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BARCO NV
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SPECIAL REPORT OF THE BOARD OF DIRECTORS

Prepared in accordance with articles 583, §1, 596 and 598 of the Code on Companies in view of the Extraordinary General meeting of September 21, 2011 and October 21, 2011 (in case at the meeting of September 21, 2011 the quorum required to deliberate and decide validly is not met).

This report is the special report referred to articles 583, §1, 596 and 598 of the Code on Companies in which the board of directors (the "Board of directors") of Barco NV (the "Company") provides a detailed justification for the contemplated issue of warrants (stock options) and motivates the suppression of the preference right of the current shareholders, holders of bonds and warrants in favor of the persons named in this report.

1. Introduction.

- 1.1 By resolution of August 8, 2011 the Board of Directors of the Company has decided to convene an extraordinary general meeting of the Companies' shareholders which shall be held on September 21, 2011 and on October 21, 2011 (in case at the meeting of September 21, 2011 the quorum required to deliberate and decide validly is not met) to decide amongst others to issue a Stock-option Plan "Options Barco 04 – Executive Managers 2011" (the "Plan") with the suppression of the preference right, the authorization for the implementation thereof and approval according to article 556 of the Code on Companies. Given the conflict of interest, the Chief Executive Officer, beneficiary under the aforesaid plan, has waived its right to participate in the Board of Directors' resolution.
- 1.2 The Stock-option Plan "Options Barco 04 – Executive Managers 2011" (hereinafter called the "Plan") is in favor of the executive managers of the Company who are named as beneficiaries under the Plan with the creation of fifteen thousand (15.000) warrants (stock options) which will be referred to as "Options Barco 04 - Executive Managers 2011"
- 1.3 Under the Plan each warrant (stock option) subject to actual exercise thereof entitles to acquire one (1) existing share of the Company. The allocation of the warrants (stock options) must occur in accordance with the provision of the Plan.
- 1.4 The Plan sets forth the issue and exercise conditions for the warrants (stock options) granted under the Plan.

2. Description of the transaction.

The experience of the past years has shown that the granting of warrants (stock options) to the executive managers and their participation in the stock of the Company is an important element in their motivation and commitment to the Company.

The objectives of a warrant plan are indeed to foster the loyalty and the motivation of the executive managers in the long term in order to safeguard and enhance the success and profitability of the

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Company. In addition in today's labor market a warrant plan (stock option plan) is a rather important driver for potential executive managers in selecting a given enterprise.

It is the goal that the Plan, a copy of which is attached hereto as Exhibit 1 meets the conditions set forth in articles 41 up to and including 47 of the law of March 26, 1999 related to the Belgian 1998 action plan for employment and miscellaneous provisions (hereinafter the "Law of March 26, 1999").

3. Highlights of the features of the Plan.

3.1. The approval of the Plan includes the suppression of the preferential right of the existing shareholders and of the holders of outstanding warrants (stock options) to the benefit of the executive managers of the Company.

3.2. Within the scope of the Plan the Board of Directors of the Company may, with the possibility of delegation to the "Remuneration- and Nomination Committee" (hereinafter the "Committee") offer warrants (stock options) to the beneficiaries. A beneficiary shall execute an individual warrant agreement.

3.3. The warrants (stock options) granted may as a rule be exercised at the earliest as of January 1 of the fourth calendar year following the year in which the offer was made.

The warrants (stock options) may be exercised at least three times a year, i.e. as from May 15 up to and including June 15, as from August 1 up to and including September 15 and as from November 1 up to and including December 15, unless additional exercise periods are provided for by the Committee.

3.4. The Committee, or a person or department designated by the Committee, shall inform the beneficiary of the offering of warrants (stock options), and thereupon the latter shall advise the Company by means of an express acceptance through the electronic administrative management platform of his/her decision to subscribe specifying the number of warrants (stock options) to which he/she wishes to subscribe and by paying the amount due.

3.5. The amount of the fiscal advantage of the warrants (stock options) "Options Barco 04 – Executive Managers 2011" shall be a lump sum amount determined in accordance with the provisions with the Law of March 26, 1999 at the time that the warrants (stock options) are granted. For information purposes only the fiscal treatment is summarized below.

The amount of the fiscal advantage shall be fixed at 15% of the value of the underlying share. For each additional year or part thereof exceeding the period of five (5) years, the said amount is increased with 1%.

The said percentages shall be halved for the executive managers in the event all of the following conditions are met:

- on the date of the offer of the warrants (stock options) a definitive exercise price is set;
- the warrants (stock options) are exercisable as from the third calendar year following the calendar year in which the warrants (stock options) were offered;
- the warrants (stock options) may not be transferred amongst the living;
- the grantor of the warrants (stock options) may not, either directly or indirectly, cover the risk of depreciation of the underlying share;
- the warrants (stock options) relate to the shares of the Company and/or its affiliated companies for whom a professional activity is performed.

The value to be considered is the exercise price and is fixed by the Committee on the date of the offer and is equal to the lower of

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(i) the average closing price of the share as traded on the Euronext Brussels stock exchange during thirty (30) calendar days preceding the date of the offer of the warrants (stock-options);

or

(ii) the final closing price of the share as traded on the Euronext Brussels stock exchange on the last trading day preceding the date of the offer of the warrants (stock-options) shall match as closely as possible the price applicable under the plan in question.

3.6. The fiscal advantage shall be subject to an additional tax assessment according to the provisions of the Law of March 26, 1999 in the event the beneficiary is unable to provide to the fiscal administration the evidence required to be provided under the Law of March 26, 1999.

3.7. In the event an option-holder dies, all warrants (stock options) acquired by the option-holder, including the exercisable – as well as the non-exercisable ones, will transfer in accordance with the terms of a will subject to the mandatory legal provisions governing wills or, in absence thereof, in accordance with the applicable rules of legal succession and the warrants (stock options) of a same plan may be exercised only once during any option exercise period as defined in the plan.

3.8. The following rules shall apply in the event an employee-holder of warrants (stock options) leaves:

- in case of the early termination of the mandate of the executive manager-option holder at his own, all warrants (stock options), which are exercisable on the date of termination, may under penalty of lapsing, be exercised one more time in the next exercise period and all warrants (stock options), which are not exercisable on the date of termination, shall lapse, unless otherwise expressly authorized.
- in case of the early termination of the mandate of the executive manager-option holder at the initiative of the Company for reasons other than termination for cause or the expiration of his mandate, all warrants (stock options) which have not yet been exercised, whether exercisable or non-exercisable, shall remain exercisable in the subsequent exercise periods during the validity period of the warrants (stock options), in accordance with the modalities provided in the Plan en in the warrant agreement of the employee-holder of warrants (stock options).
- in case of the early termination of the mandate of the executive manager-option holder at the initiative of the Company for cause all warrants (stock options), whether exercisable or non-exercisable, shall lapse and shall have no value, unless otherwise expressly authorized.

3.9. The following rules shall apply in case of liquidation or reorganization of the Company:

- in case of liquidation of the Company the warrants (stock options) may be exercised according to an accelerated procedure in that respect.
- in case of merger by acquisition the warrant (stock options) holders of the Company will receive warrants (stock options) of the acquirer in lieu for their warrants (stock options) of the Company on the basis of the agreed upon exchange ratio which applies to the existing shares of the Company.
- in case of merger by formation of a new company or split-off or other reorganization of the Company or its shares, the rights attached to the warrants (stock options) which have not been exercised on the date of such transaction and the exercise price thereof shall be amended in accordance with the exchange ratio which applies to the existing shares of the Company.
- in the event of a change in the capital structure of the Company, the Company may, contrary to the provision of article 501 of the Code on Companies, take all decisions which it deems necessary for its capital, articles of incorporation and the management of its affairs.

3.10. In the event the shares are no longer listed on the stock exchange the holder of warrants (stock options) may exercise his/her rights in a manner which safeguards his/her subscription rights. The new shares shall be of the same nature and shall have the same rights and enjoy the same benefits as the existing shares. The shares shall be entitled to dividend payments for the current fiscal year.

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4. Justification of the transaction.

The granting of the subscription right to shares of the Company, within the framework of the Stock-option Plan "Options Barco 04 – Executive Managers 2011" according to which one (1) option entitles to one (1) share of the Company, is restricted to beneficiaries.

The issue of warrants (stock options) is combined with the suppression of the preferential right of the existing shareholders and the holders of outstanding warrants (stock options) in accordance with article 596 of the Code on Companies.

The suppression of the preferential right is justified because it is the objective to involve persons who exercise a professional activity for the Company and or its affiliated companies, and contribute to the success of the Company as shareholders with the growth and the development of the Company's value and to motivate them, as long term shareholders, to contribute to the improvement of the financial results of the Company and to a positive evolution of the share value. The warrants (stock options) are a part of the Chief Executive Officer's total remuneration package. This package includes among others a performance based variable compensation based on targets determined annually. Since the value of the warrants (stock options) is a function of an increase in the Company's results and thus of the performance of the beneficiary under the Stock-option Plan, the award implies a long term compensation based on the shareholders value created by the beneficiary over this term. An increase of the share value is indeed of outmost importance in the interest of the existing shareholders.

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In the competitive and fast moving international environment in which the Company operates it is also in the interest of the Company to involve the persons, who play an important role in furthering the Company's success, as investors in the Company on an ongoing basis.

One should consider also the favorable treatment of warrants (stock options) either at the moment of exercise or at the moment of the sale thereof.

In the light of the foregoing, it is the Board of Directors' opinion that the suppression of the preference right is justified.

5. The conditions of the issue of the warrants.

The conditions of issue of the warrants are set forth in the Plan.

6. The financial impact of the transaction for the shareholders.

The exercise of the warrants (stock options) offered under the Stock-option Plan "Options Barco 04 – Executive Managers 2011" will have a minimal financial impact for the shareholders since the warrants (stock options) are traded-in for existing shares and not for newly created shares. Therefore the exercise of the warrants (stock options) will result neither in an increase of the share capital of the Company nor in further dilution of the existing shares.

7. Proposal for decision by the Extraordinary General Meeting.

The Board of Directors proposes to the general meeting to decide:

1. Decision to issue a Stock-option Plan "Options Barco 04 – Executive Managers 2011" with the cancellation of the preference right, the authorization for the implementation thereof and approval according to article 556 of the Code on companies.

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1.1 *Proposal of decision:*

Decision to approve a stock-option plan in favor of the executive managers of the company who will be nominated as Beneficiary under the plan in question with the creation of fifteen thousand (15.000) warrants (stock-options) that will be referred to as “Options Barco 04 - Executive Managers 2011” and each giving right to acquire upon exercise one (1) existing share of the Company, and to establish the terms and conditions in accordance with the “Stock-option Plan Options Barco 04 – Executive Managers 2011” that contains the conditions of issue and exercise of the warrants (stock options) and that will be sent free of charge together with the aforementioned reports to those who have complied timely with the formalities required to participate to the meeting and to the nominative shareholders, and be posted on the website of the company www.barco.com.

As provided in the aforementioned “Stock-option Plan Options Barco 04 - Executive Managers 2011” each warrant (stock-option) may be used to acquire one (1) existing share of the company at a price equal to

- (x) the lower of
 - (i) the average closing price of the share as traded on the Euronext Brussels stock exchange during thirty (30) calendar days preceding the date of the offer of the warrants (stock-options);
 - or
 - (ii) the final closing price of the share as traded on the Euronext Brussels stock exchange on the last trading day preceding the date of the offer of the warrants (stock-options);
- or
- (y) such exercise price as applicable under the applicable legislation for authorized stock-option plans, in the countries where the Plan is implemented, provided, however, that such price shall match as closely as possible the price applicable under the plan in question.

1.2 *Proposal of decision:*

Decision to cancel the preference right of the existing holders of shares, bond or of outstanding warrants (stock-options) in connection with the contemplated issue of warrants (stock-options) under the “Stock-option Plan Options Barco 04 - Executive Managers 2011” in favor of the person who is entrusted with the assignment of Chief Executive Officer (“CEO”) of the company, being Mr. Eric Van Zele and this for all presently created warrants.

1.3 *Proposal of decision:*

Authorization for the board of directors to implement the decisions taken, to determine the terms of implementation and, in general, to do everything that is necessary for the implementation of the “Stock-option Plan Options Barco 04 – Executive Managers 2011”.

Except for the Chief Executive Officer (“CEO”) of the company, authorization for each member of the board of directors, acting individually, to ascertain, at the expiration of each period for exercise of the warrants (stock options) the conversion of the relevant warrants into existing shares of the company, to deliver the shares, to receive the amounts due, to grant discharge for such amounts and to record all amounts due in the company's accounts.

1.4 *Proposal of decision:*

Approval, insofar as necessary and applicable, in accordance with article 556 of the Code on companies, of the provisions of the “Stock-option Plan Options Barco 04 – Executive Managers 2011” that may grant rights that could have an impact on the company's assets or result in a debt or an obligation for the company in case of a change of control over the company.

2. Attribution of the stock-options “Options Barco 03 - Executive Managers 2010”

Proposal of decision:

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Authorization to the board of directors and to the remuneration and nomination committee to offer the warrants (stock options) referred to as “Options Barco 04 - Executive Managers 2011” to the Chief Executive Officer (“CEO”) of Barco NV, whereby the latter can accept the warrants (stock-options), either in whole or in part, during a period which shall be set out by the board of directors of the company or the remuneration and nomination committee, provided however that such period may not exceed thirty (30) days.

Kortrijk, August 8, 2011

the Board of Directors

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BARCO N.V.

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EXHIBIT 1

The Stock-option Plan "Options Barco 04 – Executive Managers 2011"
