Results 1Q10

Barco returns to profitable growth

Eric Van Zele, President & CEO

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Note on segment information

- As of 2010, Barco has been organized along 5 managerial entities
  - **3 geographic regions**
    - Responsible for demand creation and for customer service
  - **2 business groups**
    - Each comprising 3 product divisions
    - With P&L responsibility
    - With focus on products and technology
    - With focus on quality and operational excellence

- The business groups are
  - **Media, Entertainment & Simulation (MES)**
    - Video & Lighting Systems and Digital Signage (VLS/DS)
    - Digital Cinema (DC)
    - Simulation (SIM)
  - **Monitoring, Control & Medical (MCM)**
    - Traffic, Surveillance & Monitoring (TSM)
    - Defense & Avionics (DEF/AV)
    - Medical (MID)

- Regional information includes Orders & Sales, and is organized as
  - **EMEALA : Europe, Middle East, Africa & Latin America**
  - **NA : North America (US & Canada)**
  - **APAC : Asia Pacific**

Note on financial reporting

- Going forward, Barco will switch to half-year financial reporting
- For 2010, this implies reporting at the end of 2Q and 4Q
- Quarterly business updates in line with requirements for intermediate reporting

Key figures 1Q10

in € million	Q1 2010	Q1 2009	Change
Order Book	**382.6**	**366.5**	**4.4%**
Incoming Orders	**216.2**	**158.0**	**36.8%**
Sales	**176.1**	**144.7**	**21.7%**
EBITDA	**18.7**	**7.3**	**157.2%**
EBIT	**5.3**	**(6.0)**	
Net income continuing operations	**4.1**	**(5.6)**	
Net income as reported *	**4.1**	**(0.9)**	
Free Cash Flow	**(0.3)**	**36.6**	

Note: orders exclude DC frame agreements

* Net loss of 1Q09 included € 4.7 m income from divestment Voxar activities

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Key figures 1Q10

in € million	1Q10	Δ vs 1Q09	Δ vs 1Q08
Incoming Orders	**216.2**	**58.2**	**20.1**
Sales	**176.1**	**31.3**	**13.0**
EBITDA	**18.7**	**11.4**	**(0.7)**
EBIT	**5.3**	**11.3**	**(0.6)**
Net income continuing operations	**4.1**	**9.7**	**0.3**
Net income as reported	**4.1**	**5.0**	**(1.8)**
Free Cash Flow	**(0.3)**	**(37.0)**	**2.6**

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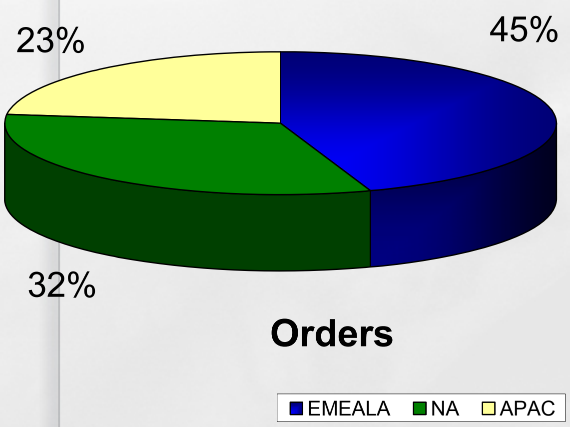
1Q10 General comments

Orders

- Order book
  - up 15% vs 4Q09
  - up 4% vs 1Q09
- All regions have reported robust growth
  - EMEALA +31%
  - NA +23%
  - APAC +67%
- Incoming orders were 37% ahead of last year
  - +30% organic growth
  - +37% including acquisitions
- Growth was fuelled by
  - MID +17% organically
+64% overall incl. FIMI
  - DC +193% excl. frame agreements
> € 80 m orders booked in 1Q
> € 200 m frame agreements
- Growth was tempered by
  - Weak demand in TSM -6%
  - Continued softness in VLS/DS -19%
  - Delays in Simulation, Avionics & Defense

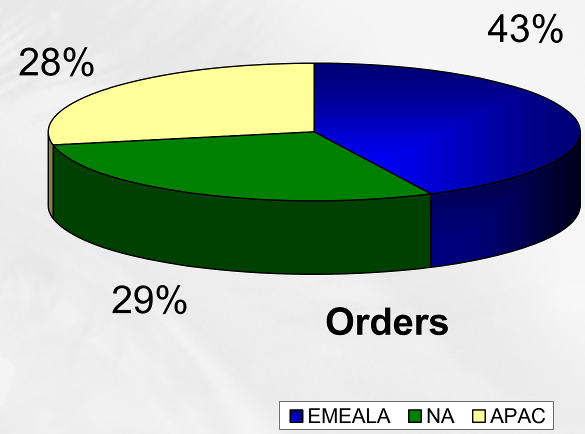
Geographical breakdown of orders

1Q 09



Group	1Q 09	1Q 09
EMEALA	70.8	44.8%
NA	50.7	32.1%
APAC	36.5	23.1%

1Q 10



Group	1Q 10	1Q 10	Δ 10-09	
EMEALA	92.7	42.9%	22.0	31.1%
NA	62.6	28.9%	11.8	23.3%
APAC	60.9	28.2%	24.3	66.6%

1Q10 General comments

Sales

- Barco sales grew 22% year on year of which 14% was organic
- Total MES sales grew 9% versus 1Q09
- Total MCM sales grew 33% versus previous year
- Shipments of DC were up 50% to € 30 m
- Shipments of Medical Imaging were up 19%, excluding FIMI. FIMI contributed in addition € 11.6 m in sales
- By region, sales were up

– EMEALA	+24%
– NA	+ 9%
– APAC	+38%

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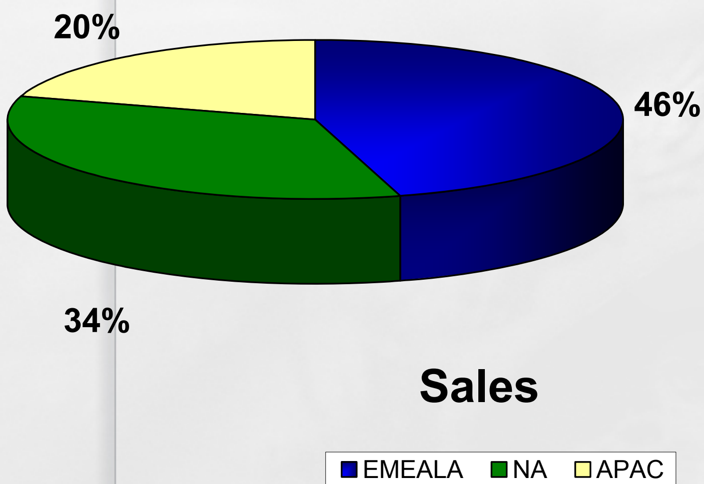
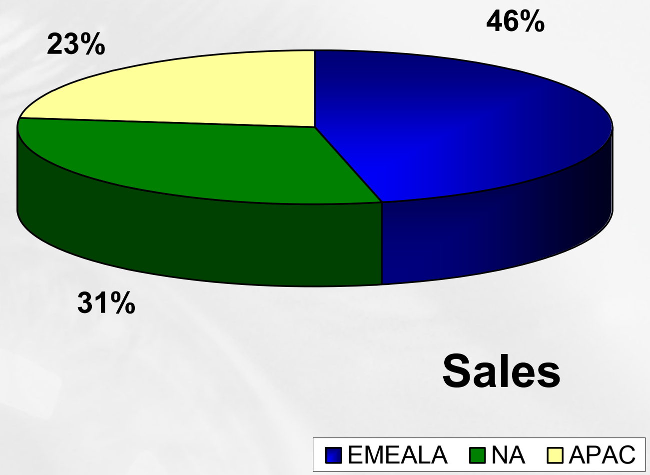
Geographical breakdown of sales

1Q 09



1Q 10



Group	1Q 09	1Q 09
EMEALA	65.9	45.5%
NA	49.5	34.2%
APAC	29.3	20.2%

Group	1Q 10	1Q 10	Δ 10-09	
EMEALA	81.6	46.4%	15.7	23.9%
NA	54.0	30.7%	4.4	9.0%
APAC	40.5	23.0%	11.2	38.2%

Key figures income statement 1Q10

In € million	1Q10		1Q09	
Sales	**176.1**	**100.0%**	**144.7**	**100.0%**
Cost of goods sold	(116.8)	(66.3%)	(105.9)	(73.2%)
Gross Profit	**59.3**	**33.7%**	**38.9**	**26.8%**
R&D cash expense	(16.1)	(9.1%)	(14.5)	(10.0%)
Development capitalization/amortization - net	(2.4)	(1.3%)	(2.7)	(1.9%)
Sales & Marketing	(24.7)	(14.0%)	(20.8)	(14.4%)
General & Administration	(10.9)	(6.2%)	(10.3)	(7.1%)
Other operating result	0.0	0.0%	3.4	2.4%
EBIT	**5.3**	**3.0%**	**(6.0)**	**(4.2%)**
Interest expense, net	(0.3)	(0.2%)	(0.8)	(0.6%)
Income taxes	(0.9)	(0.5%)	1.3	0.9%
Net income from continuing operations	4.1	2.3%	(5.6)	(3.8%)
Net income from discontinued operations	(0.0)	(0.0%)	4.7	3.2%
Net Income	**4.1**	**2.3%**	**(0.9)**	**(0.6%)**
EBITDA	**18.7**	**10.6%**	**7.3**	**5.0%**
Free Cash Flow	**(0.3)**	**(0.2%)**	**36.6**	**25.3%**
Net Earnings per Share (in €)	0.34		(0.07)	

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1Q10 General comments

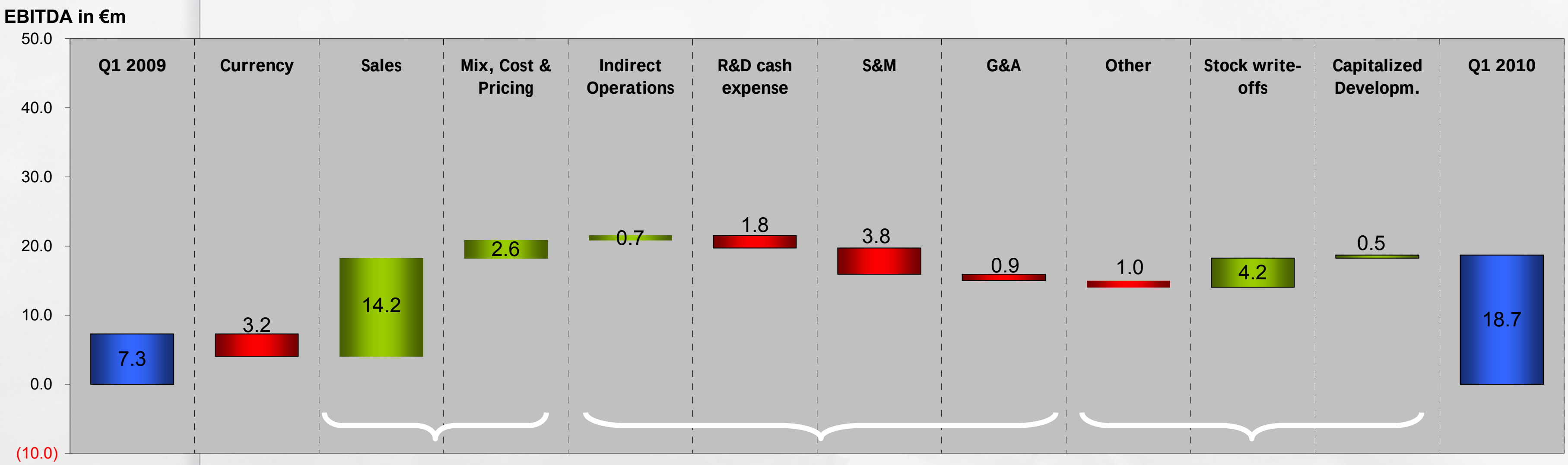
Gross profits

- Up substantially from 25.9% in 1Q09 to 33.7% in 1Q10
  - **Restoration of gross margins, driven by MES**
  - **Much fewer stock write-offs, stock sell-offs**
  - **No major quality related issues**
  - **Better manufacturing overhead related costs**
- Acquisition accounting entries for FIMI (inventory step-up) temporarily affecting Medical Imaging gross profits

EBITDA

- All operating divisions are EBITDA positive
- Very healthy EBITDA results in AVD, MID
- Rapidly improving EBITDA results in DC and VLS

EBITDA waterfall 1Q10 versus 1Q09 (+ € 11.4 m)



Gross Margin +16.8

- Sales increase both in MES (+9%) and MCM (+33%, of which 18% organic growth)

- Sales growth in all 3 regions

Opex (5.2)

Continued focus on cost containment resulting in a 4% reduction of opex as % of sales

Effect non cash items & other +3.7

- Higher sales and focused efforts on inventories resulted in nearly none (0.3) inventory write-offs in 1Q10 vs (4.5) in 1Q09	+4.2
- Higher capitalization of development costs	+0.5
- Lower net reversal provisions claims & other	(1.0)

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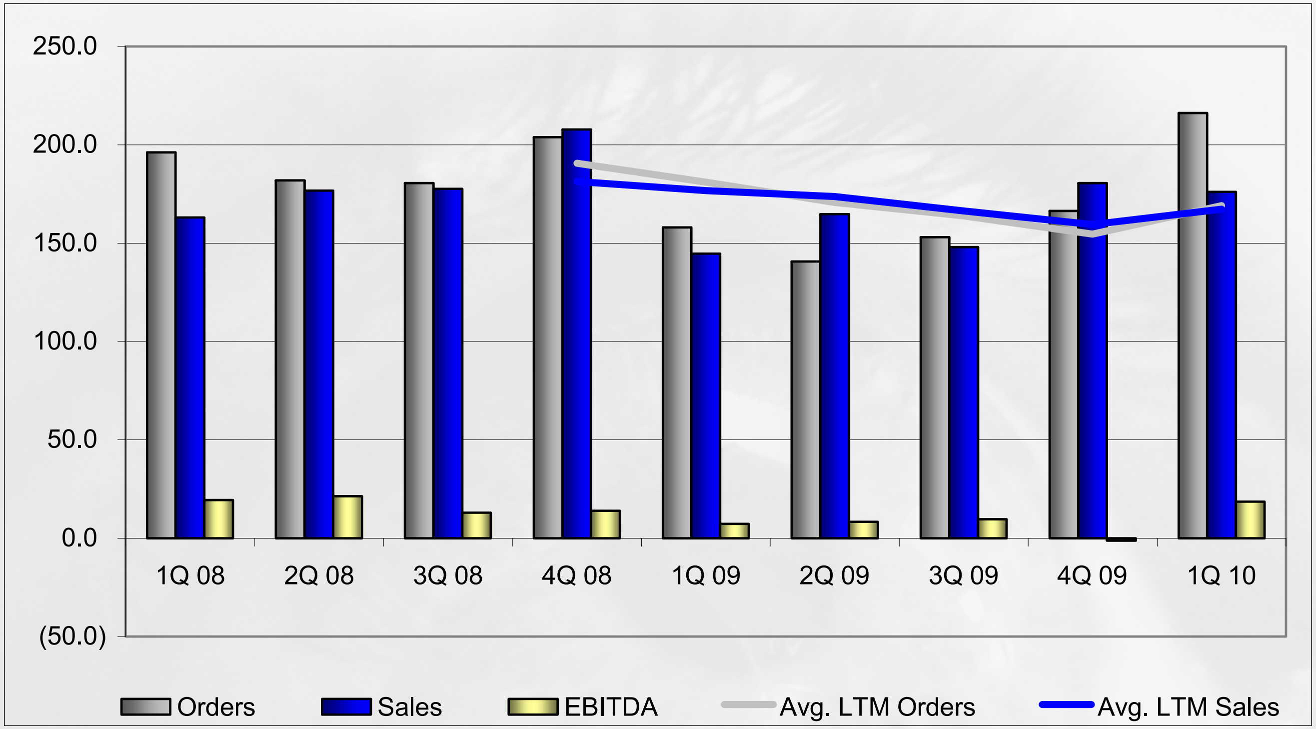
Cash & balance sheet

- Strong Gross Operating Cash flows at € 17.6 m fuelled by solid top line growth and better margins (vs € 4.4 m in 1Q09)
- Net Cash Flow slightly negative at € (0.3) m
- Working Capital cash investments of € (6.4) m due to Digital Cinema ramp-up (requiring € 18 m in working capital), partially offset by reductions elsewhere
- Receivables up € 13.2 m from 4Q09, driven by FIMI (€ 7.2 m) and top line growth. DSO reduced 5% vs 1Q09 from 80 to 76 days
- Inventories up € 32.5 m from 4Q09, driven by FIMI (€ 10 m), Element Labs and ramp-up in Digital Cinema. Inventory turns stable versus 1Q09 at 2.3
- Positive cash impact from Payables amounting to € 14.6 m mainly driven by better purchasing conditions
- Net Financial Cash position: € 21.3 m

Results per quarter

In € million

Change Rate - Avg. LTM Orders: (6.6%)
Change Rate - Avg. LTM Sales: (5.3%)



Group	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10
Orders	196.1	182.0	180.6	203.9	158.0	140.7	153.0	166.5	216.2
Sales	163.1	176.7	177.7	207.9	144.7	164.7	148.0	180.6	176.1
EBITDA	19.4	21.4	13.0	14.0	7.3	8.4	9.7	(1.2)	18.7

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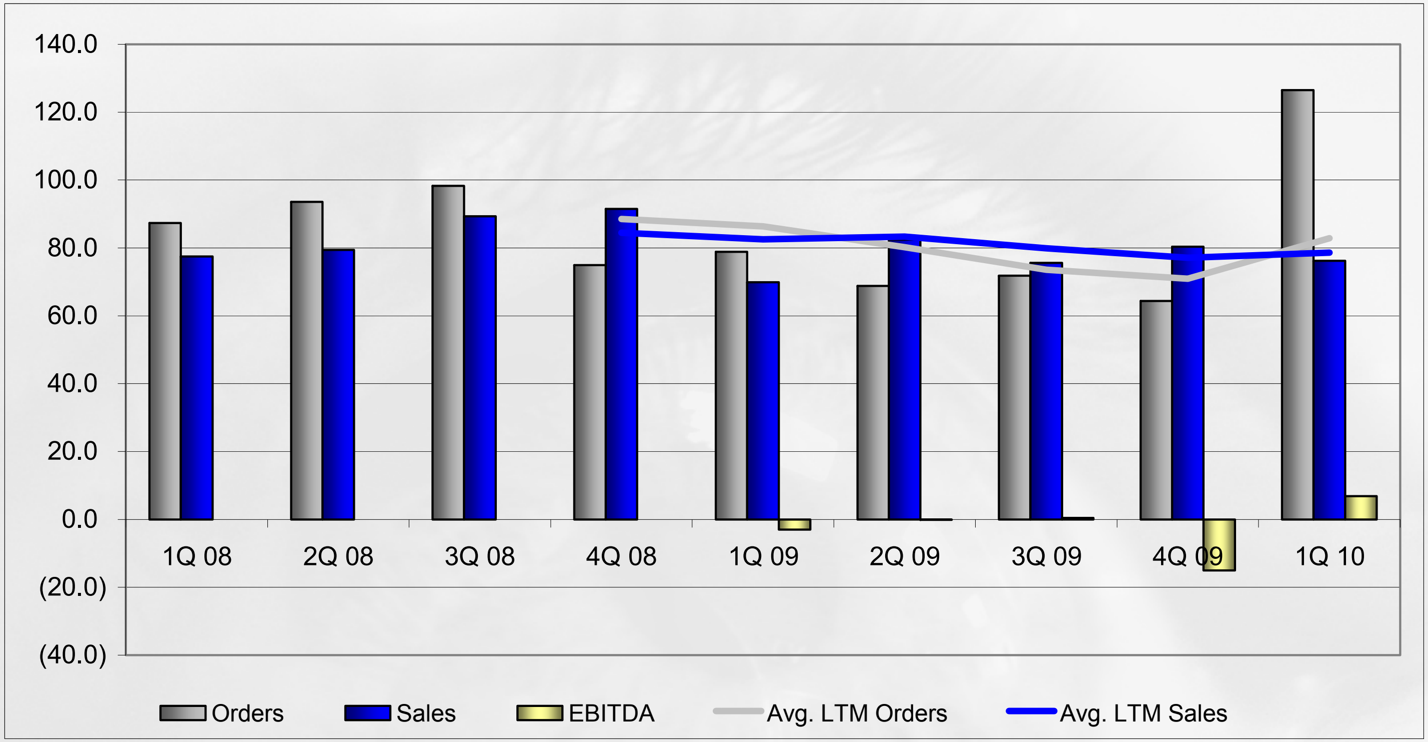
Media, Entertainment & Simulation

In € million

Change Rate - Avg. LTM Orders: (4.1%)
Change Rate - Avg. LTM Sales: (4.7%)



MES	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10
Orders	87.3	93.6	98.3	74.9	78.8	68.8	71.9	64.4	126.5
Sales	77.5	79.4	89.3	91.5	69.9	82.5	75.6	80.4	76.2
EBITDA					(3.0)	(0.1)	0.4	(15.1)	6.8

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1Q10 Media, Entertainment, Simulation (MES) Executive comments

- Barco now clearly the vendor of choice for large screen DC projectors
  - Record order intake (> € 80 m booked in 1Q)
  - Global leadership position (nr 1 globally)
  - Winning in all regions (big wins in US)
  - Several long term frame agreements
  - Mark 2 product line launched at lower cost
  - Output capacity steadily increasing
  - Making good progress on supply chain issues

- VLS (Video Lighting Systems) returns to EBIT profitability
  - New series mid segment projectors launched
  - Early wins with products and technologies from Element Labs
  - Market conditions improving slowly

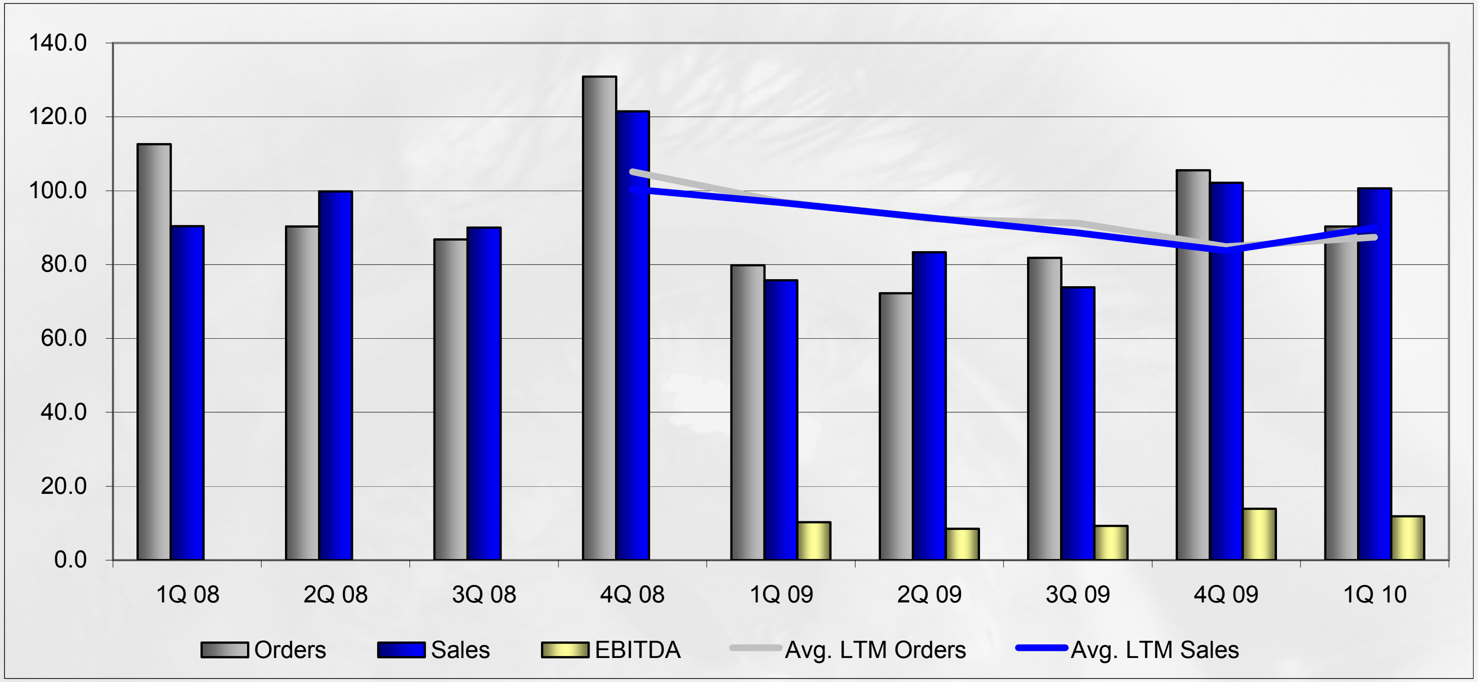
- Digital Signage
  - Demand remains weak but is up slightly vs 1Q09

- Simulation
  - Weak incoming orders but good prospects in pipeline
  - Margins very healthy and firm

Security, Monitoring & Medical

In € million

Change Rate - Avg. LTM Orders: (9.8%)
Change Rate - Avg. LTM Sales: (7.0%)



MCM	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10
Orders	112.6	90.3	86.8	130.9	79.9	72.3	81.8	105.5	90.3
Sales	90.4	99.8	90.0	121.5	75.7	83.3	73.8	102.1	100.7
EBITDA					10.3	8.5	9.2	13.9	11.9

1Q10 Monitoring, Control & Medical (MCM) Executive comments

- MID (Medical Imaging Division)
  - Barco's medical division continued to exceed expectations and growing market share in all regions
  - The acquisition and integration of FIMI progresses well and the unit adds several strategic new capabilities to MID
- TSM (Traffic & Surveillance Management)
  - Experienced some softness in Europe but overall results were in line with expectations
  - This division will soon release several new product platforms (LED cubes) that should fuel new sales volume
  - Margins are steady but indirect costs (OPEX) remain too high
- DEF & AVD (Avionics Division)
  - Avionics & Defense showed softness in incoming orders due to slippage in projects but backlog remains very solid and both divisions do feature healthy EBITDA contributions

Outlook

- Is cautiously optimistic as we expect all divisions to make progress towards realizing their longer term 10/10/20 targets
- We expect MID and DC to exceed expectations
- We expect TSM and SIM to recover in 2H10
- We expect Defense and Avionics to thrive on their big backlogs
- We expect all regions to deliver better than double digit growth
- We expect all divisions to be EBITDA positive
- We expect Barco to significantly outperform 2008

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Questions & Answers