

Barco 3 months ended

31 March 2007



BARCO

Visibly yours

Key figures

	2007	2006**
[in thousands of euro*]	1 st quarter	1 st quarter
Net sales	172,494	172,057
Gross profit	69,886	70,737
EBIT	9,698	9,297
Current result before taxes	9,273	9,332
Current result after taxes	7,547	7,374
Current result after taxes per share*	0.62	0.61
Net income attributable to the equityholder	7,547	7,502
Earnings per share*	0.62	0.62
Diluted earnings per share*	0.59	0.58
Current cash-flow	21,689	21,796
Current cash-flow per share*	1.79	1.79
[*in euro]		
** as reported, i.e. including the divested parts of the Manufacturing Services division		

Number of employees

Total	3,807	4,200
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Capital & ownership of the company's shares

On 31 March 2007, the capital amounted to euro 54,039,158.04, represented by 12,639,578 shares.

Ownership of the company's shares was as follows:

Gimv: 9.29% (1,174,921 shares)

Franklin Resources, Inc: 6.08% (768,832 shares)

M&G Investment Management Ltd (UK): 3.70% (467,179 shares)

Public: 76.56% (9,676,866 shares)

Barco: 4.37% (551,780 shares)

fully diluted

Gimv: 8.82% (1,174,921 shares)

Franklin Resources, Inc: 5.77% (768,832 shares)

M&G Investment Management Ltd (UK): 3.51% (467,179 shares)

Public: 77.76% (10,363,176 shares)

Barco: 4.14% (551,780 shares)

The accounting information taken up in this report has not been reviewed by the statutory auditor.

Management discussion and analysis of the results

Strong order intake increases confidence in sales and profit targets for 2007

First Quarter 2007 Financial Highlights¹:

- Orders at euro 237.5 million, up 19.0% compared to the same period of the year before. On a comparable basis, i.e. excluding the 1Q06 orders of the divested parts of Manufacturing Services, growth was 21.5%.
- Sales at euro 172.5 million, 0.2% up compared to reported sales for 1Q06. Excluding the 1Q06 sales of the divested parts of Manufacturing Services, sales grew by 1.6%. Taking into account also the USD/Euro rate, which declined 9% versus 1Q06, sales increased by 5.6%.
- EBIT at euro 9.7 million, up 4.3% compared to euro 9.3 million in 1Q06. On a comparable basis up 6.6%. On the same basis EBIT margin up to 5.6% from 5.4% in 1Q06.
- Current earnings per share of euro 0.62 versus euro 0.61.
- Net income at euro 7.5 million, up 2.3% from euro 7.4 million in 1Q06.
- Net earnings per share were euro 0.62, same as the year before.

Barco CEO, Martin De Prycker, commented: "In the first quarter of 2007 order intake grew quarter on quarter by 19%, continuing the strong growth by 12% we had over the full year 2006. Most of our markets contributed to this growth. On a comparable basis, i.e. excluding the orders of the divested parts of the Manufacturing Services division from the first quarter 2006 orders, order growth was even more than 21%. On the same comparable basis sales increased by 1.6%, supported by growth in the Media & Entertainment and the Security & Monitoring divisions. Taking into account the USD/Euro rate, which declined 9% year-on-year, sales growth was 5.6%."

"At 40.5% gross profit margin was slightly lower compared to 41.0% in the same quarter the year before. On a comparable basis EBIT grew 6.6% to euro 9.7 million from euro 9.1 million. EBIT margin was 5.6% versus 5.4% the year before

"The book-to-bill ratio for the first quarter is 1.38, strengthening our confidence in reaching our 2007 sales growth target of 6 to 9%. This confidence is also supported by new products that will be further introduced during 2007. Orders for the quarter were particularly high in Asia Pacific with close to 30% of total order intake. We confirm our expectation of an increase in profit for 2007 com-

pared to 2006. The divestments of the remaining part of Manufacturing Services and of the division BarcoVision are also moving forward according to plan. The former one is planned to be finalized mid 2007 and the latter in the second half of the year."

"As of the first quarter of 2007 we communicate results in line with the new company structure. For all comparisons with the first quarter of 2006, the figures of 1Q06 have been adapted to this new structure."

¹ Unless otherwise indicated, all financial and operating data discussed in this announcement are in accordance with IFRS and in million of Euro. Tables state figures in thousands of Euro, unless otherwise noted. Unless otherwise stated, all comparisons are between the three-month period ended March 31, 2007, and the equivalent three-month period ended March 31, 2006.

CONSOLIDATED RESULTS FOR THE QUARTER

Orders and Sales

Versus comparable orders in 1Q06, growth in orders was 21.5%. Compared to reported orders of euro 199.6 million in 1Q06, orders in 1Q07 grew by 19% to euro 237.5 million. The Media & Entertainment division and the Security & Monitoring division showed the strongest growth. Highest growth in order intake in 1Q07 was recorded in Media & Entertainment with 74%.

On a comparable basis, i.e. excluding the sales of the divested parts of Manufacturing Services, sales grew by 1.6% to euro 172.1 million. Taking into account the 9% decline in the USD/Euro rate, the increase was 5.6%. Compared to the reported sales for 1Q06, sales for the quarter were flat. As in orders the same 2 divisions showed the strongest growth.

Sales to Europe, Middle East and Africa represented 52% of consolidated sales, while 32% of sales were realized in the Americas and 16% in Asia Pacific.

The book-to-bill ratio was 1.38 compared with 1.15 for 1Q06.

Gross Profit & Margin

Gross profit was euro 69.9 million, which is euro 0.3 million up versus 1Q06 on a comparable basis. Gross profit margin was 40.5% compared to 41.0% the year before.

Operating Results (EBIT)

EBIT was euro 9.7 million, 6.6% up from the comparable EBIT of euro 9.1 million in 1Q06. Reported EBIT in that quarter was euro 9.3 million.

With 7.6% of sales general & administration expenses were lower than the 8.2% in 1Q06. Sales and marketing costs were at 17.0% of sales compared to 17.3% in 1Q06. Research & Development expenses went slightly up to 10.1% of sales compared to 9.8% of sales in 1Q06.

Other operating result was euro - 0.2 million versus euro - 0.7 million in 1Q06.

Goodwill Impairment

As in 1Q06, no goodwill impairment was booked in 1Q07.

Income Taxes

Income taxes decreased to euro 1.7 million or 19%, from euro 2.0 million or 21% the year before.

Current earnings per share

Current earnings per share for the quarter increased to euro 0.62 from euro 0.61 for 1Q06.

Book-to-Bill Ratio: last year rolling forward

	1Q07	4Q06	3Q06	2Q06	1Q06
Book-to-bill ratio	1.14	1.09	1.11	1.03	1.04

Net Income

Net income for the quarter increased by 2.3% to euro 7.5 million, or a net margin of 4.4%, from euro 7.4 million for 1Q06 when the net margin was 4.3%.

Net earnings per ordinary share (EPS) remained stable year-on-year at euro 0.62. Fully diluted net earnings per share were euro 0.59 compared with euro 0.58 during the same period the year before.

Balance Sheet

With euro 188.5 million, accounts receivable were 8.5% higher than at 31 March 2006, still reflecting the high sales of 4Q06.

Inventory was at euro 172.6 million, up from euro 154.8 million in the same quarter in 2006, due to the large growth of 19% in orders in 1Q07 compared to 1Q06.

Trade payables at the end of 1Q07 were euro 84.3 million compared to euro 79.1 million the year before.

At the end of 1Q07 Barco had a net cash position of euro 11.3 million, compared to euro 40.0 million the year before. At 31 December 2006 Barco had a net debt position of euro 12.4 million.

Capital spending for the quarter was euro 4.129 million.

OUTLOOK FOR FULL YEAR 2007

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

The high order intake in 1Q07 supports the growth target for sales between 6 and 9%. Confidence in reaching this target is further supported by new products being introduced in 2007. EBIT margin is also expected to increase compared to the 8.1% margin of 2006, but the uncertainty about the USD/Euro exchange rate remains a factor to take into account. An acceleration of the growth in sales and EBIT is expected in 2Q07 versus 1Q07 as higher quantities of the new products will be shipped out. By the end of 2007 the planned divestments of the Mechanical business unit of the former Manufacturing Services division and the division BarcoVision are also expected to be finalized.

DIVISIONAL RESULTS FOR THE QUARTER

Media & Entertainment division

The events market performed very well with double digit growth in orders (27%) and in sales (10%), thanks to the successful introduction of a new projector and new LED products.

Also the media market enjoyed strong order growth, while sales increased at a slower pace.

One large project in China resulted in a very high growth in orders in digital cinema. Deliveries for this project are planned in 2H07 and through 2008.

Book-to-bill ratio for the division was very high at 1.65.

At 29.8% gross profit margin was lower than at 31.1% in 1Q06, because of strong investment in the extension of production capacity in this division. EBIT margin was 4.6% compared to 4.4% the year before.

Security & Monitoring division

Orders for the division grew double digit, mainly driven by the defense and air traffic control markets.

Sales increased slightly, thanks to growth in the control rooms market and in traffic management. In defense sales declined compared to 1Q06, as they were still affected by the low order intake in this market in 2005 and 1H06.

Book-to-bill was high at 1.35.

Gross profit margin was 42.5% compared to 40.8% the year before. EBIT margin at 2.2% was better than the -2.4% in 1Q06, thanks to the higher sales volume.

Medical Imaging division

Orders and sales in 1Q07 were weaker in the PACS market than in the same period of the year before, which was particularly strong because of the NHS project in the UK. In the modality market orders were higher than in 1Q06 but sales were slightly lower.

The book-to-bill ratio was at 1.09.

Gross profit margin at 45.3% suffered from the lower sales volume and price decline and was lower than the 48.9% of 1Q06. At 10.5% EBIT margin was good, but due to the lower sales volume, the margin ended beneath the 21.5% of the same period the year before.

Other Markets

Orders and sales were up in the simulation market. The presentation market had lower orders and sales in 1Q07 than the year before.

Both orders and sales were lower in the Avionics market than in 1Q06.

BarcoVision, active in the textile machine market and in manufacturing execution systems, had an increase in orders and in sales.

Gross profit margin was at 39.1% versus 37.7% in 1Q06. EBIT margin was 5.7% compared to 1.4% in 1Q06.

SHARE BUY-BACK PROGRAM

Barco bought back 29,055 of its own shares during 1Q07. The company now owns 551,780 of its own shares or 4.37% through a share buy-back program started in 2003.

Income statement

	2007	2006 [*]
[in thousands of euro]	1 st quarter	1 st quarter
Net sales	172,494	172,057
Cost of goods sold	-102,607	-101,320
Gross profit	69,886	70,737
Research and development expenses	-17,446	-16,783
Sales and marketing expenses	-29,342	-29,828
General and administration expenses	-13,186	-14,157
Other operating income (expense) - net	-215	-672
Operating result before goodwill impairment (EBIT)	9,698	9,297
Goodwill impairment	0	0
Operating result	9,698	9,297
Interest income (expense) - net	-425	35
Other non-operating income (expense) - net	0	0
Income before taxes	9,273	9,332
Income taxes	-1,726	-1,958
Net income	7,547	7,374
Minority interest	-0.2	127
Net income attributable to the equityholder of the parent	7,547	7,502
Earnings per share (in euro)	0.62	0.62
Diluted earnings per share (in euro)	0.59	0.58

* as reported, i.e. including the divested parts of the Manufacturing Services division

Balance sheet

[in thousands of euro]	31 March 2007	31 Dec 2006
ASSETS		
Goodwill	48,482	48,458
Capitalized development cost	78,961	74,368
Other intangible assets	1,695	1,743
Land and buildings	53,227	54,133
Assets under construction	3,651	1,962
Other tangible assets	31,088	32,037
Investments	357	358
Deferred tax assets	16,987	15,719
Other non-current assets	3,468	3,599
Non-current assets	237,917	232,376
Inventory	172,553	146,672
Trade debtors	188,476	218,591
Other amounts receivable	35,860	42,683
Deposits and cash at bank and in hand	81,087	81,418
Prepaid expenses and accrued income	6,171	5,811
Current assets	484,147	495,175
Total assets	722,064	727,551
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	417,862	412,876
Minority interest	2	4
Equity	417,863	412,879
Long-term debts	16,665	16,977
Deferred tax liabilities	4,554	4,615
Other long-term liabilities	492	492
Non-current liabilities	21,711	22,085
Current portion of long-term debts	2,182	2,669
Short-term debts	50,949	74,201
Trade payables	84,288	69,378
Advances received on contracts in progress	20,771	21,339
Tax payables	21,114	21,195
Employee benefits	40,892	41,612
Other current liabilities	3,336	4,462
Accrued charges and deferred income	16,171	15,165
Provisions for liabilities and charges	42,785	42,565
Current liabilities	282,490	292,587
Total equity and liabilities	722,064	727,551

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 2006.

Following acquisitions and disposals of activities have an influence on the comparison of 1Q07 with 1Q06:

- In September 2006, Barco acquired the remaining 20% of the shares in the joint venture "Beijing Barco Leyard Electric Technology Co Ltd".
- In December 2006, Barco sold two parts of the Manufacturing Services division: the Prints activity and the Electronic Manufacturing activity. Operating results of both activities were incorporated in the consolidated income statement for the whole year 2006. Assets and

liabilities from both activities were excluded from the consolidated balance sheet on 31 December 2006, and result on the transaction was registered on the same date.

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.

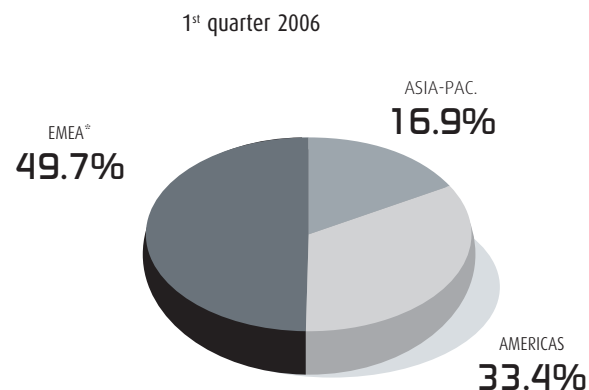
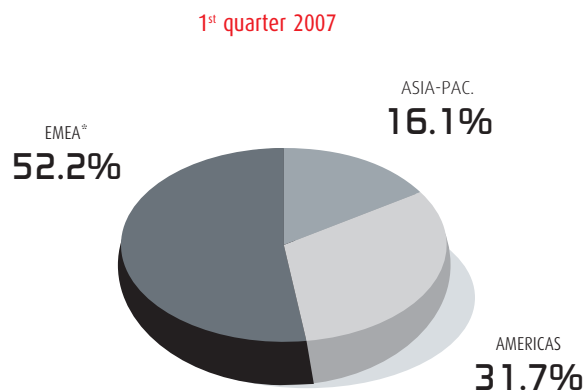
Changes in equity attributable to equityholders of the parent

[in thousands of euro]	2007 1 st quarter	2006 1 st quarter
Equity attributable to equityholders of the parent 31 December	412,876	418,083
Net income attributable to equityholders of the parent	7,547	7,502
Dividend	0	0
Translation adjustment	-620	-2,291
Cash-flow hedge	-143	387
Capital increase	0	0
Acquisition of own shares	-1,980	0
Share-based payment	181	147
Equity attributable to equityholders of the parent 31 March	417,862	423,829

Cash-flow statement

	2007	2006
[in thousands of euro]	1 st quarter	1 st quarter
Cash-flow from operating activities		
Operating result before goodwill impairment (EBIT)	9,698	9,297
Amortization capitalized development cost	10,333	9,943
Depreciation of tangible and intangible fixed assets	3,809	4,478
Gains and losses on tangible fixed assets	-44	-3
Share options recognized as cost	181	147
Gross operating cash-flow	23,977	23,864
Changes in trade receivables	30,065	14,615
Changes in inventory	-25,931	-12,914
Changes in trade payables	14,910	13,062
Other changes in net working capital	-1,302	-4,900
Change in net working capital	17,742	9,863
Net operating cash-flow	41,720	33,727
Interest income/expense	-425	35
Income taxes	-5,314	-4,943
Cash-flow from operating activities	35,981	28,818
Cash-flow from investing activities		
Expenditure on product development	-15,040	-10,539
Purchases of tangible and intangible fixed assets	-4,129	-3,103
Proceeds on disposals of tangible and intangible fixed assets	168	2,821
Acquisition of Group companies, net of acquired cash	0	0
Disposal of Group companies, net of disposed cash	8,721	0
Other investing activities	0	1
Cash-flow from investing activities	-10,279	-10,821
Cash-flow from financing activities		
Dividends paid	0	0
Share issue	0	0
Acquisition of own shares	-1,980	0
Proceeds from (+), payments of (-) long-term liabilities	-312	-764
Proceeds from (+), payments of (-) short-term liabilities	-23,740	-17,120
Cash-flow from financing activities	-26,032	-17,883
Net decrease/increase in cash and cash equivalents	-331	114
Cash and cash equivalents at beginning of period	81,418	106,256
Cash and cash equivalents at end of period	81,087	106,370

Geographical breakdown of sales



Results per division

Sales in '000 euro and current EBIT

	2007			2006**		
	1 st quarter			1 st quarter		
	Sales	EBIT	%EBIT	Sales	EBIT	%EBIT
Media & Entertainment	56,954	2,601	4.6%	54,610	2,420	4.4%
Security & Monitoring	46,299	1,026	2.2%	45,324	-1,104	-2.4%
Medical Imaging	31,909	3,335	10.5%	33,030	7,100	21.5%
Other markets	48,317	2,736	5.7%	48,103	672	1.4%
Eliminations	-10,985	0		-11,237	0	
Total	172,494	9,698	5.6%	169,830	9,088	5.4%

* Europe, Middle East, Africa

** on a comparable basis, i.e. excluding the divested parts of the Manufacturing Services division

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Report

This report "3 months ended 31 March 2007"
is also available in Dutch and can be
consulted on www.barco.com

