

DEMERGER OF BARCO N.V. INTO



BARCONET N.V.



(NEW) BARCO N.V.

ADMISSION TO LISTING OF ALL SHARES AND VVPR STRIPS OF BARCONET N.V. AND (NEW) BARCO N.V. ON THE FIRST MARKET OF EURONEXT BRUSSELS

ADDENDUM TO THE PROSPECTUS DATED OCTOBER 6, 2000, AS AMENDED

This addendum forms an integral part of, and qualifies in its entirety the information contained in, the prospectus dated October 6, 2000, and the addendum thereto of October 19, 2000, in respect of the listing of the shares and VVPR strips of BarcoNet N.V. ("BarcoNet") and (new) Barco N.V. ("New Barco") on the First Market of Euronext Brussels following the demerger of Barco N.V. ("Barco"). Unless expressly indicated otherwise the legends, definitions, cautionary statements, restrictions and risk factors set forth in the prospectus, also apply to this addendum.

Prior to making an investment decision, if any, prospective investors should consider carefully all of the information set forth in the prospectus and the addenda thereto, which form an integral part of the prospectus.

Pursuant to Belgian law, Barco is required to prepare the prospectus and the addenda thereto in Dutch. The Dutch version is the only version having evidentiary value in Belgium in connection with the admission of the Shares and VVPR Strips to listing on the First Market of Euronext Brussels. Barco also prepared an English and summary French translation of the Dutch version of the prospectus and an English and French translation of the addenda to the prospectus. Barco has verified and is responsible for, and upon Closing of the Demerger BarcoNet and New Barco will be responsible for, the conformity of the English and French translations of the Dutch version of the prospectus and the addenda thereto.

The Dutch version and the English and French translations of the prospectus and the addenda thereto are made available to the public at no costs with the Joint Global Coordinators and the Cooperating Banks. An electronic version of this prospectus and the addenda thereto is also available, for information purposes only, via the Internet on the Web-sites of Barco (address: www.barco.com), BarcoNet (address: www.barconet.com) and Petercam N.V. (address: www.petercam.be). Only the printed prospectus and the addenda thereto, published in Belgium in accordance with the applicable rules and legislation, are legally valid and Barco, and upon Closing of the Demerger, BarcoNet and New Barco, will take no responsibility for the accuracy or correctness of the prospectus and the addenda thereto available via the Internet. Information contained on Barco and BarcoNet's Internet Web-site or any other Web-site, does not form part of the prospectus and the addenda thereto.

Organized by the Joint Global Coordinators:

Petercam

Robertson Stephens International

With the Cooperating Banks:

Bank Degroof

Bank Brussels Lambert

Fortis Bank

KBC Bank / CBC Banque

The prospectus of October 6, 2000, the addendum of October 19, 2000, and this addendum have been approved by the Belgian Banking and Finance Commission ("*Commissie voor het Bank- en Financiewezen*" / "*Commission Bancaire et Financière*" or "*CBF*") by virtue of article 29ter §1 of the Belgian Royal Decree No. 185 of July 9, 1935, as amended, on respectively October 6, 19 and 30, 2000, in respect of the admission to listing of the Shares and VVPR Strips, including the shares of BarcoNet that will be issued upon completion of the acquisition by BarcoNet of The industree B.V., on the First Market of Euronext Brussels. The approval of the prospectus and the addenda thereto does not imply any judgment by the Belgian Banking and Finance Commission on the merits or the quality of the transaction, and neither does it render any judgment on the position of the persons realizing the transaction. The notices prescribed by article 29 §1 of the aforementioned Royal Decree have been published in the Belgian press. The admission to listing of the Shares and VVPR Strips on the First Market of Euronext Brussels and the prospectus and the addenda thereto have not otherwise been notified, or submitted for approval, to any supervisory authority outside Belgium. The prospectus and the addenda thereto may therefore not be distributed to the public outside Belgium and no steps may be taken that would constitute, or result in, a public offering of the Shares and VVPR Strips outside Belgium.

Date of this addendum: October 30, 2000

ACQUISITION BY BARCONET OF THE INDUSTREE

General

On October 28, 2000, Barco signed an agreement with the shareholders of The industree B.V. ("The industree"), providing for the acquisition by BarcoNet of all issued and outstanding shares of The industree.

The industree is a privately held company, incorporated under the laws of The Netherlands, with offices in Eindhoven, The Netherlands. The industree designs, develops and markets broadband access communication systems for high-speed digital services over cable networks. Its product portfolio consists of cable modems, interactive network adaptors or "INAs" and network management software. These products provide an integrated solution that allows cable operators to offer to private and business users innovative services such as high-speed Internet access and, prospectively, digital telephony or "voice-over-IP" and "video-on-demand". BarcoNet believes that The industree's product offering presents a good fit with BarcoNet's products and that this acquisition can enhance BarcoNet's global competitive positioning to become one of the leading vendors of end-to-end solutions for the deployment of broadband services over cable networks.

The current shareholders of The industree consist, amongst others, of Simac Techniek N.V. (which holds approximately 40 % of the shares of The industree), and Atlas Venture and Crescendo Ventures (which together hold approximately 40 % of the shares). The remaining part of the shares of The industree (approximately 20 %) has been allocated to a stock based incentive plan for the staff of The industree.

The acquisition is expected to be completed around February 2001, subject to certain conditions precedent, which include the listing of the shares and VVPR strips of BarcoNet on the First Market of Euronext Brussels following the Closing of the Demerger.

As consideration for the acquisition of the shares of The industree, BarcoNet shall, subject to completion of the acquisition, issue 5,000,000 new shares, having the same rights and benefits as the then existing shares of BarcoNet. The new shares are expected to be issued by the Board of Directors of BarcoNet in the framework of the company's authorized capital ("*toegestaan kapitaal*" / "*capital autorisé*"), with cancellation of the preferential subscription right of the shareholders of BarcoNet, to the extent required. The new shares are to be subscribed by the current shareholders of The industree. It is anticipated that part of the new shares (approximately 20 %) will be allocated to replace existing stock based incentive plans for the staff of The industree.

Depending on the completion of the acquisition and the issuance of the new shares, BarcoNet shall apply for the listing of the new shares on the First Market of Euronext Brussels. Subject to approval by the Market Authority of Euronext Brussels, the new shares are expected to be listed following the completion of the acquisition and the issuance of the new shares around February 2001. Except for a maximum of 50,000 new shares, the new shares are expected to be subject to lock-up arrangements. In accordance herewith, for a period of 180 days from the date of the first listing of the shares of BarcoNet following the demerger of Barco, the new shares may not, without the prior consent of Petercam N.V., be sold or otherwise disposed of. Petercam N.V. may, however, release all or any portion of the new shares that will be subject to the aforementioned lock-up arrangements.

Pending the completion of the acquisition, starting as of the Closing of the Demerger, The industree's activities will be conducted in accordance with certain transitional arrangements prior to the completion of the acquisition. In addition, BarcoNet will also grant a loan of approximately EUR 3.5 million to The industree to finance certain liabilities and working capital requirements of The industree.

It is anticipated that BarcoNet will present one of the representatives of the current shareholders for election as Director of BarcoNet by the first general shareholders' meeting of BarcoNet following the completion of the proposed acquisition. Prior to this election, such person will attend the meetings of the Board of Directors of BarcoNet as an observer.

Increase of BarcoNet's Capital

The extraordinary shareholders' meeting of Barco that will decide on the demerger of Barco and the incorporation of BarcoNet and New Barco, will be proposed to set the share capital of BarcoNet at EUR 12,658,036.39, represented by 24,820,958 shares, each representing 1/24,820,958th of BarcoNet's share capital. Furthermore, it will be proposed to authorize the Board of Directors of BarcoNet to increase the company's share capital with a maximum amount of EUR 6,400,000 within the framework of the authorized capital.

As a result of the issuance of 5,000,000 new shares upon completion of the acquisition of The industree, the Board of Directors of BarcoNet is expected to increase the company's capital with an amount of EUR 2,549,868.62, excluding issuance premiums, if any, which will represent 39.84 % of the company's authorized capital. In addition, each of the holders of shares of BarcoNet is expected to suffer a dilution of 16.77 % per share in the capital of BarcoNet prior to the exercise of warrants, options and convertible bonds of BarcoNet. As to the warrants, options and convertible bonds of BarcoNet, further reference is made to Sections 1.2.3 to 1.2.6 of Chapter II of the prospectus.

On August 31, 2000, GIMV N.V. confirmed that it held directly 3,558,632 shares and indirectly, via its affiliate VIM N.V., 589,652 shares of Barco, or in total 4,148,284 shares, which represents 33.43 % of the existing shares of Barco or 31.72 % on a fully diluted basis, taking into account the exercise of all outstanding warrants, options and convertible bonds of Barco. Upon Closing of the Demerger, GIMV N.V. and its affiliate VIM N.V. will receive two new shares of BarcoNet per share of Barco that they will hold, which will represent 33.43 % of the then outstanding shares of BarcoNet prior to the exercise of warrants, options and convertible bonds of BarcoNet. As a result of the issuance of the new shares, and based on the information provided by GIMV N.V. on August 31, 2000, the participation of GIMV N.V. and VIM N.V. is expected to be diluted to 27.82 % of the outstanding shares of BarcoNet prior to the exercise of warrants, options and convertible bonds of BarcoNet.

Rationale of the Proposed Acquisition of The industree

BarcoNet's main product line consists of Headends, fiber optic Backbones, Digital TV distribution solutions and Network management systems. BarcoNet believes that it has one of the widest ranges of end-to-end solutions for headends, backbones, digital TV distribution and network management equipment available on the market today, and it intends to become a leading worldwide provider of such products and services.

BarcoNet's headend solution currently consists of digital (TV), analog and data headends. Whereas digital (TV) and analog headends are mainly focussed on the distribution of video content, data headends serve as a gateway to provide high-speed Internet data services to private and business subscribers. Currently, BarcoNet has only a limited data headend product portfolio, consisting of so-called "upconverters". This device converts signals that have been processed in the data headend into TV channel frequencies, and is therefore an important element in Internet protocol or "IP" transmission of data via cable networks.

As set out in the prospectus, one of the key elements of BarcoNet's strategy will be to expand its business into the growing market segments of broadband data communication over cable networks. New multimedia networks use standardized high-speed cable modems and set-top boxes to provide subscribers with new services such as broadband, high-speed Internet access, "voice over IP" and "video-on-demand". Several large network operators have begun to roll-out these services on a large scale, whereas others are currently still testing the technology and equipment in field trials. BarcoNet intends to further develop and expand its data headend product portfolio to support these new digital applications over cable networks. BarcoNet plans to pursue this strategy via research and development, as well as acquisitions.

BarcoNet's management believes that the acquisition of The industree should enable it to expand its existing range of data headend solutions for the digital transmission of data over cable networks. The industree's product line consists of cable modems to be installed at the end-user's premises, interactive network adaptors at the headend side of the network, and network management software that manages and controls the connection between the cable modem and headend. The cable modem enables the end-user to receive and send data, digital voice and video content over the cable at high speed from his premises. At the other end of the connection with the network, the interactive network adaptor communicates with the cable modems and processes the signals that are received in the data headend into signals that, through the upconverter, can be transported onto the cable via a TV channel frequency to the end-user's cable modem. This process can be monitored and controlled by The industree's management software system.

BarcoNet believes that The industree's integrated cable access solution complements and fits in with BarcoNet's current offering of headends, fiber optic backbones, digital TV distribution solutions and network management systems, and it expects that the acquisition and integration of The industree's technology, product range and engineering and development capabilities should create an appropriate leverage to provide a full end-to-end digital headend solution for data over cable transmission on two-way broadband networks from the headend to the end-user's PC.

The acquisition of The industree can enhance BarcoNet's competitive position as one of the selected global suppliers of integrated solutions for the delivery of broadband services over cable networks. In addition, The industree's skilled research and development team can accelerate the development of next-generation products.

Information concerning The industree

General

The industree was founded in 1998 by the Dutch group Simac at a time that also other companies became active in the data over cable market. As a niche-player, The industree focuses on the development and marketing of integrated solutions for the transmission of data over broadband cable networks. Based on discussions and inquiries with the management of The industree, the following paragraphs summarize BarcoNet's understanding of The industree's business, management and organization.

The industree's Business

The industree markets its products under the brand name 'CABLEFLEET'. This product line currently consists of cable modems, interactive network adaptors, and network management software.

- ***Cable Modems***

Cable modems serve as the main gateway for private and business end-users to receive advanced, high-speed digital communication services, such as broadband Internet access, digital voice telephony and "video-on-demand", over the cable network at their premises.

The industree develops, and since the end of the second quarter of 2000 also markets, the CABLEJET cable modem. The manufacturing of this product line is outsourced to third party sub-contractors. In August 2000, The industree has announced that it had entered into an agreement with a major cable operator in The Netherlands to provide its CABLEJET900 cable modems to support this operator's roll-out of broadband services. First deliveries of cable modems, together with interactive network adaptors, were made in September 2000. BarcoNet understands that The industree's cable modems are currently being tested by cable operators in several field trials in Europe. The industree's cable modems are not sold directly to the end-users.

The industree's cable modems are designed to support data over cable transmission using the European industry standard for cable network transmission "DVB/DAVIC".

- *Interactive Network Adaptors or "INAs"*

The interactive network adaptor is a key element of the data headend, which converts Internet protocol or "IP" and other digital signals for transmission over two-way cable networks, connecting the end-user via the cable modem to the central offices of the cable service provider. Typically, a single interactive network adaptor can support a connection with several hundreds of cable modems.

The industree distributes the CABLEDOC150 interactive network adaptor. This product is also offered in combination with the CABLEJET900 modems. Whereas the CABLEDOC150 is developed, manufactured and marketed by a third party original equipment manufacturer, BarcoNet understands that The industree currently develops the new CABLEDOC200. The industree expects to launch its CABLEDOC200 towards the end of 2000, and to commence delivery in the first quarter of 2001. Contrary to the CABLEDOC150, the CABLEDOC200 will be entirely developed by The industree. The manufacturing of the CABLEDOC200 will be outsourced to sub-contractors. BarcoNet understands that the CABLEDOC200 can be used in combination with the CABLEJET900 modem as well as third party vendors' cable modems applying the same specifications.

The industree's interactive network adaptors are designed in compliance with the "DVB/DAVIC" standard. In networks operating under the alternative "DOCSIS" or "EuroDOCSIS" standard for cable transmission, the interactive network adaptors are often referred to as the "cable modem termination systems" or "CMTS", which generally have the same functionality and purpose as an interactive network adaptor in a "DVB" network.

- *Network Management Software*

The connection of the end-user via the cable modem over the cable network to the data headend is supported and monitored by specific network management software. BarcoNet understands that The industree is currently developing the CABLEPILOT network management software package. This software system is expected to allow cable operators to remotely monitor and manage the connection of a large number of subscribers to the cable network via their cable modem. BarcoNet understands that the CABLEPILOT is scheduled for release at or around the launch of the CABLEDOC200, The industree's interactive network adaptor. BarcoNet understands that the CABLEPILOT will be offered for use in combination with The industree's CABLEDOC200 and cable modems, as well as third party interactive network adaptors and cable modems. Furthermore, BarcoNet understands that when used in combination with The industree's CABLEDOC200 and cable modems, the CABLEPILOT will offer cable operators additional features, such as the ability to remotely install and connect cable modems with the network, and the automatic configuration of the connection between the headend and the cable modems. These additional features might not be available when the CABLEPILOT is used with other interactive network adaptors or cable modems.

Competition, Sales and Marketing

The industree's main competitors for cable modems and/or interactive network adaptors include suppliers of cable modems and cable network equipment such as ADC/BAS, Cisco, Com21, Motorola, River Delta, Terayon and Thomson.

BarcoNet understands that The industree's customers and potential customer base mainly consist of cable operators providing digital services to their subscribers. In view of The industree's compliance with the "DVB/DAVIC" standard, which is typically used in Europe and Asia, its target geographical market is currently focussed to Europe and some Asian countries, but not the United States, since, as discussed below, data over cable transmission in the United States is almost exclusively based on the "DOCSIS" standard.

The industree relies for the marketing and sales of its products on its direct sales force based in The Netherlands. The industree has also a sales representative in Germany, and intends to deploy a sales force in the United Kingdom, where it recently hired two representatives.

Furthermore, BarcoNet understands that The industree has a number of non-exclusive co-marketing and co-development arrangements in place with other equipment vendors for the joint marketing and development of integrated solutions for cable operators that want to provide digital communication services to their subscribers.

Research and Development

The Industree has a skilled team of developers in the cable communications area with experience in both software and hardware. As of the last quarter of 2000, this team includes approximately 50 developers.

The industree's technology and know-how relies on a combination of a patent application, copyright, licensing laws and contractual restrictions to establish and protect its proprietary rights in products and processes. The industree has one pending patent application relating to "private server hosting prevention". BarcoNet understands that this technology should enable a network operator to prevent its subscribers to set-up parallel Internet hosting services, such as the provision of Web-sites and e-mail services, on the networks of the principal operator without the latter's consent. The industree has also a number of Benelux and international trademarks, covering amongst others, the following names: "The industree", "CABLEFLEET", "CABLEJET", "CABLEDOC" and "CABLEPILOT".

The industree's Management and Organization

The key management of The industree consists, amongst others, of Hans Streng. Mr. Streng (46 years of age) is Chief Executive Officer of The industree, and has 20 years of experience in general management, development and marketing in handheld personal digital assistants or "PDAs", high-end television and audio systems at Philips Consumer Electronics, Philips Corporate Research and Simac. Mr. Streng is a graduate of the University of Technology in Eindhoven, The Netherlands, and holds a MBA from the University of Rochester, United States.

BarcoNet understands that on October 1, 2000, The industree has approximately 47 full-time employees, including The industree's key management and key research and development team, and approximately 20 temporary employees and external consultants. The majority of The industree's workforce (approximately 50 individuals) is active in research and product development. Smaller teams are active in marketing and sales, respectively general services and other supporting activities. Whereas the management, research and sales teams of The industree are all located in The Netherlands, BarcoNet understands that The industree recently hired a sales representative operating from Germany, and two sales representatives that will operate from the United Kingdom.

The industree has one dormant, wholly owned Dutch subsidiary, Product Market Research B.V.

The Integration of The industree into BarcoNet

The addition of the know-how and product range developed by The industree, is expected to enable BarcoNet to add to its product offering a full end-to-end digital and data headend solution from the headend to the end-user's PC, compliant with the European "DVB/DAVIC" standard as of the first quarter of 2001.

In absence of a uniform worldwide industry standard for data over cable transmission, the prevailing industry standards to date consist of "DVB" and "DOCSIS". Digital Video Broadcasting or "DVB" is an international industry standard for digital TV broadcasting, supported by the Digital Audio-Visual Council or "DAVIC", an international organization the main purpose of which is to promote the success of emerging digital audio-visual applications and services by providing internationally agreed specifications with respect to open interfaces and protocols. Today, the "DVB/DAVIC" standard is mainly used in Europe.

BarcoNet understands that data over cable transmission in the United States, on the other hand, is typically based on the Data Over Cable Services Interface Specification or "DOCSIS" standard, which is an international standard defining interface requirements for cable modems at the end-user's end and the cable modem termination system or "CMTS" at the headend side for high-speed data distribution over cable networks. The "DOCSIS" standard has also been modified into "EuroDOCSIS", which complies with European specifications and which is used on some European networks. The current versions "DOCSIS 1.0" and "EuroDOCSIS 1.0" do not provide for guaranteed high-speed access, ensuring quality of service or "QoS", and the capacity to support digital telephony or "voice over IP". These additional features will, however, be available on the next generation of "DOCSIS" and "EuroDOCSIS", namely "DOCSIS 1.1" and "EuroDOCSIS 1.1", which are expected to be launched in 2001.

BarcoNet aims to use the technological background and the development capabilities of The industree to expand its product portfolio by including equipment compliant with the United States industry standard "DOCSIS 1.1" and the European variant thereof, "EuroDOCSIS 1.1", by the end of 2001. BarcoNet expects that this will require a transformation of the existing "DVB" platform of The industree into a "DOCSIS 1.1" and "EuroDOCSIS 1.1" platform, mainly through a re-programming of software modules. Both the "DVB/DAVIC" and the "DOCSIS 1.1"/"EuroDOCSIS 1.1" standards will allow multi-service connections to end-users, integrating video, data and voice services over the same open-standard access technology.

Whereas The industree's customer base is currently limited to mainly Europe and some Asian countries, the extension to the "DOCSIS" standard is expected to allow BarcoNet to also service the United States market with its data headend solution. The anticipated ability to provide systems in the "DVB", "DOCSIS" and "EuroDOCSIS" standards would be part of BarcoNet's strategy to provide solutions according to open, worldwide industry standards.

Selected Financial Information of The industree

General

The selected financial information set forth in the following paragraphs has been provided to BarcoNet by the management of The industree, who is responsible for the preparation of the financial statements of The industree. The presentation of this financial information in the present addendum does not imply a representation by Barco, and upon Closing of the Demerger by BarcoNet and New Barco, that this financial information is true and accurate, and represents a fair view of the financial condition and results of operation of The industree.

Selected Financial Information of The industree in accordance with Dutch GAAP

The selected financial information below is derived from a special purpose report of The industree which is established as of August 31, 2000, and for the eight month period then ended, presented in accordance with Dutch generally accepted accounting principles or "Dutch GAAP", and which contains consolidated financial statements of The industree as of December 31, 1999, and for the year then ended, and as of August 31, 2000, and for the eight month period then ended, presented in Dutch GAAP. The special purpose report is available with, and can be obtained from, Barco and, following the Closing of the Demerger, BarcoNet.

The special purpose report is the responsibility of The industree's management. The special purpose report has been audited by The industree's statutory auditor, KPMG Accountants N.V., a company incorporated under the laws of The Netherlands, with registered office in Eindhoven, The Netherlands. KPMG Accountants N.V. issued an unqualified opinion, dated October 6, 2000, to the special purpose report. In the opinion, an emphasis of matter paragraph is included in respect of the future funding of The industree, according to which the relevant accounting principles have been applied on the assumption that The industree will continue as a going concern.

For a more comprehensive view of the financial position and results of The industree and the scope of the audit of KPMG Accountants N.V., the selected financial information below should be read in conjunction with the full special purpose report from which it is derived and the auditor's report issued thereto.

BarcoNet understands that the reporting currency of the financial statements of The industree as of December 31, 1999 and for the year then ended, and as of August 31, 2000 and for the eight month period then ended, is the Dutch guilder ("NLG"). For the convenience of the reader, amounts in Euro ("EUR" or "€") have been converted from Dutch guilder into Euro, using the fixed official exchange rate of NLG 2.20371 for EUR 1.00.

The public should note that the financial condition of The industree is subject to changes taking place as of August 31, 2000 up to the completion of the acquisition and the moment that the financial statements of The industree are to be consolidated into the consolidated financial statements of BarcoNet Group.

The information set forth below is qualified by reference to, and should be read in conjunction with, the notes and information included elsewhere in this addendum.

**CONSOLIDATED BALANCE SHEET OF THE INDUSTREE
AS OF DECEMBER 31, 1999, AND FOR THE YEAR THEN ENDED, AND
AS OF AUGUST 31, 2000, AND FOR THE EIGHT MONTH PERIOD THEN ENDED**

In thousand Euro	<u>Eight months ended August 31, 2000</u> (unaudited)	<u>Year ended on December 31, 1999</u> (unaudited)
ASSETS	4,477	4,213
Fixed assets	585	282
Tangible fixed assets	585	282
Current assets	3,892	3,931
Inventories	619	192
Receivables	556	100
Trade debtors	82	55
Participants	277	0
Other receivables	197	45
Cash	2,717	3,639
 EQUITY AND LIABILITIES	 4,477	 4,213
Equity	2,116	(1,757)
Provisions	0	0
Liabilities	2,361	5,970
Taxes and social security	347	323
Trade accounts payable	1,044	752
Participants	0	3,922
Other liabilities	970	973

**CONSOLIDATED PROFIT AND LOSS ACCOUNT OF THE INDUSTREE
AS OF DECEMBER 31, 1999, AND FOR THE YEAR THEN ENDED, AND
AS OF AUGUST 31, 2000, AND FOR THE EIGHT MONTH PERIOD THEN ENDED**

In thousand Euro	Eight months ended August 31, 2000	Pro forma, year ended on December 31, 1999
	(unaudited)	(unaudited)
Net sales	288	241
Other income	0	185
Total income	288	426
Cost of goods sold	(253)	(48)
Gross margin	35	378
Cost of personnel	(2,091)	(1,183)
Subcontracted work and other external expenses	(2,903)	(3,900)
Depreciation of tangible fixed assets	(196)	(73)
Total cost of the organization	(5,190)	(5,156)
Income from operations	(5,155)	(4,778)
Interest charges	43	(108)
Income before taxation	(5,112)	(4,886)
	<u> </u>	<u> </u>

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following notes to the consolidated financial statements of The industree have been derived from the notes set forth in the special purpose report of The industree as of August 31, 2000, and for the eight month period then ended.

Accounting Policies

- *Basis of Presentation* — The consolidated financial statements of The industree as of December 31, 1999, and for the year then ended, and as of August 31, 2000, and for the eight month period then ended are prepared in accordance with generally accepted accounting principles in The Netherlands, applied on a consistent basis, and include the financial statements and results of The industree and its subsidiary Product Market Research B.V. Both companies were direct 100 % subsidiaries of Simac Techniek N.V. until May 27, 1999. On May 27, 1999, Simac Techniek N.V. transferred the shares of Product Market Research B.V. to The industree, as a result of which Product Market Research B.V. has become a 100% subsidiary of The industree. At the end of 1999, The industree carried out a private placement for an amount of approximately EUR 10 million, as a result of which Atlas Venture and Crescendo Ventures on August 31, 2000, together held approximately 40 % of the shares.

The shares of Product Market Research B.V. have been transferred to The industree for NLG 1,00. The assets and liabilities are recorded at historical book value. The difference between the value of NLG 1,00 and the book value of the assets and liabilities at the date of the transfer is directly charged to equity.

The profit and loss account for the year ended on December 31, 1999, is presented for comparison purposes as if the transfer of the shares of Product Market Research B.V. to The industree had taken place on January 1, 1999. Consequently, the profit and loss account of 1999 is pro forma combined.

The statements are presented as if The industree and Product Market Research B.V. existed as an entity separate from their parent company during 1999 and 2000 and include the historical assets, liabilities, revenues and costs that are directly related to The industree and Product Market Research B.V. The statements are not necessarily indicative of the financial position and results of operations that would have occurred had The industree and Product Market Research B.V. been separate entities.

- *Historic Cost Convention* — Generally, the policies followed in relation of valuation and income determination are based on historical costs, and assets and liabilities are carried at face value.

- *Foreign Currencies* — Assets and liabilities are translated into Dutch guilders, using the official exchange rate on the balance sheet date. Exchange differences due to transactions in foreign currencies are reflected in the pro forma combined profit and loss account.

- *Funding* — The industree has been funded by its shareholders until August 31, 2000. Based on cash flow forecasts made in October 2000, The industree's funds are still sufficient for the next one or two months. In addition, it should be noted that pursuant to the agreement with BarcoNet, the latter shall issue a loan of EUR 3.5 million to fund certain liabilities and working capital requirements of The industree. As a result, the accounting principles applied are based on the assumption that The industree will continue as a going concern.

Balance Sheet

- *Tangible Fixed Assets* — Tangible fixed assets are presented at purchase price less accumulated depreciation. The depreciation of tangible fixed assets is based on fixed percentages, which depend on the type of asset and its expected economic life.

- *Stocks* — Stocks of goods for trade are stated at the lower of historical purchase price less a provision for obsolescence and net realizable value. Freight costs and import duties are taken into account when determining the purchase price.

- *Receivables* — Receivables and prepaid expenses are stated at face value less an allowance for possible non-collectable amounts.

- *Cash* — Cash and cash equivalents are stated at face value and include those cash balances, which can be controlled by management of The industree and Product Market Research B.V. Other cash and cash equivalents not controlled by management are reported as inter-company accounts.

- *Participants* — Participants in 1999 represent accounts receivable and accounts payable between The industree and Product Market Research B.V. on the one hand, and Simac Techniek N.V. and its subsidiaries on the other. The industree used a credit facility of Simac Techniek N.V. Payments were only possible after approval of Simac Techniek N.V. As such "bank accounts" are reported under inter-company accounts. As Simac Techniek N.V. settled VAT, payroll taxes, social securities and pension premiums centrally, these liabilities are also reported under inter-company accounts in 1999. Starting as of 1 October 1999 payroll taxes are due by The industree. As such the liability is presented as taxes and social securities. In 2000 a receivable of NLG 610 (000) is reported in respect of taxes and interest to be received from Simac Techniek N.V.

- *Provisions* — Provisions are recognized for liabilities, contingencies and losses that have been incurred as of the balance sheet date and for which the amount is uncertain but can be reasonably estimated. Pension obligations have been funded with independent pension funds or with third parties

- *Liabilities* — Liabilities are stated at face value. As to contingent liabilities, it should be noted that during 1998 and 1999, The industree received an amount of NLG 1,938 (000) in respect of a subsidy. At the end of August 2000, an amount of NLG 700 (000) had accrued, but had not yet been settled. Although it is not sure whether the entire amount will be settled, The industree believes that the entire amount will be settled.

Profit and Loss Account

- *Sales* — Net sales represent the proceeds derived from delivery of goods and service activities to third parties and to other Simac companies. Product sales are recognized at the time the product is delivered to the customer, net of sales taxes, customer discounts, rebates and similar charges.

- *Other Income* — Subsidies are recognized on a cash basis.

- *Costs* — Activities are mainly related to research and development activities in respect of cable modems. The related costs are directly reflected in the profit and loss account. Related subsidies are presented as other income and recognized on a cash basis.

BarcoNet understands from The industree's management that the variation in "costs of goods sold" between 1999 and 2000 relates to the fact that more software and services were recorded, and as a result less material costs, in 1999 than in 2000.

- *Taxes* — Product Market Research B.V. and The industree were part of a fiscal entity of Simac Techniek N.V. in 1999. Taxes resulting from the activities of Product Market Research B.V. and The industree have been incorporated in this fiscal entity and were not available at Product Market Research B.V. and The industree level. For 2000, The industree is a separate fiscal entity. No deferred tax assets have been capitalized in respect of tax losses carried forward as it is unsure whether these assets will materialize.

- *Costs of Personnel* — The industree's personnel was per the beginning of 1999 formally on the payroll of Simac Techniek N.V. At the end of 1999, all employees (at that time 32) were on the payroll of The industree.

BarcoNet understands from The industree's management that in the course of 1999, The industree set up its own administrative department, as a result of which all personnel costs incurred by Simac Techniek N.V. were retro-actively re-charged to The industree as of January 1, 1999.

Reconciliation of the Financial Information of The industree in Dutch GAAP with US GAAP

According to BarcoNet's management, there would be no material differences between the financial statements of The industree as set forth above, as presented in accordance with Dutch GAAP, and financial statements presented in accordance with United States generally accepted accounting principles or "US GAAP".

Prospects of BarcoNet

BarcoNet forecasts to realize a growth of around 20 % in sales in 2000 as compared to 1999, which would be in line with the average market growth, which can be estimated, according to market studies, to range between 18 % and 20 % per year. Subject to, and following the completion of the acquisition, which is anticipated to take place around February 2001, the financial results of The industree might still be consolidated into the financial results of BarcoNet Group in 2000, rather than 2001. The decision to consolidate in 2000 or 2001 will only be taken by BarcoNet upon receipt of a report to be issued by BarcoNet's statutory auditor on that issue. The anticipated sales growth of BarcoNet in 2000 will not be impacted if the financial results of The industree are not consolidated in 2000. If, however, the consolidation were still to occur in 2000, BarcoNet's sales would only be impacted by the acquisition to a very limited extent.

According to BarcoNet's management, the acquisition of The industree should accelerate, as of 2001, the sales growth to well above 20 % due to the extended product offering and the higher growth rates expected in the data over cable market segment as compared to the digital and analog headend markets.

The impact of the acquisition of The industree on BarcoNet's current net income before amortization of goodwill in 2000 will to a large extent depend on the date of consolidation of The industree's financial results into the consolidated financial results of BarcoNet Group. In any event, the addition of The industree is expected to substantially increase the research and development costs. BarcoNet's current profit could therefore be impacted already in 2000, and will be substantially impacted in 2001. According to BarcoNet's management, however, this should change as from 2002 onwards. In view hereof, it is anticipated that, starting from 2002, the addition of The industree will have a positive impact on the current profits of BarcoNet, and management estimates that current profit levels as a percentage of sales will surpass the levels that would have been without The industree from the second half of 2001 onwards. From then on, management expects that the growth of current profit as compared to 2000 will be in line with the expected growth in sales.

BarcoNet's income after taxes could be substantially impacted by the acquisition of The industree, not only because of the considerable amount of goodwill to be amortized over approximately 15 years, but also because of the possibility that the so-called "in process research and development" cost, which will be entirely recorded in the first year of consolidation could be substantial. An independent third party is expected to conduct an audit in the near future, upon which the exact amount of "in process research and development", and thus the exact impact on BarcoNet's income after taxes, will be known. In any event, it could be that the amortization of goodwill and the "in process research and development" costs could be so substantial that BarcoNet could suffer a net loss in either 2000 or in 2001, depending on the date of consolidation.

Impact of the Proposed Acquisition of The industree on the Indicative Valuation of BarcoNet Group

The discussion below relates to the indicative valuation of BarcoNet Group by Petercam N.V. and should be read together with Section 3.4.4 of Chapter I of the prospectus of October 6, 2000. Furthermore, and subject to the comments relating to forward-looking statements in the section "Risk Factors" in the prospectus and this addendum, the public should note that the indicative valuation of BarcoNet Group relies on a number of estimates and assumptions that, while considered reasonable at the time of printing, are inherently subject to significant business, financial, economic and other uncertainties and contingencies, and cannot be regarded as a representation by BarcoNet or Petercam N.V. that these estimates and assumptions are correct or accurate. The public is therefore cautioned not to place any undue reliance on the indicative valuation set forth in the prospectus and this addendum.

Subject to the completion of the acquisition of The industree, BarcoNet will broaden its activity portfolio and reinforce its position in a market segment with above-average growth perspectives. Although the acquisition is expected to negatively impact BarcoNet Group's earnings in the short term, it will improve the profile of BarcoNet and increase its revenue growth and income expectations.

The peer group and selection ratios used, that have been applied, and that are referred to in the prospectus, to assess BarcoNet's indicative value, will need to be adjusted to reflect BarcoNet's estimated higher growth profile and enlarged product portfolio following the proposed acquisition of The industree. The amended peer group will consist of five US companies (ADC Telecommunications, C-COR.net Corporation, Harmonic, Scientific Atlanta and Terayon), one Norwegian company (Tandberg Television Asa) and one company in Finland (Teleste Oyj).

Furthermore, as a consequence of the acquisition, a stronger emphasis needs to be put on multiples of sales compared with earnings multiples, which better reflect the improved prospects of BarcoNet after the acquisition and its potentially stronger competitive position.

Prior to the separate listing of the shares of BarcoNet, Petercam N.V. will perform a new valuation of BarcoNet Group, based on the peer benchmarking method in accordance with the principles set forth in the prospectus, taking into account the modifications set forth above. If the initial reference price range that will result from this valuation update should substantially differ from the expected initial price range published in the prospectus, this will be published in the Belgian financial press prior to the first separate listing of the shares of BarcoNet.

Risk Factors relating to the Proposed Acquisition of The industree

BarcoNet's management believes that the proposed acquisition of The industree constitutes an important element in its strategy to expand its current data headend product line. To the extent that the proposed acquisition is not completed, it cannot be guaranteed that BarcoNet will be able to obtain the same benefits as it expects to obtain from the proposed acquisition, whether by means of acquisitions or partnerships, upon financial, commercial or other terms acceptable to it. This could harm BarcoNet's competitive position and profitability.

Subject to completion of the proposed acquisition, on the other hand, BarcoNet expects that the acquisition of The industree will place a significant strain on BarcoNet's personnel, management and other resources. Although acquisitions have in the past successfully been incorporated into the Barco Communication System activity, it cannot be assured that BarcoNet will be able to successfully address the challenges that the proposed acquisition of The industree will present. These challenges include, but are not limited to, the following:

- Competition for qualified personnel is intense, and BarcoNet could have difficulties in retaining The industree's qualified personnel. In the past, the employees of The industree have not always been required to enter into confidentiality agreements, agreements with respect to ownership of inventions and intellectual property rights, or non-compete covenants. Competitors and others have in the past and may in the future attempt to recruit The industree's employees. The loss of the services of any of The industree's key personnel, the inability to attract or retain qualified personnel in the future or delays in hiring required personnel, particularly engineers and other technical personnel, could negatively affect BarcoNet's business.
- BarcoNet could face problems in integrating the technology, products and organization of The industree into BarcoNet's.
- The industree has only a limited history and experience in developing and marketing its products and organizing its business, and it is difficult to ascertain the value of its technology and its business. BarcoNet will need to effectively manage the expansion of the business, technology and organization of The industree, in order to realize its potential.
- Some of The industree's business relationships are based on oral arrangements, which, following the acquisition of The industree, may not be enforceable by BarcoNet, and BarcoNet may not be able to obtain any benefits from these arrangements.
- The intellectual property, know-how and trade secrets underlying The industree's product line and technologies, may not be adequate, allowing third parties to use and/or challenge such technology or similar technology, and thus reducing The industree and, following the completion of the acquisition, BarcoNet's ability to compete in the market of data headends.
- The industree's products could infringe on the intellectual property rights of others, which, following the completion of the acquisition of The industree, may cause third parties to claim damages from BarcoNet or may cause BarcoNet to engage in expensive and time consuming law suits, and therefore may prohibit BarcoNet from effectively expanding and selling its products in the field of data headends.
- The industree's products face intense competition, and many of The industree's competitors are considerably larger and have greater financial, commercial, technological and marketing resources and experience than The industree and BarcoNet. If BarcoNet does not succeed in developing and producing commercial products based on the technology of The industree, it is possible that it will not be successful in creating an additional revenue stream in the data headend field.
- BarcoNet may be unable to build brand loyalty in respect of the acquired products and technology of The industree because the latter's trademarks and trade names may not be adequately protected.

BarcoNet's failure to manage the risks and challenges involving the proposed acquisition would likely materially and adversely affect its business, financial condition and operating results, and its ability to seek indemnification under its agreement with the shareholders' of The industree may turn out to be limited. Moreover, BarcoNet's profitability may suffer because of costs related to the acquisition or amortization costs for acquired goodwill and other intangible assets.

BARCO GRAPHICS

On October 17, 2000, it was announced that Barco and CVC Capital Partners had decided to stop negotiations about a possible management buy-out or "MBO" of Barco Graphics. Recent evolutions in the graphic industry prevented parties from reaching an agreement.

However, Barco intends to further increase the shareholder value in a permanent way. Therefore, following the Closing of the Demerger, New Barco will aim at continuing the strategy towards independence of its remaining activities. For this purpose, the available funds will be used in order to develop the opportunities presenting themselves in these activities.

In view hereof, the organizational autonomy of Barco Graphics will be further developed and the product innovation, as started at DRUPA 2000 and EPC 2000, will be continued.

Management of Barco confirms its expectation that the current results of New Barco before taxes and before amortization of consolidation goodwill for 2000 will increase with 10 %, as compared to 1999, but excluding the results of the Barco Communication Systems activity. For the following years, Barco forecasted an average annual growth in profits of 15 %, but given the strategy to give more autonomy to its activities, it is believed that this growth percentage could be accelerated.

SPECIAL NOTES

Special Note regarding the Demerger of Barco and the Rights of Creditors of Barco pursuant to the Demerger of Barco

The agreement relating to the proposed acquisition by BarcoNet of all outstanding shares of The industree constitutes an important event that took place after September 1, 2000, when the Board of Directors of Barco drafted its proposal to demerge Barco into BarcoNet and New Barco. According to the terms of the demerger proposal, all rights and obligations of Barco under the agreement with the shareholders of The industree will be allocated to BarcoNet, as the proposed acquisition relates to the "Barco Communication Systems" activity that will be allocated to BarcoNet.

By virtue of Belgian Company Law, except for the allocation of certain assets and liabilities for which special formalities exist, such as in respect of (registered) intellectual property rights, real estate, and mortgages, the allocation of assets and liabilities of Barco to BarcoNet, respectively New Barco, will generally be effective vis-à-vis third parties, including existing creditors of Barco, upon publication of the demerger in the annexes to the Belgian Official Gazette.

Notwithstanding the foregoing, however, pursuant to Belgian Company Law, BarcoNet and New Barco can, to some extent, be held liable vis-à-vis existing creditors of Barco whose claims vis-à-vis Barco pre-date the publication of the demerger of Barco in the annexes to the Belgian Official Gazette. The relevant principles can be summarized as follows:

- Vis-à-vis creditors of Barco whose claims vis-à-vis Barco pre-date the publication of the demerger of Barco in the annexes to the Belgian Official Gazette and whose claims are due, but have not yet been paid or expired, BarcoNet and New Barco will be jointly liable. Accordingly, if a certain claim is allocated to BarcoNet (or New Barco), BarcoNet (or New Barco) will be fully liable for the payment of such claim. New Barco (or BarcoNet), on the other hand, will be jointly liable for such claim, but only to the extent, of the net assets that they will have been allocated to it.
- Creditors of Barco whose claims vis-à-vis Barco pre-date the publication of the demerger of Barco, but whose claims are not yet due, are entitled to demand additional guarantees from BarcoNet and New Barco to secure their original claims or rights. The claim for additional guarantees must be asserted within two months following the publication of the demerger of Barco in the annexes to the Belgian Official Gazette. The new legal entity or debtor (i.e. BarcoNet or New Barco) to which the relevant claim will have been allocated, will be entitled to reject such demand for additional guarantees by paying the discounted value, if any, of the claims concerned. If no agreement is reached on the demand for additional guarantees or the payment of the discounted value of the original claim, the creditor and the new debtor concerned will each be entitled to submit their dispute to the President of the Commercial Court of Kortrijk, Belgium, who can decide in his discretion either to impose additional guarantees or to reject the demand for additional guarantees. If the President imposes additional guarantees, and if the additional guarantees are not provided within the term set forth by the Court, the original claim will become immediately due. In that event, both New Barco and BarcoNet will be held jointly and severally liable to pay the original claim.

Furthermore, to the extent that it cannot be unequivocally be determined on the basis of the demerger proposal, or pursuant to an interpretation thereof, whether a liability of Barco is allocated to BarcoNet or New Barco, BarcoNet and New Barco will be jointly liable for such liability.

Consequently, in spite of the fact that pursuant to the demerger proposal all rights and obligations of Barco in respect of the proposed acquisition of The industree will be allocated to BarcoNet, it cannot be excluded that New Barco could be held jointly liable with BarcoNet for the latter's liabilities vis-à-vis the current shareholders of The industree.

Special Note regarding the Conversion of the Warrants and the Options of Barco

In Section 1.2.5 (c) of Chapter II of the prospectus and Note 16 of the notes to the pro forma consolidated financial statements of BarcoNet Group in Section 4.4 of Chapter II of the prospectus, reference is made to the conversion of warrants and options of Barco into warrants and options of BarcoNet and New Barco pursuant to the demerger of Barco. In the formulas to determine the number and exercise price of the warrants / options of BarcoNet, respectively New Barco, the reference to "the average of the closing prices during the first 30 trading days following the demerger of Barco", must be read as "the average of the closing prices during the first 30 calendar days following the demerger of Barco".

Special Note regarding Investments and Shares of New Barco in other Companies

In addition to the entities listed in Section 1.4 of Chapter III of the prospectus, upon Closing of the Demerger New Barco is expected to hold 49 % of the shares of Barco Ltd., with office at no. 65,42 Tower, 19th Floor Unit 1902, Sukhumvit 42 Road (Kluaynamthai), Khwaeng Prakhanong, Khet Klongtoey, 10110 Bangkok, Metropolis, Thailand, the rest of the shares being held by third parties.

Special Note regarding the Pro Forma Consolidated Financial Accounts of New Barco Group

In the comments to the pro forma consolidated income statements of New Barco Group in Section 4.5.1 of Chapter III of the prospectus, the reference to turnover of "Barco Specialized Subcontracting", respectively the "Eliminations", as per June 30, 2000, should be EUR 40,846 (000), respectively EUR (20,918) (000), in stead of EUR 50,846 (000), respectively EUR (30,918) (000).

Special Note regarding Forward Looking Statements

Except for the historical information set forth elsewhere in this document, this addendum contains forward-looking statements, including without limitation, statements containing the words "believes", "plans", "anticipates", "expects" and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of Barco, BarcoNet and New Barco, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences are discussed in more detail in the sections relating to risk factors and elsewhere in the prospectus and this addendum. Given these uncertainties, the public is cautioned not to place any undue reliance on such forward-looking statements.

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