Results 4Q09 and FY09

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Key figures 4Q09

in € million	Q4 2009	Q4 2008	Change
Order Book	**331.4**	**351.3**	**(5.7%)**
Incoming Orders	**166.5**	**203.9**	**(18.4%)**
Sales	**180.6**	**207.9**	**(13.1%)**
EBITDA	**(1.2)**	**14.1**	
EBIT	**(14.7)**	**(2.0)**	
Free Cash Flow	**4.5**	**30.7**	

Notes :
- Orders exclude DC frame agreements valued at € >150m over 3 years
- EBIT and EBITDA before restructuring & impairment costs

Key figures FY 2009

in € million	2009	2008	Change
Order Book	**331.4**	**351.3**	**(5.7%)**
Incoming Orders	**618.2**	**762.6**	**(18.9%)**
Sales	**638.1**	**725.3**	**(12.0%)**
EBITDA	**24.1**	**67.9**	**(64.5%)**
EBIT	**(29.5)**	**8.9**	
Restructuring & impairment costs	**(39.3)**	**(26.7)**	
Free Cash Flow	**59.4**	**20.1**	

Note : Orders exclude DC frame agreements

Dealing with the past

in € million	2009	2008
Restructuring cost (personnel)	(6.1)	(19.1)
Impairment R&D	(6.1)	(6.0)
Impairment on inventories	(2.1)	(1.6)
Impairment Goodwill	(25.0)	-
Total restructuring & impairment costs	**(39.3)**	**(26.7)**

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Barco's challenges

- A heavy cost structure and a heavy balance sheet
  - Indirect costs at 41.5% of sales (2008)
  - Inventories at 2 turns
  - More than € 70m in capitalized R&D (2008)
  - Many small autonomous business units with silo culture
- Imploding demand for Events/OHM products
  - Ineffective hardware centric value creation model in OHM
  - Barco China unable to compete effectively with outsourced alternatives
  - Reliability and robustness issues with creative LED products (early releases)
  - Substantial goodwill and capitalized R&D
- Commoditizing core technologies and competition from mid segment players
  - In the wake of the crisis customers switch to 'good enough' alternatives
  - Barco was late with the introduction of LED cubes and projectors (TSM)
  - Barco's euro-centric footprint faces big duty barriers into emerging markets

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2009 – Barco's recipe for positive change

- Focus on cash generation to weather the storm and pay for needed restructurings and investments
- Adjust the balance sheet and right size all operating units (SG&A, R&D and manufacturing overheads)
- Redeploy human resources towards the new growth opportunities and emerging markets
- Capture the wave of conversion from analog to digital cinema and become the global leader in DC projectors for professional applications
- Strengthen global leadership position in medical imaging markets

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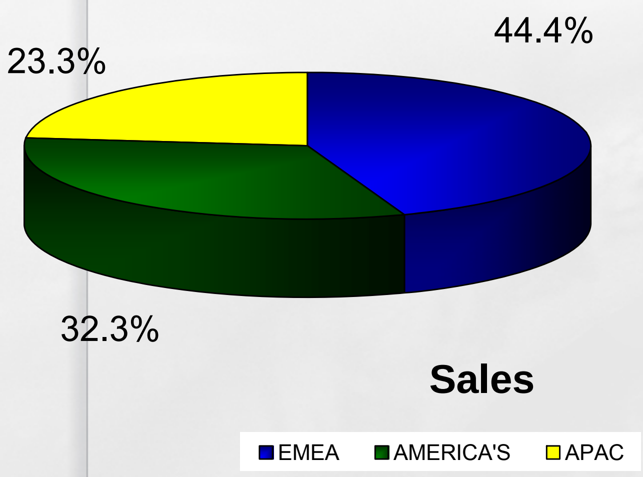
The new market realities of 2009

- Barco's sales drop more than € 90 m in Events/OHM (>50%)
- Barco's sales drop more than € 45 m in TSM (>25%)
- Barco's sales grew 2.7 times in Digital Cinema – sales exceeded € 100 m in 2009
- Barco's sales drop € 15 m across all other divisions combined (<3%)

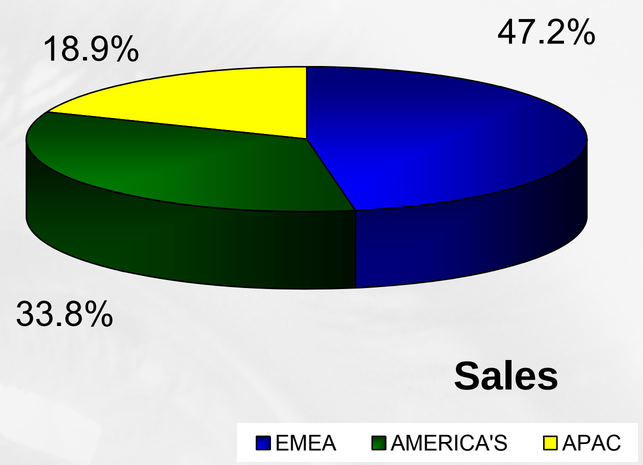
Geographical breakdown of sales

2009



Group	2009	2009	Δ 09-08	
EMEA	283.4	44.4%	(59.3)	-17.3%
AMERICA'S	205.9	32.3%	(39.6)	-16.1%
APAC	148.8	23.3%	11.7	8.5%

2008



Group	2008	2008
EMEA	342.7	47.2%
AMERICA'S	245.4	33.8%
APAC	137.1	18.9%

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2009 – How Barco confronted its new business realities

- Right size and clean up Events/OHM activities
  - Provision for all known liabilities
  - Sell-off or write-off excess inventories
  - Impair goodwill on prior acquisitions
  - Drastically reduce Opex
  - Outsource OHM billboard manufacturing
  - New generation high-end projectors in Events
- Focus on Digital Cinema and redeploy resources
  - Become global nr 1 supplier to this industry
  - Support partners with selective vendor financing support
  - Build or strengthen global service organization
  - Double manufacturing capacity
- Offer mid segment solutions to commercial markets and reduce costs of hi-end products
  - Outsource where appropriate
  - Reduce manufacturing overheads everywhere
  - Reduce and simplify geographic footprint
  - Move more manufacturing to India/China
  - Improve yields
  - Fix reliability issues in VLS

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2009 – How Barco confronted its new business realities

- Capture scale economies to reduce SG&A and R&D
  - Regional front-end organizations
  - Two operations groups with focus on products / technology
  - One back-end structure

- Generate enough cash to fund new investments
  - Reduce operational costs
  - Reduction of AR
  - Reduction in inventories
  - Acquire FIMI

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Adjusting to new economic conditions

In € million	2009	2008	Cost savings 2009 vs 2008	
Sales	**638.1**	**725.3**		
Indirect Operations	47.7	55.8	8.1	15%
% Sales	*7.5%*	*7.7%*		
R&D	61.2	78.0	16.8	22%
% Sales	*9.6%*	*10.7%*		
Sales & Marketing	96.9	116.2	19.3	17%
% Sales	*15.2%*	*16.0%*		
G&A	41.7	51.1	9.5	18%
% Sales	*6.5%*	*7.0%*		
Total indirect costs (cash)	**247.5**	**301.1**	**53.6**	**18%**
% Sales	*38.8%*	*41.5%*		

Effect non-cash items on operational performance

	2009	2008	Change
EBIT	**(29.5)**	**8.9**	**(38.4)**
- Stock write-offs	(20.5)	(10.9)	(9.7)
- (Lower)/Higher capitalization development compared to amortization	(8.0)	0.9	(8.9)
- Depreciations	(12.8)	(12.9)	0.1
- (Higher)/Lower bad debt provisions	1.5	(4.9)	6.3
- (Additional)/Reversal of technical warranty and other provisions	(3.3)	3.6	(6.9)
Adjusted operational cash performance	**13.6**	**33.0**	**(19.4)**

	4Q09	4Q08	Change
EBIT	**(14.7)**	**(2.0)**	**(12.6)**
- Stock write-offs	(7.1)	(2.6)	(4.5)
- (Lower)/Higher capitalization development compared to amortization	(2.0)	(1.4)	(0.6)
- Depreciations	(3.1)	(3.4)	0.3
- (Higher)/Lower bad debt provisions	2.6	(4.2)	6.8
- (Additional)/Reversal of technical warranty provisions	(7.2)	0.5	(7.7)
Adjusted operational cash performance	**2.2**	**9.3**	**(7.0)**

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FY 2009 : Cash & Balance Sheet

- Very good free cash flow : € 59.4 m
  - **Free cash generated in 4Q09 : € 4.5 m**
- Trade Receivables down € 33.5 m to € 134.8 m
  - **DSO reduction from 72 days end of ‘08 to 67 days end ‘09 (9.4%)**
- Trade Payables slightly above (1%) year-end ’08
  - **DPO 46 days (vs 44 days end of ‘08)**
- Inventories down € 42.8 m (-23%) to € 146.3 m
  - **Inventory turns improvement from 2.2 end of ‘08 to 2.7 end ‘09**
- Net Financial Cash position : € 23.5 m
  - **Net financial debt year-end ‘08: (€ 32.8 m)**
  - **Total cash generated (incl. Voxar and FIMI): € 63 m**

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Cash flow generated

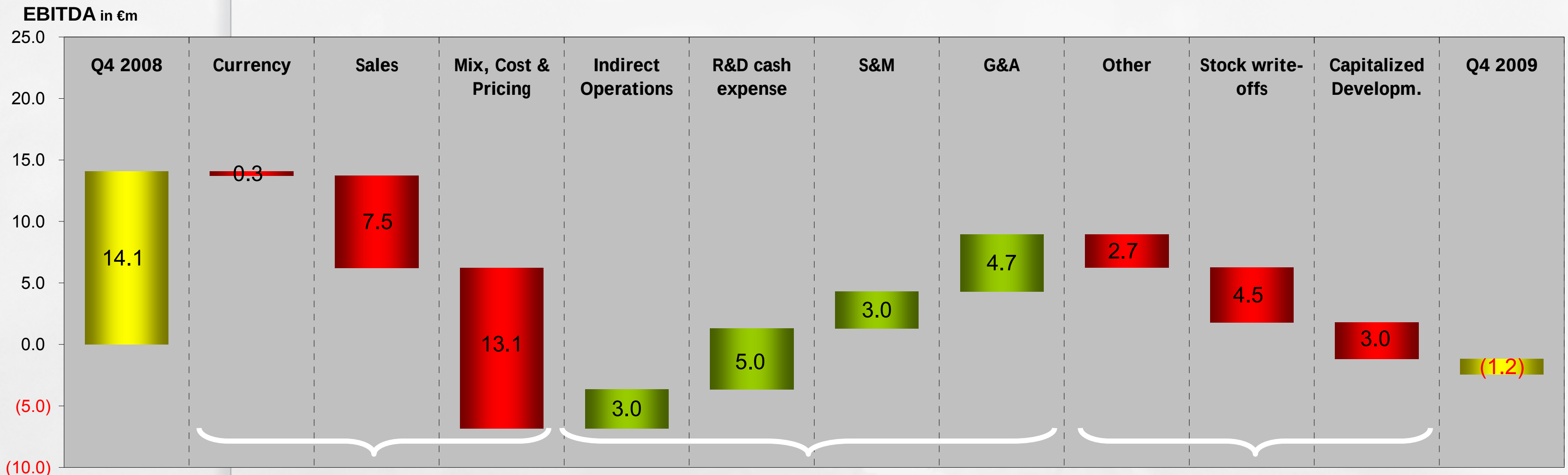
Group	FY09
€m	Actual
EBIT before restructuring & impairment	(29,5)
Gross Operating Cash Flow	10,5
Restructuring charges 2008	10,7
Inventory write-offs (incl. AVD CIP)	22,6
MED special warranty provisions	7,1
Capitalized Development	(32,8)
Adjusted Operational Cash Flow	18,1
Receivables	34,4
Inventory excluding write-offs	21,1
Payables	(2,0)
Other, restated for Restr. & Warranty reserves	(6,6)
Working Capital	**46,9**
CAPEX & disposals	(4,3)
Tax & Interest	(1,2)
Free Cash Flow	59,4

Cash flow statement structure adapted to demonstrate operational performance

Key figures income statement 4Q09

In € million	4Q09		4Q08	
Sales	**180,6**	**100,0%**	**207,9**	**100,0%**
Cost of goods sold	(134,1)	(74,3%)	(139,3)	(67,0%)
Gross Profit	**46,5**	**25,7%**	**68,6**	**33,0%**
R&D cash expense	(15,8)	(8,8%)	(20,8)	(10,0%)
Development capitalization/amortization - net	(2,0)	(1,1%)	(1,4)	(0,7%)
Sales & Marketing	(27,6)	(15,3%)	(30,7)	(14,8%)
General & Administration	(10,5)	(5,8%)	(15,2)	(7,3%)
Other operating result	(5,2)	(2,9%)	(2,5)	(1,2%)
EBIT before restructuring & impairment	**(14,7)**	**(8,1%)**	**(2,0)**	**(1,0%)**
EBITDA	**(1,2)**	**(0,7%)**	**14,1**	**6,8%**
Free Cash Flow	**4,5**	**2,5%**	**30,7**	**14,8%**

EBITDA Waterfall 4Q09 versus 4Q08 (- € 15.3m)



Gross Margin Drop (20.9)

Opex + 15.9

Effect non cash items (8.4) and other (1.8)

Cost containment actions

- Sales MED 4Q09 in line with 4Q08, decline in VLS/OHM set of by increased sales in DC
- Gross margin% drop of 4.4 ppts, mainly related to MED (both VLS/OHM as DC)
- SMD 4Q09 margins are in slightly above 4Q08

Lower capitalization of development costs	(3.0)
Higher write-off of inventories	(4.5)
Lower bad debt provisions	6.8
Higher technical warranty & other provisions	(7.7)
Lower income from investment grants & other	(1.8)

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Key figures income statement FY09

In € million	2009		2008	
Sales	**638.1**	**100.0%**	**725.3**	**100.0%**
Cost of goods sold	(461.8)	**(72.4%)**	(477.9)	(65.9%)
Gross Profit	**176.3**	**27.6%**	**247.4**	**34.1%**
R&D cash expense	(61.2)	**(9.6%)**	(78.0)	(10.7%)
Development capitalization/amortization - net	(8.0)	**(1.3%)**	0.9	
Sales & Marketing	(96.9)	**(15.2%)**	(116.2)	(16.0%)
General & Administration	(41.7)	**(6.5%)**	(51.1)	(7.0%)
Other operating result	2.0	**0.3%**	5.9	0.8%
EBIT before restructuring	**(29.5)**	**(4.6%)**	**8.9**	**1.2%**
Restructuring & impairment costs	(39.4)	**(6.2%)**	(26.7)	(3.7%)
EBIT after restructuring	**(68.9)**	**(10.8%)**	**(17.8)**	**(2.5%)**
Interest expense, net	(1.7)	**(0.3%)**	(3.6)	(0.5%)
Income taxes	6.4	**1.0%**	(0.0)	(0.0%)
Net Income from continuing operations	(64.2)	**(10.1%)**	(21.4)	(3.0%)
Net Income from discontinued operations	4.3	**0.7%**	39.6	5.5%
Net Income	**(59.9)**	**(9.4%)**	**18.2**	**2.5%**
EBITDA	**24.1**	**3.8%**	**67.9**	**9.4%**
Free Cash Flow	**59.4**	**9.3%**	**20.1**	2.8%
Net Earnings per Share (in €)	(5.02)		1.53	

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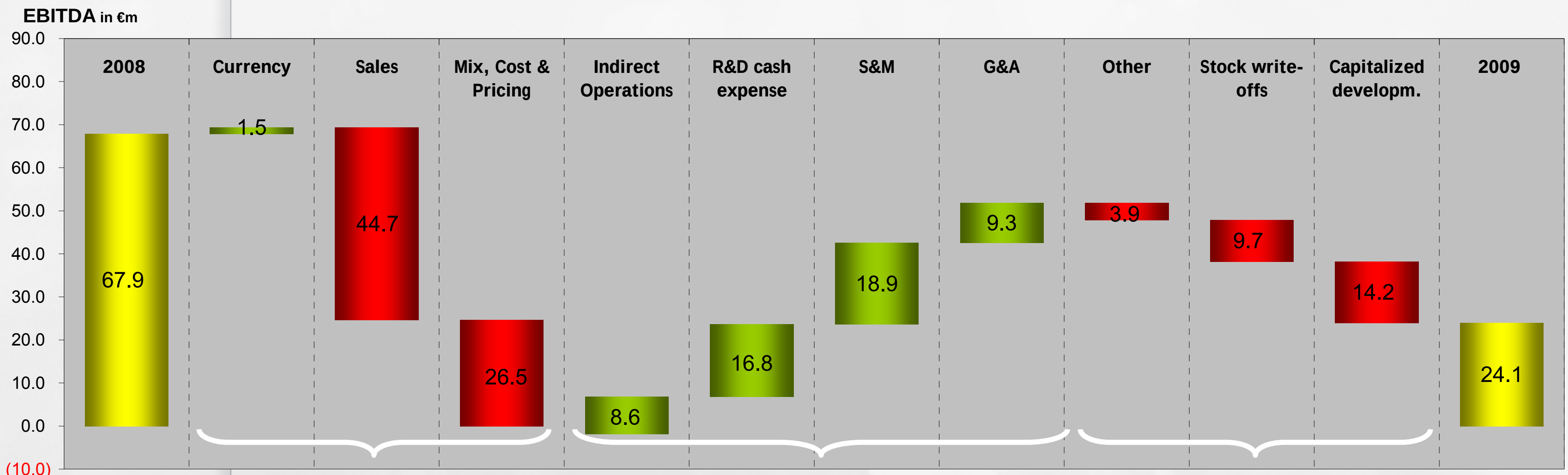
EBITDA Waterfall FY09 versus FY08 (- € 43.8m)



Gross Margin Drop (69.7)

Opex + 53.6

Effect non cash items (24.4) and other (3.4)

Cost containment actions

- Gross margin% drop in all divisions, biggest decline in OHM/VLS
- Lower sales in all divisions

Lower capitalization of development costs	(14.2)
Higher write-off of inventories	(9.7)
Lower bad debt provisions	6.4
Higher technical warranty & other provisions	(6.9)
Other	(3.4)

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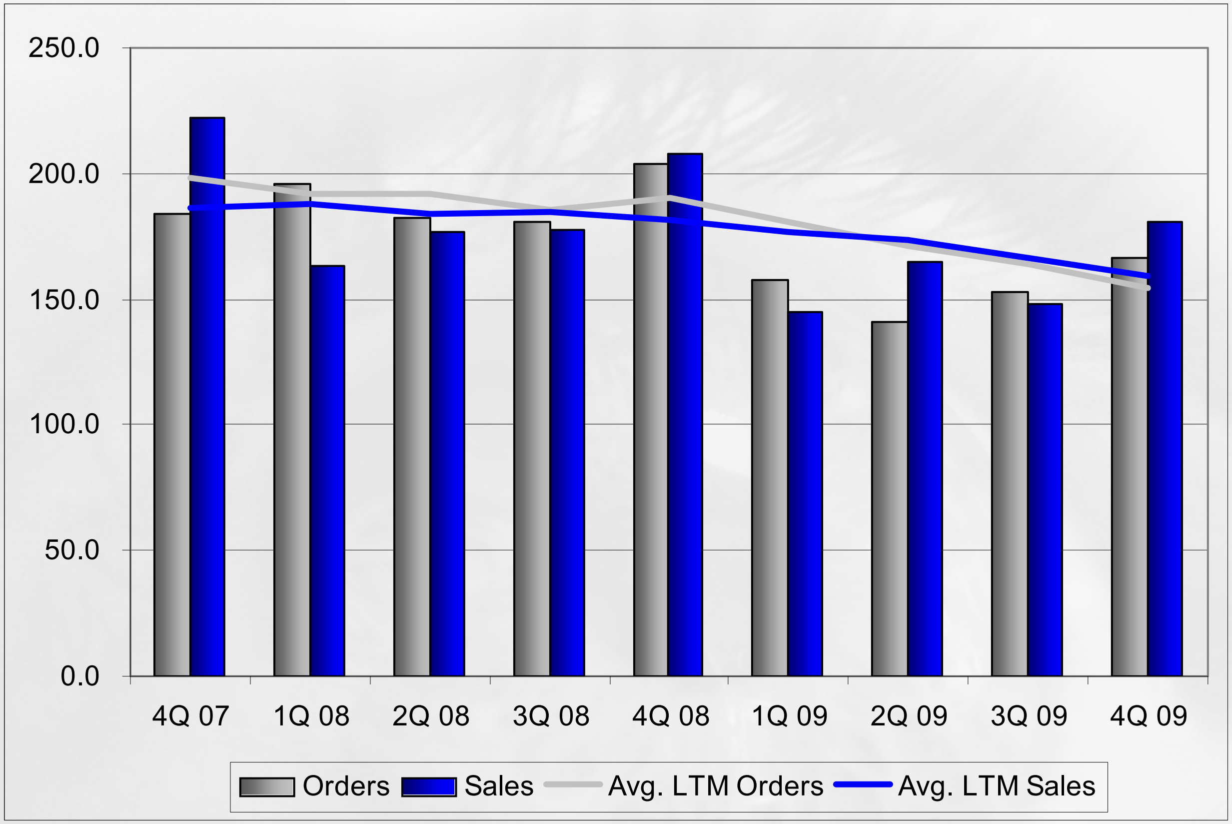
Results per quarter

In € million

Change Rate - Avg. LTM Orders: (18.9%)
Change Rate - Avg. LTM Sales: (12.0%)



Group	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09
Orders	183.5	196.1	182.0	180.6	203.9	158.0	140.7	153.0	166.5
Sales	222.5	163.1	176.7	177.7	207.9	144.7	164.7	148.0	180.6

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2010 & beyond – A stronger and better company emerges

- Return to healthy levels of profitability (EBIT)
- Global nr 1 leadership positions in DC and Medical
- Double digit growth across the company
- Restore technology leadership in Control Rooms
- Capture growth momentum of emerging markets
- Operational excellence in all operating divisions
- Less upfront and more selective R&D investments in Avionics, Defense and Simulation
- Mid segment products – often outsourced – in all commercial markets
- Consolidated operational footprint with strong local presence in China and India
- Fix reliability issues in VLS

Evolution of results by division

In € million	4Q09 Sales	4Q09 EBITDA minus cap'd R&D	4Q08 Sales	4Q08 EBITDA minus cap'd R&D
Media & Entertainment	66.8	(19.0)	66.7	(16.2)
Security & Monitoring	64.7	6.6	76.8	8.3
Medical Imaging	28.7	2.2	33.7	4.6
Avionics & Simulation	23.0	0.7	35.4	6.1
Eliminations	(2.7)	(0.0)	(4.6)	(0.0)
Total	**180.6**	**(9.5)**	**207.9**	**2.8**

In € million	2009 Sales	2009 EBITDA minus cap'd R&D	2008 Sales	2008 EBITDA minus cap'd R&D
Media & Entertainment	246.9	(38.3)	276.9	(16.2)
Security & Monitoring	200.1	8.0	245.8	15.6
Medical Imaging	113.6	15.8	127.0	19.3
Avionics & Simulation	84.9	5.8	93.5	2.2
Eliminations	(7.5)	(0.0)	(17.8)	(0.0)
Total	**638.1**	**(8.7)**	**725.3**	**20.9**

Note: Corporate AV business included in MED as of 2009; 2008 figures restated for comparison reasons

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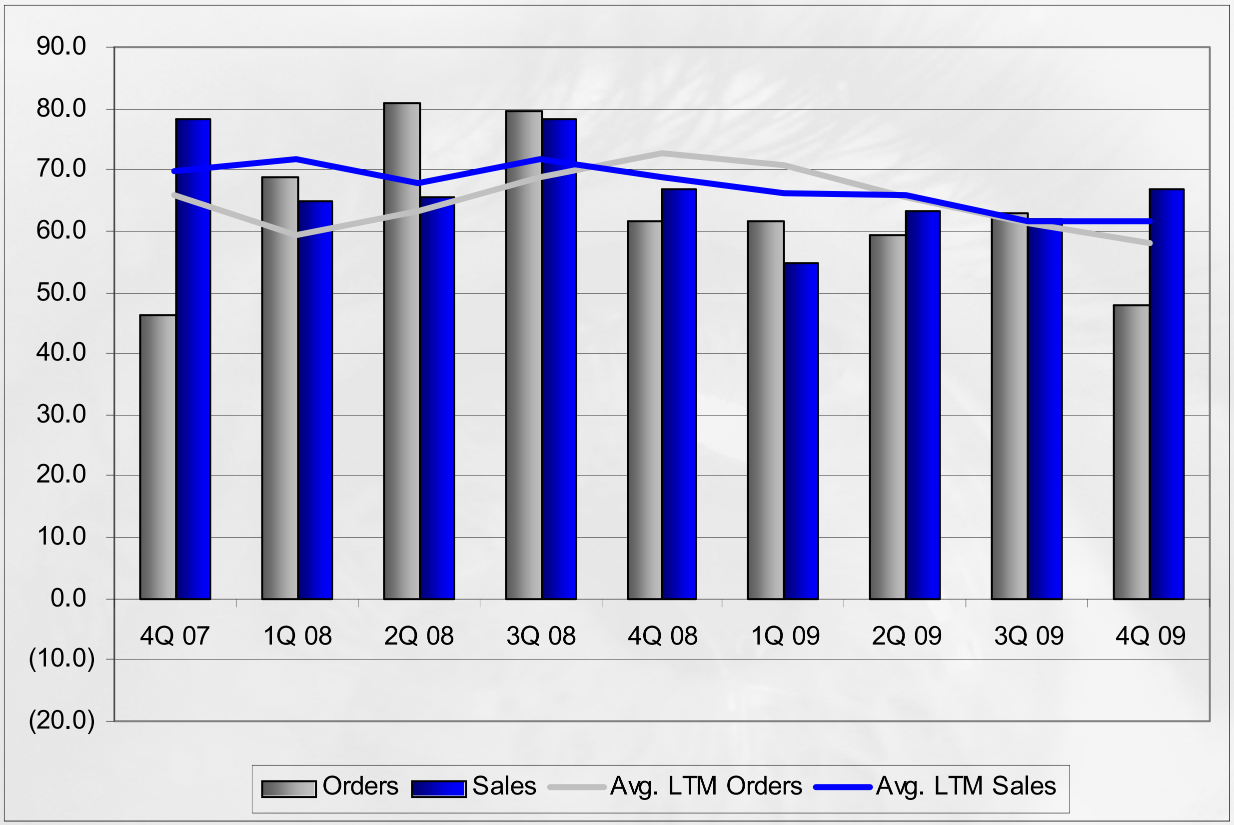
Media & Entertainment Division

In € million

Change Rate - Avg. LTM Orders: (10.9%) (20.3%)
Change Rate - Avg. LTM Sales: (14.0%) (10.4%)



MED	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09
Orders	46.1	68.7	80.7	79.5	61.5	61.6	59.2	62.8	48.0
Sales	78.4	65.0	65.5	78.2	66.8	54.8	63.4	61.9	66.8

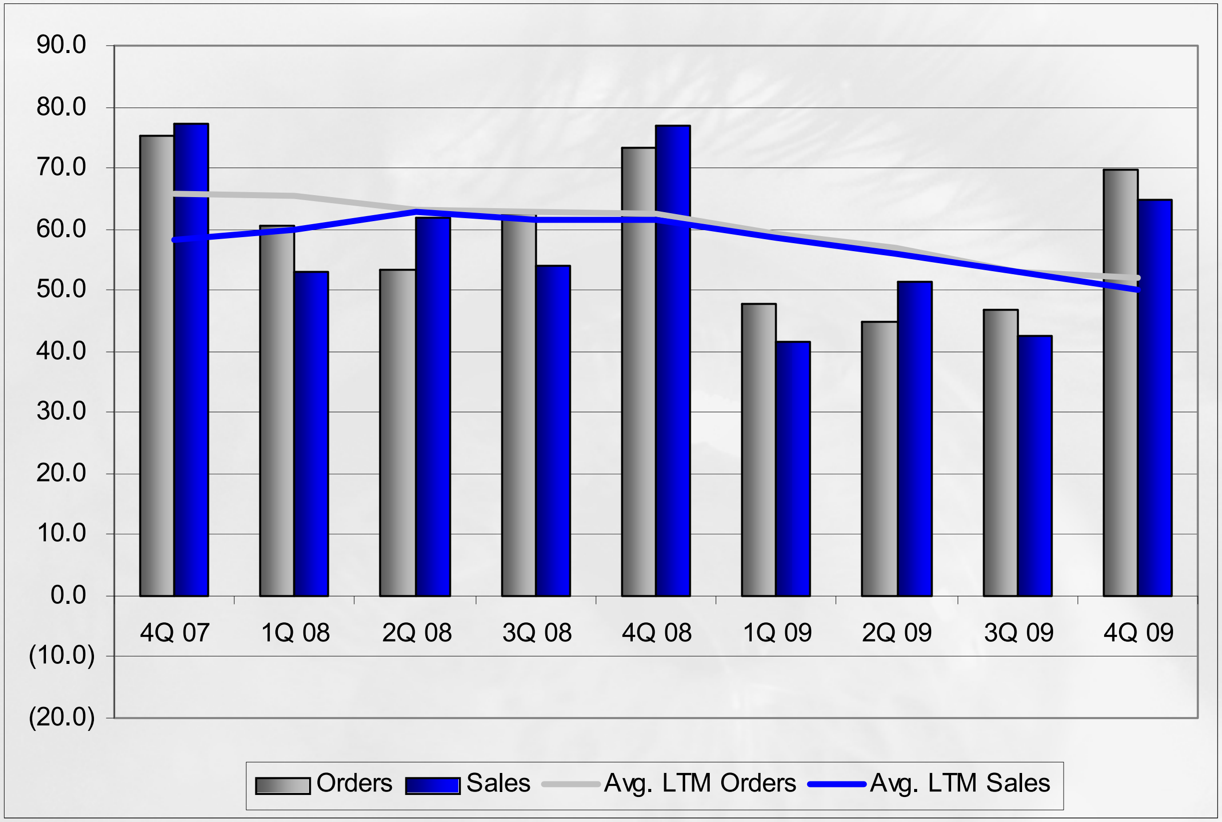
Media & Entertainment Division

- Orders decline 20%, sales decline 10%
  - Drop in Events >50%
  - Drop in OHM >80%
  - Drop in Events/OHM is € 92 m
  - Gain in DC is € 63 m
- Margins drop 8.9 ppts
  - Mainly due to cost overruns on projects
  - Some price erosion due to mid segment competitors
  - Some margin erosion due to mix change
- Substantial reductions in Opex
  - € -20 m or 20%
  - Substantial EBIT generated in DC
  - Very substantial losses in Events/OHM
- Significant improvements in working capital
  - Break-even at cash flow level
- Substantial non-cash bookings
  - Big inventory write-offs
  - Full provisions for project liabilities
  - Full provisions for recalls and repairs

Security & Monitoring Division

In € million

Change Rate - Avg. LTM Orders: (16.4%)
Change Rate - Avg. LTM Sales: (18.6%)



SMD	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09
Orders	75.2	60.7	53.2	62.3	73.3	47.6	44.7	46.7	69.7
Sales	77.4	53.1	61.9	54.0	76.8	41.5	51.3	42.5	64.7

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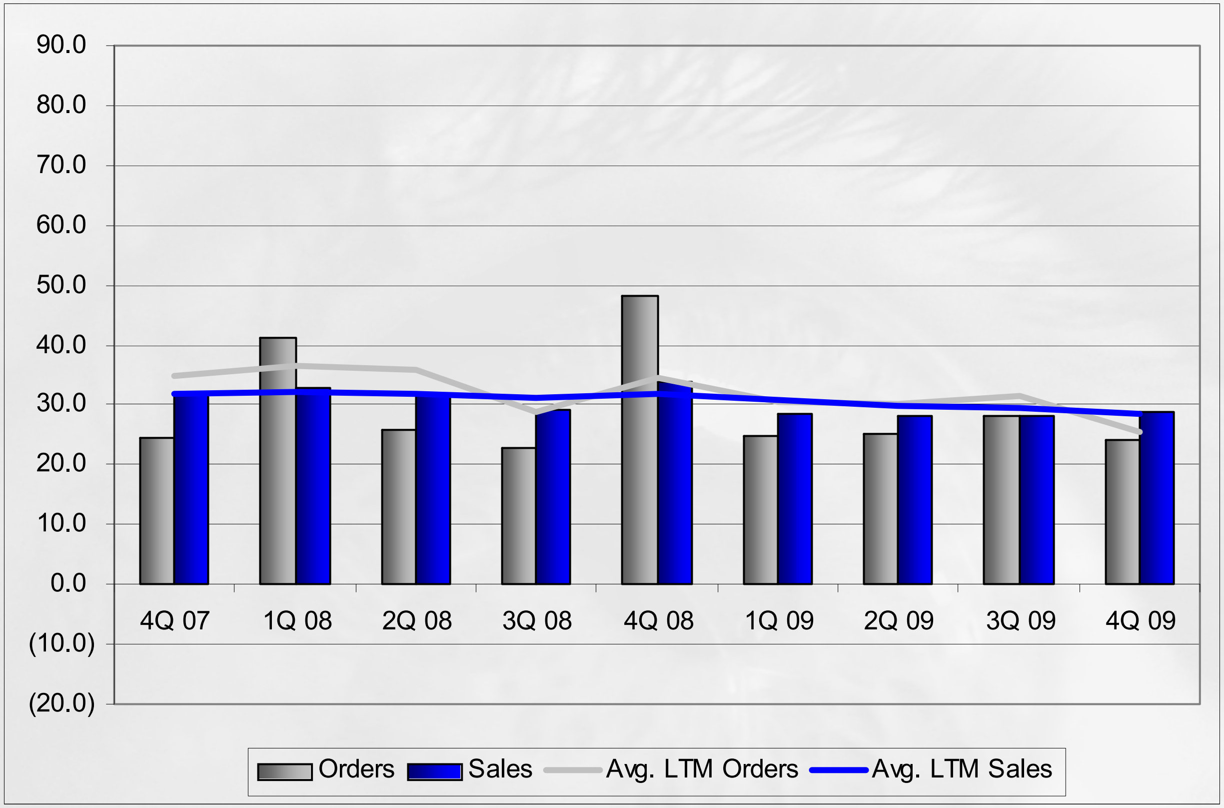
Security & Monitoring Division

- Orders decline 16.4% and sales drop 18.6% year-on-year
- Order book however grew 12.4% year-on-year to € 144m
- Markets stabilized in second half of 2009 while many customers placed orders for new generation products to be launched in 2010
- Profit margins negatively impacted by stock write-off (minus 3.3 ppts)
- Opex reduced by 16% compared to 2008
- EBIT at 2.5% compared to 5.4% in 2008
- Healthy free cash generation (€ +20m)

Medical Imaging Division

In € million

Change Rate - Avg. LTM Orders: (26.0%)
Change Rate - Avg. LTM Sales: (10.6%)



MID	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09
Orders	24.6	41.2	25.9	22.9	48.4	24.8	25.1	28.3	24.3
Sales	31.7	32.7	31.6	29.0	33.7	28.4	28.1	28.3	28.7

Medical Imaging Division

- Substantial drop in orders due to slippage of large modality contracts into 2010
  - **€ 102.4m vs € 138.5m in 2008**
- Sales of € 113.6m compared to € 127m in FY08
  - **Substantial drop in modality shipments in 1H09**
  - **Compensated for in 2H09 through growth in clinical displays (PACS)**
- Gross profit margins healthy at 39% of sales but nevertheless 1.5 ppts lower than in 2008
- Strong EBIT contributions of >11% compared to 12.2% in 2008
- Excellent ROCE contribution of 35%

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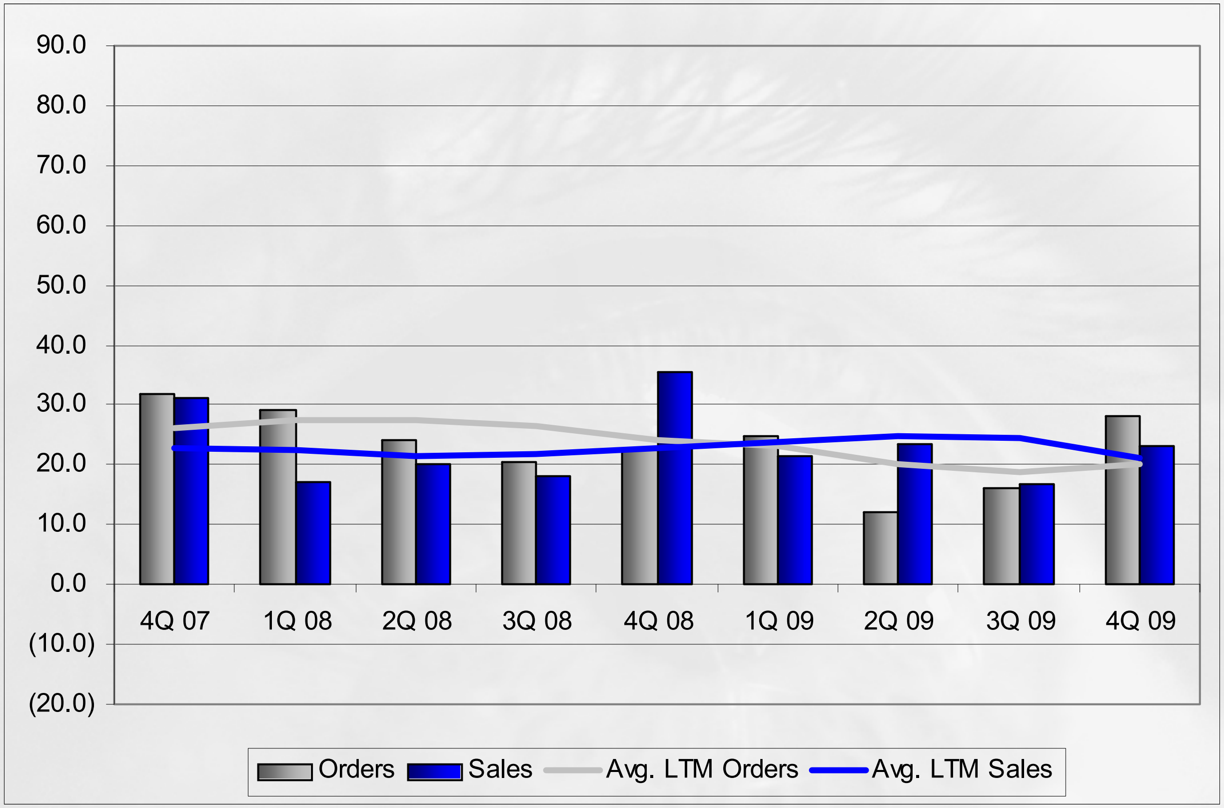
Avionics & Simulation

In € million

Change Rate - Avg. LTM Orders: (15.9%)
Change Rate - Avg. LTM Sales: (6.7%)



ASD	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09	2Q 09	3Q 09	4Q 09
Orders	31.9	29.3	24.2	20.4	22.5	24.8	12.1	16.1	28.1
Sales	31.2	17.2	20.1	18.1	35.6	21.5	23.6	16.9	23.0

Avionics & Simulation

- Orders drop 16%
  - Decision to exit corporate presentation market
  - Weakness in V&AR market (automotive and oil & gas)
  - Fewer new aircraft sold
  - Emerging growth opportunity in retrofit market
- Sales drop 9.1%
  - Drop is entirely in Avionics (-21%)
  - Some delays in shipments of retrofit units
  - No sales drop in Simulation thanks to solid backlog
- Margins decline slightly (-1.5 ppts)
- EBIT is minus 3% despite good cost controls
  - € -2.5 million
- Free cash flows are robust at plus € 20 million
  - Substantial reduction in working capital

Dividend

Given the negative 2009 results, the board will propose to the General Assembly not to pay out a dividend to the shareholders

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Questions & Answers