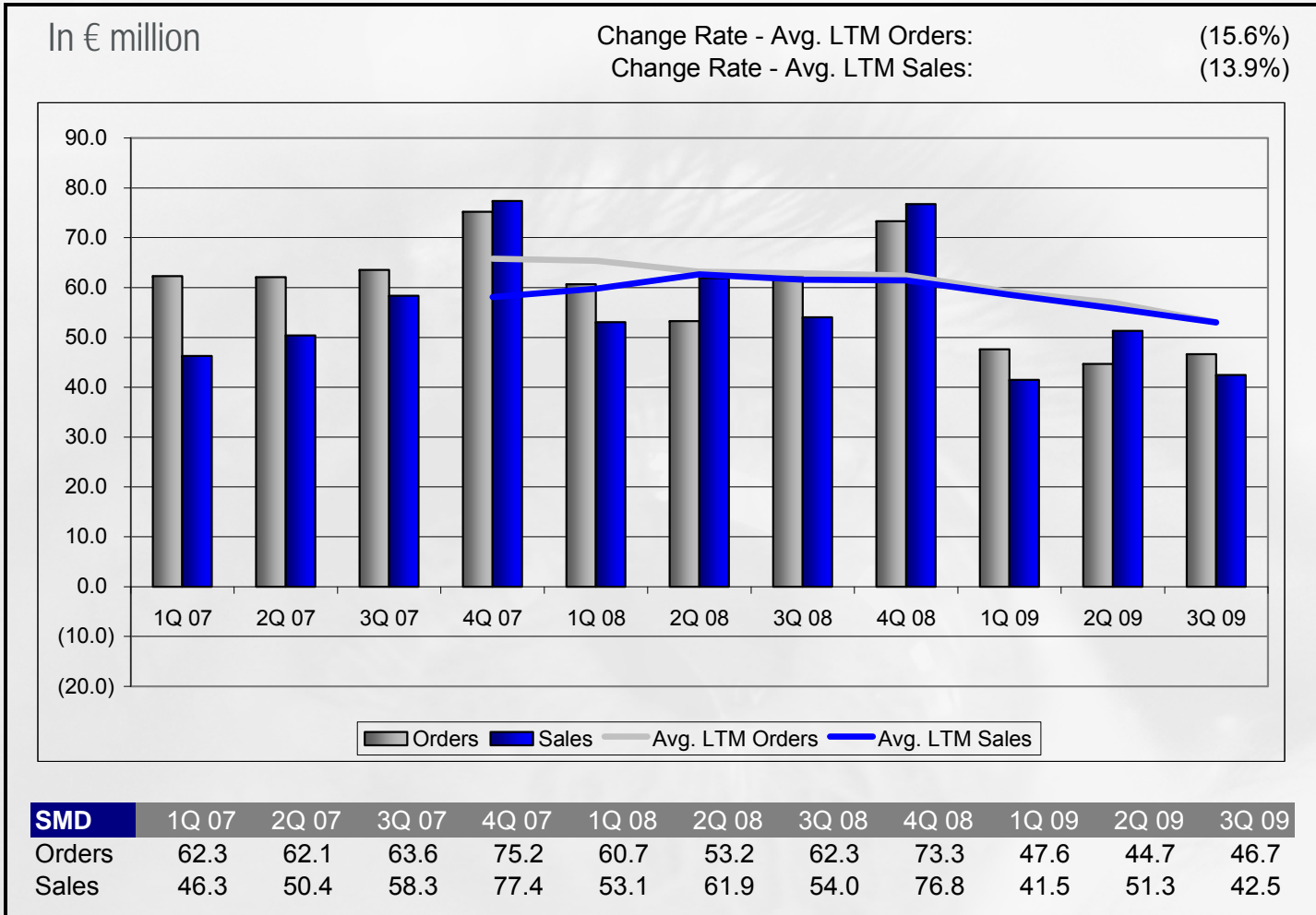
Media & Entertainment – VLS & OHM

- Ongoing weakness in Events (-40%) and OHM (-90%) in both orders and shipments. No relief in sight
- Substantial clean-up charges associated with
 - Sales at very low margins to reduce stocks
 - Obsolescence issues
 - Higher than anticipated project execution costs
- Accelerated introduction of mid tier products and outsourced lower cost alternatives. Entire business model is being redefined

Media & Entertainment - Digital Cinema

- Strongest quarter yet in terms of incoming orders (x 2.8)
- DCIP financing reportedly on track
- New DC production line now operational. Capacity doubled
- Supply chain issues now under control, but some capacity constraints remain
- Profitability better than anticipated
- Target of shipping > € 100 m in FY09 remains credible

Security & Monitoring Division



Security & Monitoring Division

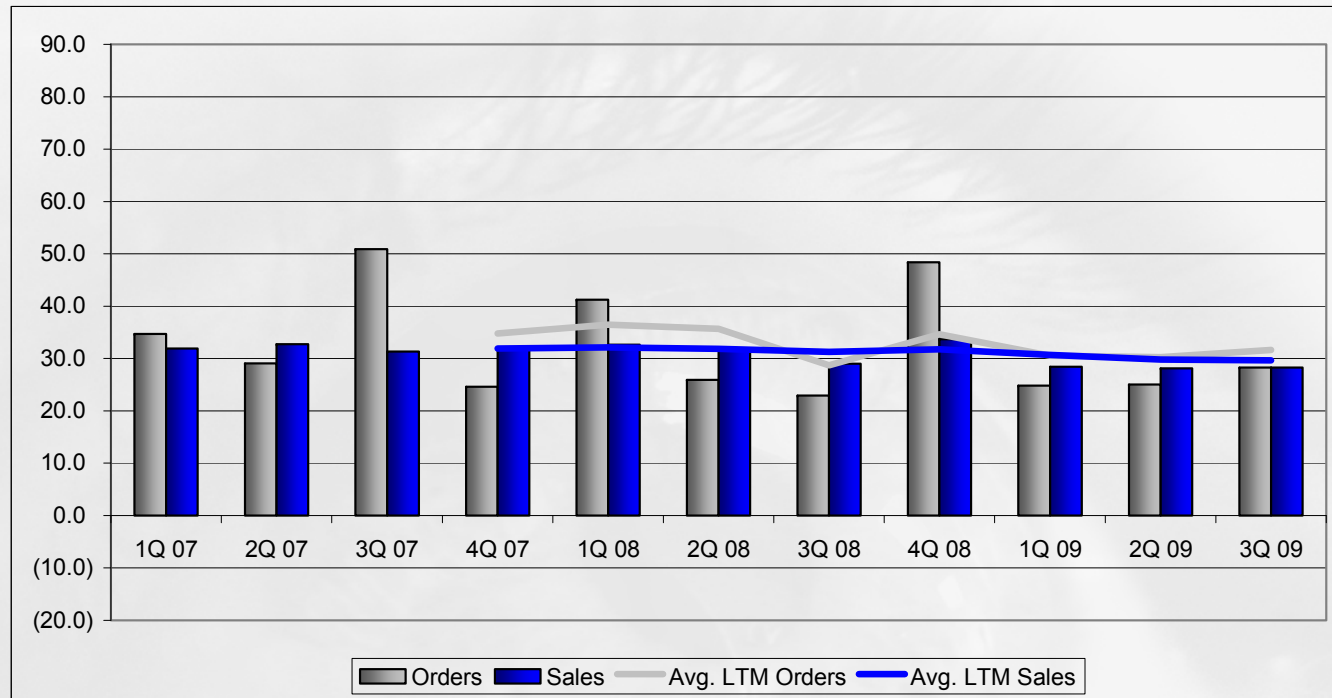
- Civil business is 20% down versus 3Q08, while Defense is flat, illustrating that Civil markets are more affected by the economic downturn
- Both divisions are investing heavily in adapting their product ranges to the changing competitive landscape: adding lower end products + adding software features to the value chain of our solutions
- Gross margins remain stable and even improved slightly compared to 3Q08 due to product mix as well as continued efforts to reduce COGS
- OPEX is also 16% below 3Q08 levels
 - Strict cost control in all functional areas
 - Actions to avoid expensive write offs of obsolete material
 - Actions to reduce cost of non quality
- The SMD activities remain EBITDA positive despite 20% drop in revenues
- Continued focus on working capital management leads to improvement in DSO

Medical Imaging Division

In € million

Change Rate - Avg. LTM Orders:
Change Rate - Avg. LTM Sales:

10.3%
(5.2%)



MID	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09
Orders	34.7	29.1	50.9	24.6	41.2	25.9	22.9	48.4	24.8	25.1	28.3
Sales	31.9	32.7	31.3	31.7	32.7	31.6	29.0	33.7	28.4	28.1	28.3

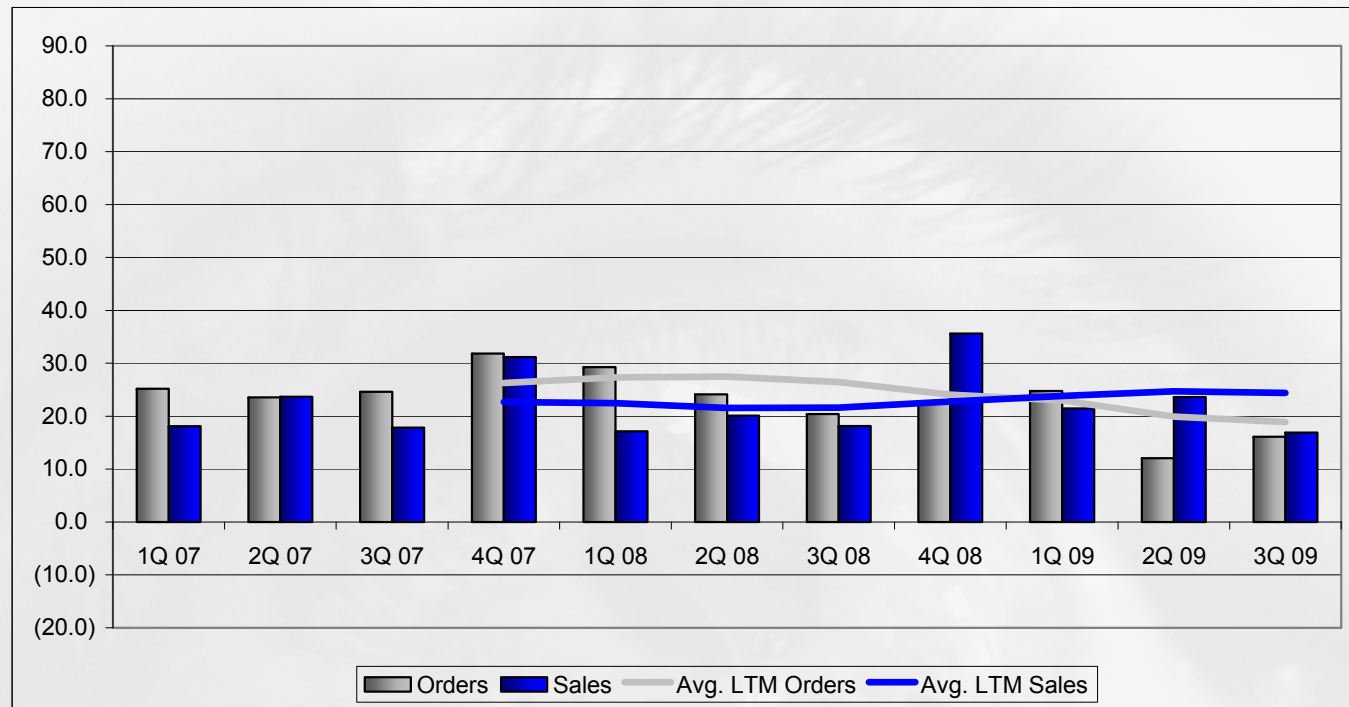
Medical Imaging Division

- Orders 3Q09 much better than 3Q08. Full year 09 will remain lower than 08 due to a shift in large volume orders of the Pacs segment
- Sales in 3Q09 were on the same level as 3Q08
- Business momentum in Europe and APAC remains strong while North America is slowly catching up
- New channels developed for marketing of lower end products generating good initial results
- New clinical review display is enjoying good customer response
- Excellent EBIT performance compared to 3Q08, in part thanks to strict OPEX controls
- Exceptional ROCE performance fueled by increased profitability plus continued progress in working capital management

Avionics & Simulation

In € million

Change Rate - Avg. LTM Orders: (28.6%)
 Change Rate - Avg. LTM Sales: 12.7%



ASD	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09
Orders	25.2	23.5	24.6	31.9	29.3	24.2	20.4	22.5	24.8	12.1	16.1
Sales	18.1	23.7	17.8	31.2	17.2	20.1	18.1	35.6	21.5	23.6	16.9

Avionics & Simulation

- Order intake down 21% compared to 3Q08
 - Delayed orders in Simulation not offset by increased order intake in Avionics
- Sales decrease limited to 6.8% below 3Q08
 - Simulation division performing better than 3Q08 but facing the challenge of a decreasing order book
 - Avionics suffering from delays in shipments
- Gross profit margin continues to be strong in both segments
- EBIT negative due to Avionics still operating below break even volume level

3Q09 General Comments

Outlook

- Outlook for 4Q remains cautiously optimistic as increased manufacturing output in DC will boost revenues and help to alleviate profitability issues in Media & Entertainment
- We anticipate 4Q to be substantially EBIT positive from an operational point of view
- Additional non cash charges related to continued softness in the Media & Entertainment division could endanger our objective to be EBIT break even on an annualized basis

Questions & Answers