

Results 1H11

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Executive summary 1H11

- Orders **560.4m**, 8.8% above last year (+45.3m)
- Sales **490.3m**, 33.1% above last year (+122.3m)
- EBITDA **60m** (12.2% on sales)
- EBIT **35m** (7.1% on sales)
- Net income **34m** (6.9%)

1H11	Orders	Sales	EBITDA	EBITDA %
Entertainment	266.8	206.5	28.0	13.5%
Healthcare	98.8	90.9	17.3	19.1%
Control Rooms & Simulation	103.6	99.6	7.4	7.4%
Defense & Aerospace	47.0	53.6	5.4	10.1%
Ventures	44.4	40.4	1.8	4.5%
BGS/Elim	(0.2)	(0.7)		
Group	560.4	490.3	60.0	12.2%

Executive Summary 1H11

- Order intake was record strong at € 560.4m
 - 8.8% increase versus 1H10
 - € 266m of orders realized in Q2

- Demand continues to be strong in Entertainment and Healthcare with flat to negative growth in other divisions compared to 1H10
 - Entertainment +16.4%
 - Healthcare +20.3%
 - Control Rooms & Simulation -3.9%
 - Defense & Aerospace -9.3%
 - Ventures -3.0%

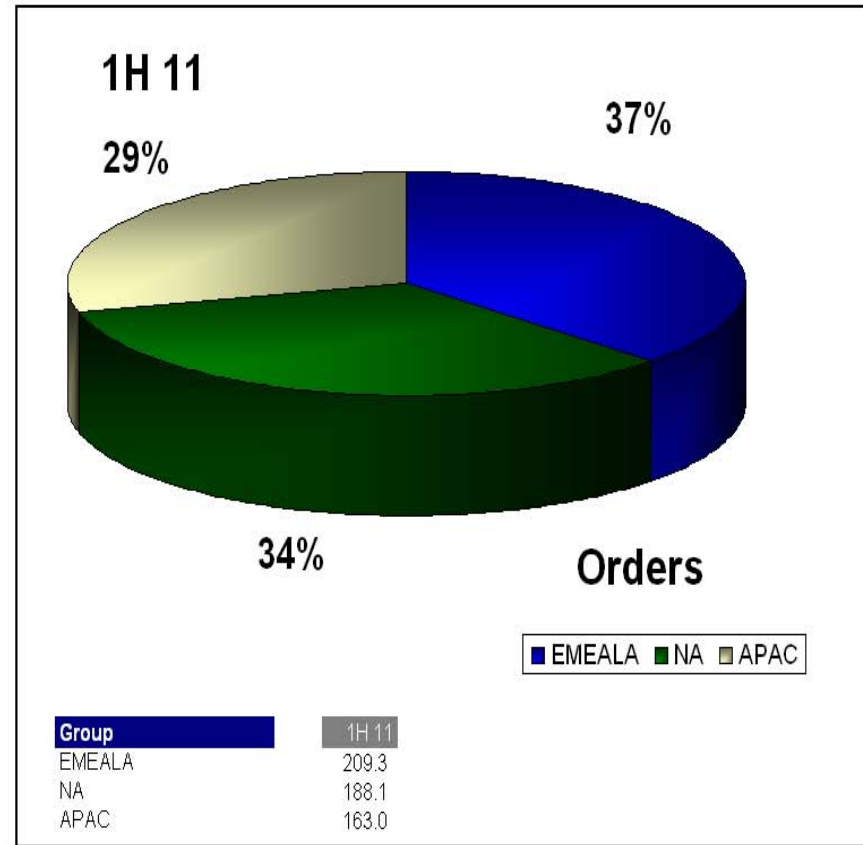
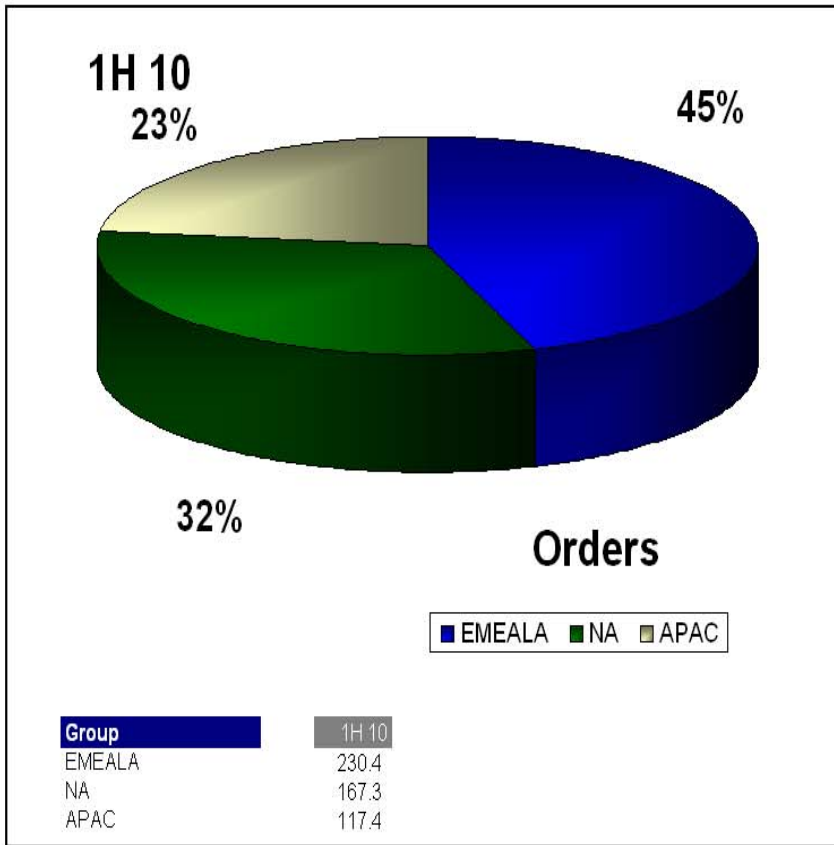
- Demand creation was record strong in Asia (+38.9%), robust in North America (+12.4%) but rather weak in Europe (-9.2%)

- Shipments were record strong in all regions

Key figures 1H11

<i>in € million</i>	1H11	1H10	Change	
Order Book	479.9	513.3	(33.4)	-7%
Incoming Orders	560.4	515.1	45.3	9%
Sales	490.3	368.2	122.1	33%
EBITDA	60.0	38.2	21.8	57%
EBIT	35.0	11.1	23.9	216%
Net income	34.0	8.4	25.6	305%
Free Cash Flow	(12.7)	(1.8)	(10.9)	

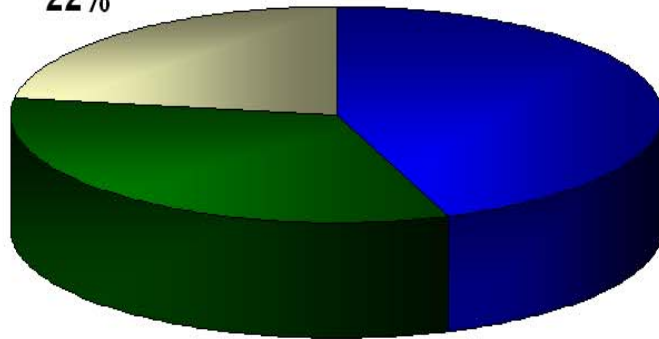
Geographical breakdown of orders



- EMEALA -9.2%
- NA +12.4%
- APAC +38.9%

Geographical breakdown of sales

1H 10
22%



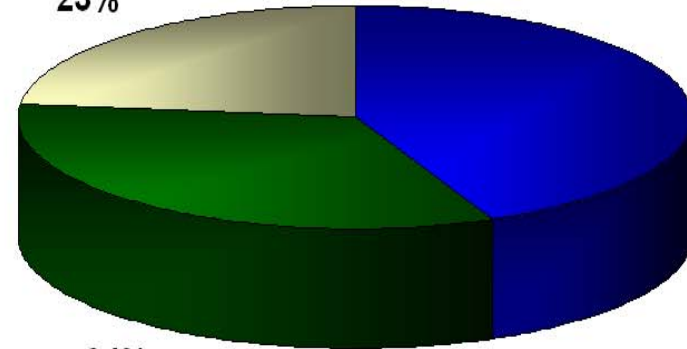
33%

Sales

■ EMEALA ■ NA ■ APAC

Group	1H 10
EMEALA	163.2
NA	122.4
APAC	82.6

1H 11
23%



34%

Sales

■ EMEALA ■ NA ■ APAC

Group	1H 11
EMEALA	212.8
NA	165.1
APAC	112.4

- EMEALA +30.4%
- NA +34.8%
- APAC +36.1%

Orders

- Entertainment Division: € 266.8m, +16.4%
 - Incoming orders for the Entertainment Division were record strong at € 266.4m
 - This represents 47.6% of total Barco order intake
 - Orders for digital cinema projectors were € 215.8m
 - Orders for non-DC projectors were € 51m (49.6% ahead of prior year)

- Healthcare Division: € 98.8m, +20.3%
 - +40% in Apac
 - Fimi continues to grow strongly
 - Gaining market share from Eizo and NDS
 - Significant early wins at Siemens Healthcare

- Control Rooms & Simulation Division: € 103.6m, -3.9%
 - Control rooms: 16% growth
 - Simulation: negative growth of 33%
 - 1H10 included € 10m Elbit order

- Defense & Aerospace: € 47.0m, -9.3%
 - General weakness in Defense (budget cuts)
 - Incoming orders delayed primarily in APAC (€ -9.6m)
 - Big ATC win in US (not included USD 33m)
 - Strong demand in Avionics
 - Big GD Scout UK order not yet included (€ +11m)

- Ventures: € 44.4m, -3% (organic -9%)
 - weak incoming orders in Lighting and LED

Sales

- Sales: € 490.3m, +33%
 - Shipments 33% ahead of prior year
 - Strongest growth momentum in the Entertainment Division (+87.4%) with DC shipments more than doubling YoY (€ 162.3m vs € 77m)
 - Also Control Rooms & Simulation Division grew 24.3% YoY
 - The Healthcare Division grew 8.5% vs 1H10. FIMI grew 11% YoY
 - In Defense & Aerospace Division sales declined by 8.9% YoY
 - All ventures combined grew 7.7% vs 1H10

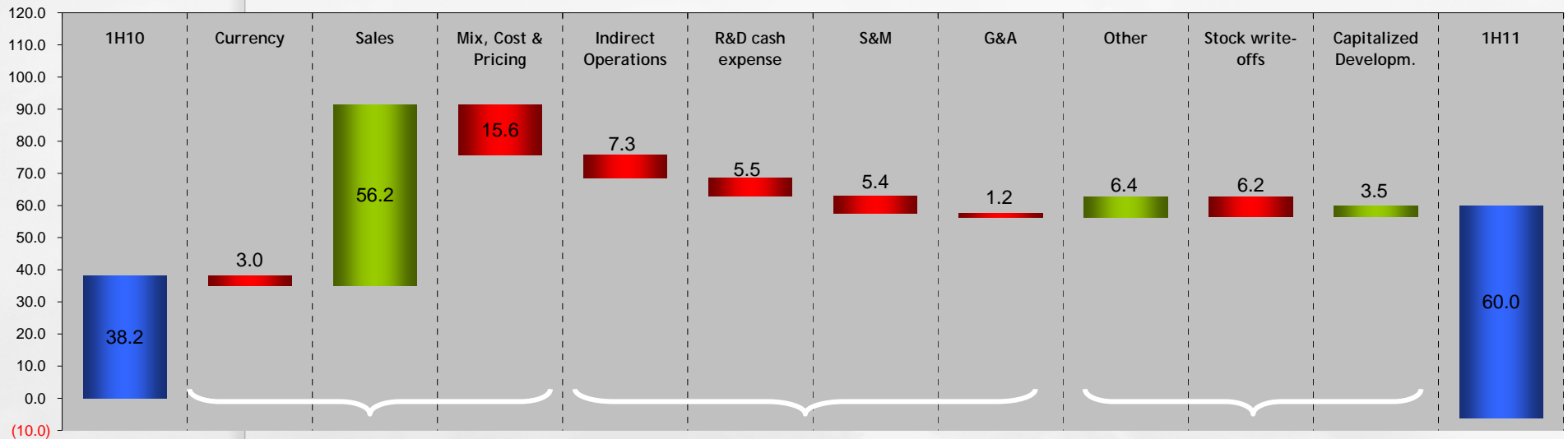
Income statement 1H11

In € million

	1H11		1H10	
Sales	490.3	100.0%	368.2	100.0%
Cost of goods sold	(343.3)	(70.0%)	(245.3)	(66.6%)
Gross Profit	147.0	30.0%	123.0	33.4%
R&D cash expense	(39.2)	(8.0%)	(33.3)	(9.0%)
Development capitalization/amortization - net	4.9	1.0%	(1.3)	(0.4%)
Sales & marketing	(58.3)	(11.9%)	(52.9)	(14.4%)
General & administration	(24.2)	(4.9%)	(23.0)	(6.2%)
Other operating result	5.0	1.0%	(1.4)	(0.4%)
EBIT	35.0	7.1%	11.1	3.0%
EBITDA	60.0	12.2%	38.2	10.4%
Free Cash Flow	(12.7)	(2.6%)	(1.8)	(0.5%)

EBITDA Waterfall 1H11 versus 1H10 (+ € 21.8m)

EBITDA in €m



Gross Margin +37.6m



- Robust sales growth (+33%) yet margins under pressure (2.8ppts lower compared to 1H10)
- Sales growth in all 3 regions

Opex +19.4 m



Total indirect (cash) costs under control at 30% of sales versus 36% last year

Non cash items & other +3.7m



- Other related to FX results on revaluation B/S (€ 3.6m) and reversal of bad debt and other provisions (€ 2.8m)
- Stock write-off 1.5% on sales; inventory write-off in 1H10 exceptional low at € 1.2m (0.3% on sales)
- Increased investments in strategic development projects, mainly in Healthcare and Entertainment

Cash & Balance Sheet

- Negative free cash flow of € -12.7m
- Robust operating cash flow of € 57.1m
 - Entertainment € +27.8m
 - Healthcare € +17.2m
 - Other € +12.1m
- Inventories grew € 47.9m to € 279.8m
- Payables declined € 27.8m to 97.8m
- Receivables stood at € 170.7m with DSO at 61 days
- Net financial debt position of € -24.8m

Outlook 2011

Although Barco's progress has recently been carried predominantly by the growth momentum in the Entertainment and Healthcare divisions, management believes that all other divisions are well on the way to realize their corporate objectives

Even though growth in digital cinema will begin to level off in coming quarters, Barco's progress is sustainable

Barring any unexpected macro economic turmoil 2011 will be a good year for Barco

Division Results 1H11

Key figures 1H11 by division

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Entertainment – 1H11

- Very strong order intake for DC in China and NA, but somewhat slower start in EMEALA as anticipated, due to market dynamics
- DC market now driven by roll out of 2D screens while the 3D screen penetration stays constant
- More balanced sales roll out in DC throughout the year after the supply constraints of 2010
- Strong order growth for conventional projectors across all regions fueled by a general market trend towards high end systems
- Healthy EBITDA margin of 13.5%

Healthcare – 1H11

- Strong momentum in Healthcare results in 20% growth in orders and 8.5% growth in sales
- Gross profit is steadily improving yielding an EBITDA contribution of € 17.3m or 19.1%
- FIMI acquisition now completely integrated with synergies driving important wins for custom products
- Impact on sales caused by the Japan disaster was very limited thanks to a strong supply chain follow up – limited shortage was solved commercially through offering of alternative products
- Strategic entry into new segments such as Dental Imaging and Digital Pathology result in first important wins
- Substantial growth realized in APAC (+40%) compared to 1H10

Control Rooms & Simulation – 1H11

- Order intake was € 103.6m for 1H11 which was slightly below (-4%) 1H10, but with a strong backlog position going into 3Q11
- Control Rooms & Simulation Division sales for 1H11 was € 99.6m and represents a strong growth of 24.3% over the same period in 2010.
- EMEALA and APAC showed excellent growth with somewhat slower growth in North America due primarily to softness in the US Simulation business
- The Control Room cubes and the Simulation & Training Dome continue to receive excellent reviews and market acceptance and significant new deals were won in the first half
- EBITDA was € 7.4m or 7.4% of sales and represents an improvement over 1H10 of 45.1%

Defense & Aerospace – 1H11

- Orders down 9.3% vs 1H10 with slow order intake in NA due to budget cuts

Two important frame agreements signed but not included in orderbook

- Sales decline of 8.9% YoY
- EBITDA at 10.1%

Ventures – 1H11

- Incoming orders at € 44.4m, -3% vs 1H10
 - Delays incoming orders both in LED and Lighting
 - Order book still solid
- Sales at € 40.4m, organically on par with 1H10
- EBITDA was € 1.8m, a margin of 4.5%, vs € -5.8m in 1H10

Questions & Answers