

## **DEMERGER PROPOSAL**

**FILED BY BARCO N.V.,  
FRANKRIJKLAAN 18 – 8970 POPERINGE  
C.R. IEPER 28 186 – VAT BE 421.577 737**

### **WITH THE REGISTRAR OF THE COMMERCIAL COURT OF IEPER**

On September 1, 2000, the Board of Directors of Barco N.V. ("Barco") decided to propose to the shareholders of Barco to demerge the company into two separately listed companies, namely: BarcoNet N.V. ("BarcoNet") which will carry out the existing "Barco Communication Systems" activity of Barco, and (New) Barco N.V. ("New Barco"), which will carry out the remaining business activities of Barco. The extraordinary shareholders' meeting that is to decide on the demerger shall be held on October 20, 2000. If the required quorum shall not have been obtained for this meeting, a subsequent extraordinary shareholders' meeting shall be held on November 9, 2000.

The proposal of the Board of Directors is formalized in the present demerger proposal, which is drawn up in accordance with articles 174/27 and 174/47 of the coordinated laws on commercial companies. It will be filed with the Registrar of the Commercial Court of Ieper on September 4, 2000.

The reports mentioned in article 29 bis of the coordinated laws on commercial companies were drawn up by the Statutory Auditor of Barco. These reports will also be filed with the Registrar of the Commercial Court of Ieper.

A special report by the incorporators with respect to the contribution in kind, in accordance with 29 bis, 4<sup>th</sup> indent, is not required by virtue of article 174/46, § 3. The present demerger proposal and the report of the Board of Directors contain the required information with respect hereto.

#### **A. Legal form, name, corporate purpose and registered office of the companies involved in the demerger.**

##### 1. The demerging company

The demerging company is **Barco N.V.** It has the legal form of a public limited liability company ("*Naamloze Vennootschap - N.V.*" / "*Société Anonyme - S.A.*"). Its registered office is located at Frankrijklaan 18, 8970 Poperinge. Its corporate purpose is as follows:

*"The company's purpose, in Belgium as well as abroad, is to acquire and/or hold, in any way whatsoever, a participation in companies, already existing or yet to be incorporated. It may manage, capitalize on and valorize its participation, amongst other things, by participating in the management and control of the enterprise in*

*which it participates and by providing it technical, administrative, legal and financial assistance.*

*The company intends to stimulate, plan and co-ordinate the future favorable development of the companies in which it participates.*

*The company may also, in the context of its cash-flow management, directly or via subsidiaries in Belgium or abroad, acquire or sell financial assets. The company's corporate purpose also includes the development and/or production and/or assembly and/or trade in everything which relates to the electronics industry, in any kind of material and with respect to any kind of accessories, as well as any commercial transactions with respect thereto and any transactions in connection with know-how, patents and all other licenses relating to the electronics industry.*

*Moreover, the company may engage in any activity, which may, directly or indirectly, contribute to the realization of its corporate purpose, in the broadest sense."*

## 2. Receiving companies

### 2.1 Barco N.V. ('New Barco')

**Barco N.V. ('New Barco')** will be incorporated as a limited liability company. Its registered office will be located at Kennedypark 35, 8500 Kortrijk. Its corporate purpose shall be as follows:

*"The company's corporate purpose is the design, the development, the production, the assembly, the sale, the installation and/or implementation of any technological product and system whatsoever, hardware and software, accessories, components and parts, in any kind of material, in Belgium as well as abroad, in the broadest sense, as well as anything which is, directly or indirectly, related thereto.*

*The company may, by any method, acquire, grant, exploit, capitalize and transfer all intellectual rights, trademarks, drawings, models, licenses and patents.*

*The company may, in any way whatsoever, participate in businesses, enterprises or companies having the same, a similar or related corporate purpose, or that may enhance the development of the company's business, provide it with raw materials or that may facilitate the sale of the company's products.*

*The company may, directly or indirectly, participate in the management of other companies, enterprises, businesses or partnerships and associations and may grant securities and guarantees, advances and credits, mortgages and other securities.*

*The aforementioned enumeration is not exhaustive and is to be interpreted in the widest sense thereof.*

*Furthermore, the company's purpose, in Belgium as well as abroad, is to acquire and/or hold, in any way whatsoever, a participation in companies, enterprises, businesses, partnerships and associations, existing or to be incorporated. It may manage, capitalize on and valorize its participation, amongst other things, by participating in the management and control of the enterprise in which it holds a participation and by providing it technical, administrative, legal and financial assistance.*

*The company intends to stimulate, plan and co-ordinate the future favorable development of the companies in which it participates, amongst other things by means of reorganizations and restructurings.*

*In addition, the company may directly or through its affiliates in Belgium and abroad, acquire or sell financial assets in the framework of its asset management. Moreover, the company may engage in any activity, which may, directly or indirectly, contribute to the realization of its corporate purpose, in the broadest sense."*

## 2.2 BarcoNet

**BarcoNet N.V. ('BarcoNet')** will be incorporated as a limited liability company. Its registered office shall be located at Luipaardstraat 12, 8500 Kortrijk. Its corporate purpose is as follows:

*"The company's corporate purpose is the design, the development, the production, the assembly, the sale, the installation and/or implementation of any technological product and system whatsoever, hardware and software, accessories, components and parts, in any kind of material, in connection with, amongst other things, the reception, processing, transport and display of multimedia signals through broadband channels and domains evolving therefrom, in Belgium as well as abroad, in the broadest sense, as well as anything which is, directly or indirectly, related thereto.*

*The company may, by any method, acquire, grant, exploit, capitalize and transfer all intellectual rights, trademarks, drawings, models, licenses and patents.*

*The company may, in any way, participate in businesses, enterprises or companies having the same, a similar or related corporate purpose, or that may enhance the development of the company's business, provide it with raw materials or that may facilitate the sale of the company's products.*

*The company may, directly or indirectly, participate in the management of other companies, enterprises, businesses or partnerships and associations and may grant securities and guarantees, advances and credits, mortgages and other securities.*

*The aforementioned enumeration is not exhaustive and is to be construed in the widest sense thereof.*

*Furthermore, the company's purpose, in Belgium as well as abroad, is to acquire and/or hold, in any way whatsoever, a participation in companies, enterprises, businesses, partnerships and associations, existing or to be incorporated. It may manage, capitalize on and valorize its participation, amongst other things, by participating in the management and control of the enterprise in which it holds a participation and by providing it technical, administrative, legal and financial assistance.*

*The company intends to stimulate, plan and co-ordinate the future favorable development of the companies in which it participates, amongst other things by means of reorganizations and restructurings.*

*In addition, the company may, directly or through its affiliates in Belgium and abroad, acquire or sell financial assets in the framework of its asset management.*

*Moreover, the company may engage in any activity, which may, directly or indirectly, contribute to the realization of its corporate purpose, in the broadest sense."*

## **B. Exchange ratio of the shares.**

At the occasion of the transfer of the assets and liabilities, that have been designated to New Barco, from Barco to New Barco, the same number of shares and VVPR strips ("*verminderde voorheffing – précompte réduit*" - "*reduced withholding tax*") of New Barco shall be granted to the shareholders of Barco as the number of shares and VVPR strips of Barco prior to the demerger, namely, in total:

- 12,410,479 shares, and
- 1,894,512 VVPR strips

At the occasion of the transfer of the assets and liabilities, that have been designated to BarcoNet, from Barco to BarcoNet, twice the number of shares and VVPR strips ("*verminderde voorheffing – précompte réduit*" - "*reduced withholding tax*") of BarcoNet shall be granted to the shareholders of Barco as the number of shares and VVPR strips of Barco prior to the demerger, namely, in total:

- 24,820,958 shares, and
- 3,789,024 VVPR strips

Consequently, the exchange ratio per share and VVPR strip of Barco shall be as follows:

- Each share of Barco will be exchanged into one share of New Barco and two shares of BarcoNet.
- Each VVPR strip of Barco will be exchanged into one VVPR strip of New Barco and two VVPR strips of BarcoNet.

There will be no additional amount in cash.

## **C. The method according to which the shares in the receiving companies are issued.**

All shares of Barco held in book-entry form will, on or about the second banking day following the extraordinary shareholders' meeting that is to decide on the demerger, automatically be exchanged into shares, respectively VVPR strips, of BarcoNet and New Barco and delivered in book-entry form.

Holders of physical bearer shares and VVPR strips of Barco shares will be requested to deposit their shares, respectively VVPR strips at the counters of the financial institutions mentioned in the prospectus that is to be drawn up by Barco. Shares of New Barco and BarcoNet with coupon n° 1 and following attached thereto will be made physically available within 3 months following the extraordinary shareholders' meeting that is to decide on the demerger. Pending the physical delivery of the new

shares of New Barco and BarcoNet, the newly issued shares will be available in book-entry form.

All registered shares of Barco will be exchanged into new registered shares of New Barco and new registered shares of BarcoNet, unless within one month following the demerger, holders of registered shares notify New Barco, respectively BarcoNet, that they wish to receive bearer shares. The shares will be exchanged in accordance with the above mentioned exchange ratio (see B above). The registered shares will be recorded in the respective shareholders' register of New Barco and BarcoNet by their respective Boards of Directors.

The admission to listing of all outstanding shares of New Barco and BarcoNet will be applied for. Subject to approval by the Market Authority of Brussels Exchanges / Euronext, trading of the New Barco and BarcoNet shares and VVPR Strips is expected to commence on or about the second banking day following the demerger.

Shareholders may at any time, and at their own expense, request the conversion of their shares into shares of another form.

The Board of Directors of Barco is of the opinion that the special tax on the physical delivery of bearer shares, amounting to 0.2%, is not due in case of delivery of shares pursuant to a demerger. The Board of Directors of Barco is also of the opinion that the tax on stock exchange transactions in the amount of 0.17% is not due at the occasion of the exchange of the shares of Barco into shares of New Barco and BarcoNet following the demerger.

**D. Date as of which these shares are entitled to participate in the profits, as well as any special arrangement with respect thereto.**

The newly created shares will entitle the holders thereof to participate in the profits of the entire financial year. There are no special arrangements with respect thereto.

**E. Date as of which the transactions of the demerging company will be deemed, for accounting purposes, to have been performed for the account of one of the receiving companies.**

The date as of which the transactions of Barco, the demerging company, will be deemed, for accounting purposes, to have been performed for the account of one of the receiving companies is July 1, 2000.

**F. Rights accorded by the receiving companies to shareholders of the demerging company, having special rights and to holders of securities other than shares or the measures proposed in their respect.**

The Articles of Association of the receiving companies will contain an authorization with respect to the so-called "authorized capital" ("*toegestaan kapitaal*" / "*capital*

*autorisé*") in order to comply with Barco's obligations in the context of the issued bonds and warrants, which are described below.

In the formulas set forth below in respect of the determination of the exercise price of the warrants / options, reference will be made to the first closing of the shares following the start of the trading of the shares of New Barco and BarcoNet. It is to be noted that such first closing price is to be understood as the respective closing prices of the shares of New Barco and BarcoNet at the end of the first day, following the demerger, when for both the shares of New Barco and BarcoNet, a separate closing price on the stock exchange market will be established.

### **The convertible bond of 29 November 1995**

#### *(a) General*

On November 29, 1995, Barco issued a loan for an amount of BEF 269,600,000. The loan is represented by 80,000 convertible bonds. The nominal value of each convertible bond is equal to BEF 3,370. The convertible bonds can take the form of registered or bearer bonds. The convertible bonds have a term of 10 years. The applicable annual interest rate amounts to 7.48 %. The convertible bonds are freely transferable. The holders of the convertible bonds can request the conversion of their bond on a monthly basis. The conversion ratio for the bonds is equal to 1 convertible bond for 1 share of Barco. The holders of convertible bonds are entitled to request the immediate repayment of their bond, for an amount equal to the nominal value of the outstanding convertible bonds, decreased by a certain discount. The convertible bonds are not secured by a specific security. The issuance conditions of the convertible bonds provide some adjustment mechanisms applicable in the case of certain capital operations of Barco. No specific mechanism is provided for in case of a merger.

#### *b) Split of the convertible bonds*

As a result of the demerger, each convertible bond will be split into two separate convertible bonds of which one will be assumed by BarcoNet and of which one will be assumed by New Barco. The terms of the convertible bonds will remain substantially the same, subject to a change in the price at which the bonds can be converted into shares, which will be based on the ratio applied to split the net assets of Barco.

Based on the aforementioned exchange ratio and subject to the completion of the demerger, BarcoNet will assume a convertible loan for an amount of BEF 51,909,300. The convertible loan will be represented by 160,000 convertible bonds entitling the holder thereof to convert the bonds into 160,000 ordinary shares of BarcoNet pursuant to substantially the same conditions as the initial conditions of the convertible bonds, it being understood that conversion price will also be equal to BEF 324.43.

New Barco on the other hand will assume, subject to the completion of the demerger, a convertible loan for an amount of BEF 217,690,700. The convertible loan will be represented by 80,000 convertible bonds entitling the holder thereof to convert the bonds into 80,000 ordinary shares of New Barco pursuant to substantially the same

conditions as the initial conditions of the convertible bonds, it being understood that the conversion price will also be equal to BEF 2,721.14.

The interest accrued on the bonds at the time of the demerger will be paid by BarcoNet and New Barco in proportion to the amount of the convertible loan on the day when normally due.

**Bond issued jointly with warrants dated 8 February 1995**

*a) General*

On February 8, 1995, Barco issued one bond loan with two installments, i.e. one installment for an amount of BEF 6,500,000 (hereafter the "first installment") and a second installment of BEF 19,999,500 (hereafter the "second installment"). All the warrants attached to the first installment have been exercised and the bond loan relating to the first installment has been reimbursed.

The second installment is still outstanding and is represented by 13,333 bonds with a nominal value of BEF 1,500 per bond. Certain employees of Barco subscribed to the issuance of the second installment. The bond has a term of ten years, starting as of March 9, 1995. The applicable annual interest rate amounts to 5%. The bond is not secured by any specific security. A total of 15 warrants were attached to each bond. The warrants can be separated from the bond. Both the bonds and the warrants are bearer instruments. Each warrant entitles the holder to subscribe to one newly issued share of Barco at an exercise price equal to the average of the closing price of one Barco share of the last 30 days preceding the day on which the issuance took place, i.e. BEF 2,377. The warrants can be exercised in different installments: per bond, 2 warrants per year can be exercised between 1997 and 2002 and 1 warrant per year between 2003 and 2005. Once the warrants are exercisable, they can be exercised between January 20 and February 7 or between June 1 and June 20 of the relevant year. Subject to certain exceptions, the bonds and warrants are not transferable. On July 31, 2000, 70,968 warrants were exercised. A total of 129,027 warrants are therefore still outstanding.

*b) Split of the bond and the warrants*

As a result of the demerger, the second installment of BEF 19,999,500 will be entirely assumed by New Barco. Each warrant will be converted into three warrants, i.e. two warrants entitling the holder thereof to subscribe to one share of BarcoNet and one warrant entitling the holder thereof to subscribe to one share of New Barco. The terms of the warrants will remain substantially the same, subject to the appropriate change of the exercise price of the warrants.

Following the demerger of Barco, the exercise price of the warrants entitling the holder thereof to subscribe to one share of BarcoNet, will be determined as the product of the initial exercise price multiplied by a fraction the numerator of which is equal to the first closing price that will be established following the start of trading for one share of BarcoNet, and the denominator of which is equal to the sum of the first closing prices that will be established following the start of trading for two shares of BarcoNet and one share of New Barco.

Following the demerger of Barco, the exercise price of the warrants entitling the holder thereof to subscribe to one share of New Barco will be determined as the product of the initial exercise price multiplied by a fraction the numerator of which is equal to the first closing price that will be established following the start of trading for one share of New Barco and the denominator of which is equal to the sum of the first closing prices that will be established following the start of trading for two shares of BarcoNet shares and one share of New Barco.

The respective exercise prices will be expressed in Euro and will be rounded to two decimals after the comma. Even though the exact number of warrants of New Barco and BarcoNet will be established after the demerger, the exercise price of the respective warrants will only be determined once the first respective closing prices have been established following the start of trading after the demerger.

### **Stock option plans**

#### *a) General description of the options*

On March 30, 1992, the shareholders of Barco approved a model agreement to be used in order to grant a total of 100,000 options pursuant to article 45 of the Act of December 27, 1984. On June 30, 1996 Barco also approved a similar model agreement to be used to grant a total of 150,000 options pursuant to article 45 of the Act of December 27, 1984.

The options have been granted to a number of employees of Barco. At present, a total of 52,400 options are still outstanding. The exercise price of the options was determined pursuant to the price journal, issued by the tax administration pursuant to the Royal Decree of December 16, 1926 and the Royal Decree of March 31, 1936, in accordance with article 45 of the Act of December 27, 1984, as published in the month preceding the month in which the option agreement was signed. The options cannot be exercised within the first two years following the date of the grant. The options have a term of six years starting as of the date of the grant. The options can be exercised each year between December 1 and December 15. The options become null and void in case the option holder is no longer employed by Barco or by any of its subsidiaries.

#### *b) General description of the warrants*

On June 7, 1999, Barco approved the possibility to grant a total of 400,000 warrants pursuant to the Act of March 26, 1999 over a period of 5 years. The warrants were used as stock options in order to implement a stock option plan for Barco.

The decision to allocate the warrants is taken by the Board of Directors and a special committee decides on the number and allocation of the warrants to certain staff members, non-executive Directors and other persons who contribute to the success of Barco. By decision of the Board of Directors of Barco on September 16, 1999 and May 16, 2000, options have been granted to a number of staff members, amongst which employees in the United States of America, and non-executive Directors. At

present, a total of 151,339 have been granted. On July 13, 2000, the Board of Directors of Barco decided to grant an additional number of 243,240 warrants. The granted warrants have to be accepted before September 10, 2000. An additional grant of 5,145 warrants is to staff members of the subsidiaries in the United Kingdom is considered.

The extraordinary shareholders' meeting that will decide on the demerger will be proposed to approve a new stock option plan for both New Barco and BarcoNet. These plans will provide for the grant, free of charge, of a total of 400,000 warrants of New Barco and 1,000,000 warrants of BarcoNet, over a period of 5 years to staff members and non-executive Directors of the new companies and to other individuals who have an important part in the expansion and the success of the new companies. The options will have a term of maximum 10 years.

Each warrant entitles the holder thereof to subscribe to one newly issued share of Barco. The exercise price of the warrants is determined by the special committee when the warrants are granted and is: (a) for staff members, equal to: the lower of (i) the average trading price on the stock exchange market during the thirty days preceding grant, or (ii) the latest closing price preceding the day of the grant, or (b) such exercise price as shall be applicable under the legislation in force for qualified stock option plans in those countries where the stock option plan is executed it being understood that this price will approach as much as possible the price determined in accordance with the stock option plan; (c) for individuals other than staff members, equal to the average price for the shares on the stock exchange market during the thirty days preceding the grant.

The warrants have a term of maximum 10 years. The warrants are registered warrants. The conditions of the warrants provide for certain rules applicable in the case of retirement, resignation, dismissal and death of the holder of the warrants. Except in certain circumstances, the warrants are not transferable.

The warrants can be exercised as of the fourth calendar year following the year in which the warrants were granted.

If the warrants are exercisable, they can be exercised during the following periods: June 1 until June 15, September 1 until September 15 and December 1 until December 15 of each year.

*(c) Conversion of the warrants and the options*

Subject to the demerger, each warrant / option will be converted into three warrants / options, i.e. two warrants / options each entitling the holder thereof to subscribe to two shares of BarcoNet and one warrant / option entitling the holder thereof to subscribe to one share of New Barco. The terms and conditions of the warrants / options will remain substantially the same, subject to the appropriate change of the exercise price of the warrants / options.

Following the demerger of Barco, the exercise price of the warrants / options entitling the holder thereof to subscribe to one share of BarcoNet will be determined as the product of the initial exercise price multiplied by a fraction the numerator of which is

equal to either the first closing price of one share of BarcoNet that will be established following the start of trading, or the average of the closing prices of one share of BarcoNet during the first 30 trading days following the demerger of Barco, and the denominator of which is equal to the sum either of the first closing prices that will be established following the start of trading of two shares of BarcoNet shares and one share of New Barco, or the sum of the average of the closing prices of two shares of BarcoNet and one share of New Barco during the first 30 trading days following the demerger of Barco. The choice between the two alternatives ("either, or") shall have to be made within one month following the extraordinary shareholders' meeting that is to decide on the demerger.

Following the demerger of Barco, the exercise price of the warrants / options entitling the holder thereof to subscribe to one share of New Barco will be determined as the product of the initial exercise price multiplied by a fraction the numerator of which is equal to either the first closing price that will be established following the start of trading, or the average of the closing prices during the first 30 trading days following the demerger of Barco, for one share of BarcoNet, and the denominator of which is equal to the sum either of the first closing prices that will be established following the start of trading, or the average of the closing prices during the first 30 trading days following the demerger, for two shares of BarcoNet and one share of New Barco. The choice between the two alternatives ("either, or") will have to be made within one month following the extraordinary shareholders' meeting that is to decide on the demerger.

The exercise price will be expressed in Euro and will be rounded to two decimals after the comma. As a result of the conversion of the warrants / options into three warrants / options, the holders of warrants / options will also hold warrants / options on shares of a company for which they no longer work. In view hereof, the holders of warrants / options have been requested to make the following choice:

1. in respect of options that have been granted in accordance with the Act of December 27, 1984

either to exercise, during the first exercise period following the demerger, the options on shares of the parent company they no longer work for following the demerger and which have been granted pursuant to article 45 of the Act of December 27, 1984, and to keep the remaining options on shares of the parent company for which they work following the demerger (**Alternative A**);

or to convert the options on shares of the parent for which they no longer work into options on shares of the parent company for which they work following the demerger, and to keep the remaining options on shares of the parent company for which they work (**Alternative B**).

2. In respect of the options that have been granted in accordance with the Act of March 26, 1999, only **Alternative B** shall be available.

If an individual opts for **Alternative B**, the exercise price will be re-stated in accordance with the formula described above. The number of warrants / options will also be re-stated.

The total number of warrants / options that will be held by an individual who will be employed by BarcoNet following the demerger of Barco, will be equal to the initial number of warrants / options granted to him before the demerger of Barco, multiplied by a fraction the numerator of which is equal to the sum either of the first closing prices that will be established following the start of trading, or of the average of the closing prices during the first 30 days of trading following the demerger, for two shares of BarcoNet and one share of New Barco, and the denominator of which is equal to either the first closing price that will be established following the start of trading, or the average of the closing prices during the first 30 trading days following the demerger of Barco, for one share of BarcoNet.

The total number of warrants / options that will be held by an individual who will be employed by New Barco following the demerger of Barco, will be equal to the initial number of warrants / options granted to him before the demerger of Barco multiplied by a fraction numerator of which is equal to the sum either of the first closing prices that will be established following the start of trading, or of the average of the first closing prices during the first 30 trading days following the demerger, for one share of New Barco and two shares of BarcoNet, and the denominator of which is equal to either the first closing prices that will be established following the start of trading, or the average of the closing prices during the first 30 trading days following the demerger of Barco, for one share of New Barco.

If the outcome of the aforementioned formulas is not a rounded number, the number of the warrants / options will be rounded to the first higher, respectively lower, number depending on whether the outcome of the formula is higher or equal, respectively lower, than 0.5 after the comma.

Both the number of warrants / options granted by New Barco and BarcoNet following the demerger of Barco and the exercise price of the warrants / options granted in the context of the stock option plans can only be determined during the course of the month following the extraordinary shareholders' meeting that is to decide on the demerger.

In the absence of specific legal provisions and comments by the tax authorities on the tax impact of the split and conversion of the warrants and options as described above, Barco has requested a ruling from the Central Tax Administration confirming that the split and conversion of the warrants / options is a tax-neutral event. So far, however, no decision has been obtained.

### **VVPR status of certain shares**

The following section describes Barco's understanding of the VVPR status ("verlaagde voorheffing" – "précompte réduit" "reduced withholding tax") for certain shares issued by Barco and the impact of the demerger of Barco on the VVPR status of these shares.

#### *a) General*

At present, Barco's shares include 1,894,512 shares, which can benefit from a reduced withholding tax rate on dividends of 15 % instead of 25 %. The tax advantage

resulting from the VVPR status has been incorporated in VVPR strips that are listed separately on the First Market of the Brussels Stock Exchange.

*b) VVPR status following the demerger of Barco*

Barco believes that there are reasonable arguments to defend that the shares that currently benefit from a reduced withholding tax rate or VVPR, will not lose their VVPR status pursuant to the demerger of Barco, on the basis of the tax-neutrality and principle of continuity governing demergers.

Subject to what is stated below, and following the demerger, each VVPR strip will be converted into three VVPR strips, i.e. two VVPR strips relating to shares of BarcoNet and one VVPR strip relating to shares of New Barco. The VVPR strips will not be delivered in bearer instruments.

**G. Special remuneration granted to the statutory auditor.**

In respect of the demerger of Barco, the Board of Directors of Barco has instructed the statutory auditor of Barco, Ernst & Young, represented by Mr. Ludo Swolfs and Mr. Marc Van Hoecke, auditors, to prepare the reports in accordance with article 174/29 of the Belgian Company Law. The special remuneration for this task amounts to BEF 600,000.

**H. Special benefits conferred on members of the management bodies.**

No special benefits have been conferred on the members of the Boards of Directors of New Barco and BarcoNet.

**I. Description and allocation of the parts of the assets and liabilities to be contributed to each of the receiving companies.**

All the assets and liabilities related to the business of "Barco Communication Systems" are allocated to BarcoNet. The remaining assets and liabilities are allocated to New Barco.

The Board of Directors confirms that for the purposes of the demerger, the balance sheet per June 30, 2000 (see point E. above with respect to the retroactivity of the demerger) as described further below, constitutes the basis for the description and allocation of the assets and liabilities in accordance with articles 174/27, § 2, i) and 174/47, § 1 of the Belgian Company Law.

The balance sheet is presented in such a way that the assets and liabilities included in the "Barco" column, equal the sum of the assets and liabilities included in the "BarcoNet" and "New Barco" columns. The amounts are in BEF.

	<b>BARCO N.V.</b>	<b>BARCONET N.V. (NEW)</b>	<b>BARCO N.V.</b>
<b>FIXED ASSETS</b>	<b>20,572,880,579</b>	<b>2,791,604,407</b>	<b>17,781,276,172</b>
I. Formation expenses	0	0	0
II. Intangible fixed assets	1,233,557,692	296,607,081	936,950,611
III. Tangible fixed assets	1,586,159,023	138,672,018	1,447,487,005
A. Land and buildings	848,682,151	105,902,342	742,779,809
B. Plant, machinery and equipment	559,340,408	19,450,047	539,890,361
C. Furniture and vehicles	126,329,589	9,204,332	117,125,257
D. Leasing and other similar rights			0
E. Other tangible fixed assets	12,971,586	0	12,971,586
F. Assets under construction and advance payments	38,835,289	4,115,297	34,719,992
IV. Financial fixed assets	17,753,163,864	2,356,325,308	15,396,838,556
A. Affiliated companies	17,476,009,383	2,250,320,571	15,225,688,812
1. Investments	17,476,009,383	2,250,320,571	15,225,688,812
2. Amounts receivable			0
B. Other companies linked by participating interest	247,184,561	104,172,561	143,012,000
1. Investments	247,184,561	104,172,561	143,012,000
2. Amounts receivable			0
C. Other financial fixed assets	29,969,920	1,832,176	28,137,744
1. Investments	6,829,752	0	6,829,752
2. Amounts receivable and cash guarantees	23,140,168	1,832,176	21,307,992
<b>CURRENT ASSETS</b>	<b>8,446,213,535</b>	<b>928,687,348</b>	<b>7,517,526,187</b>
V. Amounts receivables after one year	0	0	0
A. Trade debtors			0
B. Other amounts receivable			0
VI. Stocks and contracts in progress	3,740,096,990	452,890,169	3,287,206,821
A. Stocks	3,712,330,474	452,890,169	3,259,440,305
1. Raw materials	1,754,568,965	188,234,265	1,566,334,700
2. Work in progress	1,388,744,906	160,368,551	1,228,376,355
3. Finished goods	569,016,603	104,287,353	464,729,250
6. Advance payments			0
B. Contracts in progress	27,766,516		27,766,516
VII. Amounts receivables within one year	4,412,251,290	474,961,191	3,937,290,099
A. Trading debtors	4,190,171,818	469,959,777	3,720,212,041
B. Other amounts receivable	222,079,472	5,001,414	217,078,058
VIII. Investments			0
IX. Cash at bank and in hand	218,334,554	634,287	217,700,267
X. Deferred charges and accrued income	75,530,701	201,701	75,329,000
<b>TOTAL ASSETS</b>	<b>29,019,094,114</b>	<b>3,720,291,755</b>	<b>25,298,802,359</b>

	<b>BARCO N.V.</b>	<b>BARCONET</b>	<b>NEW BARCO</b>
<b>EQUITY</b>	<b>16,714,778,902</b>	<b>3,216,396,006</b>	<b>13,498,382,896</b>
I. Capital	2,651,003,118	510,429,217	2,140,573,901
A. Issued capital	2,651,003,118	510,429,217	2,140,573,901
B. Uncalled capital			0
II. Share premium account	6,015,814,668	1,158,296,477	4,857,518,191
III. Revaluation surplus	2,531,233	487,368	2,043,865
IV. Reserves	317,702,919	61,171,128	256,531,791
V. Result carried forward	6,715,922,563	1,228,433,914	5,487,488,649
Result for the period	962,175,595	249,921,811	712,253,784
VI. Investment grants	49,628,806	7,656,091	41,972,715
<b>PROVISIONS, DEFERRED TAXES</b>	<b>564,884,569</b>	<b>59,138,659</b>	<b>505,745,910</b>
VII. A. Provisions for liabilities and charges	527,632,162	53,241,360	474,390,802
1. Pensions and similar obligations	35,661,436	4,941,424	30,720,012
2. Taxes			0
3. Major repairs and maintenance	129,223,214		129,223,214
4. Other liabilities and charges	362,747,512	48,299,936	314,447,576
B. Deferred taxes and latent taxation	37,252,407	5,897,299	31,355,108
<b>CREDITORS</b>	<b>11,739,430,643</b>	<b>444,757,090</b>	<b>11,294,673,553</b>
VIII. Amounts payable after one year	5,502,771,482	51,909,300	5,450,862,182
A. Financial debts	5,481,598,092	51,909,300	5,429,688,792
1. Subordinated loans			0
2. Bonds	289,599,500	51,909,300	237,690,200
3. Long term leases and similar debts			0
4. Credit institutions	5,191,998,592		5,191,998,592
5. Other debts			0
D. Other amounts payable	21,173,390		21,173,390
IX. Amounts payable within one year	6,152,347,780	383,943,990	5,768,403,790
A. Current portion of amounts payable within one year	1,487,692,801		1,487,692,801
B. Financial debts	654,263,591	0	654,263,591
1. Credit institutions	654,263,591		654,263,591
2. Other loans			0
C. Trade debts	2,375,909,893	280,339,801	2,095,572,642
1. Suppliers	2,370,961,532	280,339,801	2,090,624,281
2. Bills of exchange payable	4,948,361		4,948,361
D. Advances received on contracts in progress	240,250,322	0	240,250,322
E. Taxes, remuneration and social security	1,131,293,742	103,604,189	1,027,689,553
1. Taxes	417,985,002	6,972,704	411,012,298
2. Remuneration and social security	713,308,740	96,631,485	616,677,255
F. Other amounts payable	262,934,881	1,941,408	260,993,473
X. Accrued charges and deferred income	84,313,931	6,962,392	77,351,539
<b>TOTAL LIABILITIES</b>	<b>29,019,094,114</b>	<b>3,720,291,755</b>	<b>25,298,802,359</b>

## **Notes with respect to the allocation of the assets and liabilities of Barco per June 30, 2000**

Both to New Barco and BarcoNet, assets and liabilities will be allocated in such a manner as to enable them to continue their respective activities autonomously.

From an operational and administrative perspective, Barco was already organized into separate divisions for some time.

Taking into account the fact that BarcoNet will be taking over all the activities of the existing "Barco Communication Systems" division of Barco N.V., and that New Barco will continue to carry out the remaining business activities, the items of the balance sheet, as prepared by the Board of Directors on September 1, 2000, which is subject to approval by the extraordinary shareholders' meeting to be held on October 20, 2000 or November 9, 2000, have been allocated to BarcoNet, respectively New Barco, as follows:

### **Intangible fixed assets**

This item includes both capitalized research and development ("R&D") costs and purchased software.

#### *Research & Development ("R&D")*

The capitalized R&D costs mainly consist of direct salary costs. To a certain extent, materials used for prototypes and other directly attributable costs are also capitalized.

R&D costs expected to generate profit for a period that is substantially longer than the current financial year will be capitalized at their direct cost price and amortized over a maximum period of 3 years on a straight-line basis. In case no future returns are expected, the capitalized costs will be entirely written off.

#### *Software*

The software mainly consists of administrative software packages and is amortized over a period of 5 years using the straight-line method.

### **Tangible fixed assets**

This item contains the fixed assets relating to installations, production machinery, measuring equipment, tools and models, furniture, office equipment, vehicles, computer equipment and leasehold improvements. This item also includes assets under construction.

Land, buildings, installations, machinery, equipment, furniture and office equipment are valued at purchase price, including all additional costs, provided that these costs entail an appreciation of the assets.

Depreciations are based on the declining balance method:

	Min. period in years	% 1st year
Buildings	10	17
Installations	20	20
Production machinery	4	40
Measurement equipment	4	40
Tools and Models	3	40
Furniture	9	20
Office equipment	4	40
Computer equipment	3	40
Vehicles	4	40

#### *Land and buildings*

The land and building located at Luipaardstraat 12, 8500 Kortrijk will be allocated to BarcoNet. BarcoNet will also temporarily and partially occupy the buildings located at Noordlaan, Kuurne and Ringlaan, Theodoor Sevenslaan and Pr. Kennedypark, all in Kortrijk, at normal market conditions. These buildings are owned by New Barco.

The real estate located Manpad 5, Ringlaan 3, Theodoor Sevenslaan 104/106, and President Kennedypark 35, all in 8500 Kortrijk, will be allocated to New Barco. Other parcels of land are located at Noordlaan 20, 8520 Kuurne and Frankrijklaan 18, 8970 Poperinge. The parcels of land that are owned by subsidiaries of Barco, and which are, consequently, not directly owned by Barco, are not included in the present demerger proposal.

Real estate that is not specifically allocated in this demerger proposal, will be allocated to New Barco.

#### **Financial fixed assets**

The financial fixed assets are valued at acquisition cost. Any auxiliary costs are charged immediately to the income statement.

Write-offs are recorded and charged against income by decision of the Board of Directors, taking into account the equity, profitability and future prospects of the company in question and exchange rate developments. Write-offs are reversed and written back into income whenever this is justified by the evolution of the company in question.

The list of participations described below contains the net book values for Barco divided up into two columns. The amounts are in BEF.

Affiliated companies:

	<b>BARCO N.V.</b>	<b>BARCONET</b>	<b>NEW BARCO</b>
BARCONET SA (Spain)	16,971,338.00	16,971,338.00	.00
BARCONET SA	31,098,404.00	31,098,404.00	.00
BARCO GRAPHICS SA	22,498,730.00		22,498,730.00
BARCONET SA	20,878,447.00	20,878,447.00	
BARCO GRAPHICS SA	33,392,222.00		33,392,222.00
BARCO PROJECTION SA	28,791,897.00		28,791,897.00
BARCO GmbH: BPS (Germany)	441,177,140.00		441,177,140.00
BARCO GmbH: BCS (Germany)	91,908,371.00	91,908,371.00	.00
BARCO GmbH: BDS (Germany)	6,266,480.00		6,266,480.00
BES SB (Malaysia)	8,865,000.00	8,865,000.00	.00
BARCO GRAPHICS NV	2,726,710,238.00		2,726,710,238.00
AESTHEDES NV	164,214,917.00		164,214,917.00
SILEX N.V.	27,700,000.00		27,700,000.00
BARCO PICOTRON NV	4,171.00		4,171.00
BARCO MEDIX NV	14,499,000.00		14,499,000.00
BARCO CREAT. SYST. NV	239,095,906.00		239,095,906.00
BARCO COORD. CENT. NV	6,455,477,350.00		6,455,477,350.00
BARCO Sp. z.o.o. (Poland)	4,246,862.00		4,246,862.00
BARCO LTD	179,797,536.00		179,797,536.00
BES SA (Spain)	84,942,689.00		84,942,689.00
BARCO SEDO GmbH	154,488,327.00		154,488,327.00
BARCO SRL	24,402,966.00		24,402,966.00
BARCO GESMBH	1,470,500.00		1,470,500.00
BARCO INC	3,274,838,035.00		3,274,838,035.00
BARCO LTD (Korea)	20,500,000.00		20,500,000.00
BARCO TRADING CO.	6,608,525.00		6,608,525.00
BARCO PRIVATE LTD.(Singapore)	21,499,957.00		21,499,957.00
BARCO GRAPH. CO LTD (Japan)	1,929,300.00		1,929,300.00
BARCO DISPLAY PRODUCTS. LTD (China)	61,667,212.00		61,667,212.00
BARCO CO LTD (Japan)	29,340,429.00		29,340,429.00
BES PRIVATE LTD (India)	160,262,932.00		160,262,932.00
BARCO LTDA (Brazil)	12,953,191.00		12,953,191.00
BARCO ELEC.SA THE CV (Mexico)	1,918,425.00		1,918,425.00
BARCO LTD (Thailand)	1,315,121.00		1,315,121.00
BARCO AS	1,988,132,135.00	1,988,132,135.00	.00
RE INTERNAT. AS	10,877,000.00		10,877,000.00
BARCO RE GMBH	152,278.00	152,278.00	.00
BES Ltd. (Taiwan)	27,729,631.00		27,729,631.00
ELBICON NV	476,609,917.00		476,609,917.00
ELBICONIndustr. NV	134,139,685.00		134,139,685.00
BARCO HOLDING BV	366,239,569.00		366,239,569.00
BARCO SYSTEMS PTY. LTD (Australia)	12,010,000.00		12,010,000.00
BES Ltd. (Israel)	26,383,206.00		26,383,206.00
BARCO COMMUNICATION SYSTEMS INC	121,872,018.00	121,872,018.00	.00

Other companies:

XEIKON	140,012,000.00		140,012,000.00
TRAN SYSTEM	104,172,561.00	104,172,561.00	.00
FLABEL	3,000,000.00		3,000,000.00
OTHER SHARES	6,829,752.00		6,829,752.00

With respect to the participation in Barco AS, per June 30, 2000 Barco AS held a number of substantial investments, in particular in Gebrüder Loepfe AG (Switzerland) and Artios Kongsberg AS (Norway), valued at approximately 1,512 million BEF and 434 million BEF respectively. Both participations have been contributed after June 30, 2000 by Barco AS in a Dutch affiliate. Subsequently, Barco AS sold its participation in the Dutch affiliate, acquired in return for the above-mentioned contribution, to Barco at book value. Barco AS will use these funds on the one hand to reimburse its outstanding group debts in the amount of approximately 820 million BEF to New Barco, and on the other to reduce its share capital, which will improve BarcoNet's cash-flow position.

### **Stocks and contracts in progress**

This item contains raw materials, work in progress and semi-finished goods, spare parts, finished goods and contracts in progress.

Raw materials, purchased goods, semi-finished goods, contracts in progress and finished goods are valued at the purchase price of the last known order or at the direct manufacturing cost. Obsolete and slow-rotating stocks are systematically written down.

### **Amounts Receivable within one year**

This item contains trade debtors, group receivables, debit balances and advance payments to suppliers, reduction in value on trade debtors and other amounts receivable (incl. group receivables).

Receivables are valued at nominal value. Reductions in value are recorded whenever the collectability of a receivable is in doubt and after comparison with the market value of the receivable.

### **Deferred charges and accrued income**

This item mainly contains costs to be carried forward, such as insurance costs.

### **Investment Grants**

Investment grants are booked as a liability in the balance sheet when all the conditions for obtaining the subsidy have been satisfied. The grant is credited to income at the same annual percentage rate as the depreciation on the corresponding fixed asset.

This item contains subsidies, received from research institutions, such as the IWT ("*Institute for the Promotion of Innovation by Science and Technology in Flanders*") for research and development support, insofar as these subsidies cannot yet be included in the income statement.

### **Provisions for liabilities and charges**

This item contains provisions for pensions, major maintenance and repairs, pending disputes, technical warranty commitments, deferred taxes and other liabilities and charges. The provision for remaining liabilities and charges includes, amongst others, a customs security deposit as well as buy-back commitments and provisions for technical warranty commitments that were determined to amount to 1% of the turnover.

### **Amounts payable after one year**

This item contains two bond loans, as well as loans obtained from Barco Coordination Center NV. Following the demerger, there will no longer be any agreement in place between Barco Coordination Center NV and BarcoNet as there is a legal prohibition for coordination centers to perform services for non-affiliated companies. The remaining balance relates to prototype credits.

### **Amounts payable within one year**

This item contains debts > 1 year, that are payable within the year, financial debts, trade debts vis-à-vis third parties and affiliates, royalties to be paid, social charges and taxes, received advance payments, dividends due and other amounts payable vis-à-vis both third parties and affiliates.

#### *Debts > 1 year that are payable within the year*

Debts > 1 year that are payable within the year mainly relate to the reimbursement of investment loans to Barco Coordination Center NV.

#### *Trade debts*

This item contains debts to suppliers in connection with purchases of product-related goods and services and non-product-related goods and services as well as purchases of investment goods, invoices to be received and credit notes to be prepared.

#### *Taxes, remuneration and social security*

This item contains amounts receivable with respect to withholding tax, social security contributions, remuneration to be paid, holiday allowances to be paid and other social obligations.

With respect to New Barco, this item also contains amounts receivable with respect to withholding tax, VAT to be paid abroad and other amounts to be paid.

Amounts receivable are valued at nominal value. Provisions for taxes and social security are recorded at the most likely amount payable. The amount of the provision for holiday allowances is determined in accordance with the applicable tax provisions.

*Other amounts receivable*

This item mainly contains dividends to be paid.

*Other amounts receivable*

This item contains advance payments received on contracts in progress and purchase of stock.

**RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

**Guarantees**

The "personal guarantees" heading contains guarantees granted by Barco to secure company debts or obligations and guarantees received by Barco as a security for debts or obligations of third parties, such as the National Delcredere Service in the context of export financing. The allocation of these items to New Barco and BarcoNet can be described in more detail as follows:

	Barco N.V.	BarcoNet	New Barco
Guarantees granted:	594,210,166	8,599,950	585,610,216
Guarantees received:	89,751,429	3,351,560	86,399,869

The term "real guarantees" refers to guarantees given or irrevocably promised by Barco and by which Barco collateralizes its own assets to guarantee liabilities and obligations. This includes, for the main part, mortgages totaling BEF 590,000,000, which are allocated entirely to New Barco. No outstanding liability corresponds to this amount.

**Other rights and commitments not reflected in the balance sheet**

This heading contains consignments (BEF 45,976,122) and forward contracts of foreign exchange (BEF 189,963,950). Both items are entirely allocated to New Barco.

The company provides certain additional pension schemes for its employees. The liabilities arising in connection therewith are covered by insurance policies. The insurance premiums are booked during the corresponding financial year.

### **Miscellaneous**

Any asset or liability in or outside the balance sheet, or any part thereof, that has not been expressly allocated in this demerger proposal, will be allocated to BarcoNet if it relates to the "Barco Communication Systems" activity. All other assets and liabilities that have not been allocated in this demerger proposal will be allocated to New Barco.

If the interpretation of this proposal is not conclusive with respect to which of the receiving companies a certain asset or liability is to be allocated, it will be allocated New Barco.

All the rights and obligations arising from existing agreements, and to which Barco is a party, will be assigned to BarcoNet, respectively New Barco, if the agreement relates to the activities carried out by BarcoNet, respectively New Barco. The effective agreements of a general nature (i.e., relating to both the "Barco Communication Systems" activities and the remaining Barco activities) will be split up between BarcoNet and New Barco to the extent such a split is possible. If such a split is not possible, the agreement will be allocated to New Barco.

### **Cooperation between New Barco and BarcoNet**

As mentioned above, all the assets and liabilities of Barco will be allocated in such a manner that BarcoNet and New Barco should be able to continue their activities autonomously. However, in order to ensure this continuity, BarcoNet and New Barco will enter into a written agreement (the "Agreement") immediately following the demerger and dealing with the following issues:

#### *Transitional services*

Every effort will be made to ensure that BarcoNet will be able to operate autonomously following the demerger of Barco. In order to ensure a smooth transition for BarcoNet, New Barco will, on a worldwide basis, provide some services to BarcoNet on a temporary basis following the demerger. The initial term transition period covers a period of one year after the demerger. This term can, however, be extended or shortened in respect of specific services. Some employees of New Barco's central services department will also be allocated to BarcoNet. These services will include logistics, accommodation, information technology services, accounting, tax and other administrative functions. It cannot be excluded that BarcoNet may occasionally provide services to New Barco as well.

Services will generally be charged on a cost-plus basis, to be determined at arm's length, it being understood, however, that the additional charge should not exceed 10 % of the overall costs.

An agreement may also be entered into for any additional services, which inadvertently could have been omitted from the specified services, but for which a particular need could arise after the demerger.

#### *Manufacturing and suppliers*

Currently, Barco has a special activity called "Barco Specialized Subcontracting", which supplies components, mainly for other Barco activities. Only a limited part of the turnover of the "Specialized Subcontracting" activity relates to supplies to third parties. Following the demerger, BarcoNet will no longer belong to the same group as the "Specialized Subcontracting" activity. The agreement between BarcoNet and New Barco will, consequently, also include the determination of separate commercial rates that will apply to the supply of components to BarcoNet following the demerger.

#### *Software ownership and Licenses*

The parties will agree on the use by BarcoNet, in accordance with the applicable contractual clauses, of the software applications that will remain the property of New Barco.

#### *Trademark ownership and Licenses*

The "Barco" trade name will remain the exclusive property of New Barco. BarcoNet will not be allowed to use the "Barco" name unless in the combination "BarcoNet". For all other trade names, the express consent of New Barco will be required. An agreement will, however, also be entered into allowing BarcoNet to temporarily use the "Barco" label on existing products.

#### *Taxes*

The Agreement will also provide for a special compensation or reimbursement mechanism in respect of future tax liabilities relating to the period prior to July 1, 2000. As a general rule, BarcoNet will be held liable for the activities carried out by BarcoNet prior to July 1, 2000. All other tax liabilities will be borne by New Barco.

#### *Confidential disclosure*

Both parties intend not to disclose each other's confidential information, without each other's prior written consent.

#### *Indemnification*

The parties intend to provide for an indemnification and settlement mechanism according to which they could recover damages from each other, if following the demerger, any liabilities should arise in respect of events occurring on or before the demerger, including events occurring in connection with activities to implement the demerger and the admission to listing.

#### *No solicitation*

Both BarcoNet and New Barco intend not to directly solicit or recruit employees of each other without each other's consent during a term of two years after the demerger. This arrangement will not apply to general recruitment efforts carried out through public or general solicitation campaigns or if the solicitation is initiated on initiative of the employees themselves.

#### *Assignment*

The Agreement shall be non-assignable unless with the prior written consent of the other party.

### *Exchange of information*

During a certain period, both parties will retain their own documents, some of which could be useful for other party. Before any of these documents are destroyed, the other party will be given the opportunity to consult them and to extract any information therefrom.

### *Dispute settlement*

Should any dispute arise between New Barco and BarcoNet with respect to any of the rights and obligations set forth in the Agreement, the following procedure shall apply: should a first attempt to mutually resolve the dispute be unsuccessful, the dispute will be presented to a third party, who will provide a non-binding opinion. The parties will only be allowed to seek binding arbitration to the extent the dispute remains unresolved.

### *Insurance*

The agreement will also provide the necessary wording with respect to the insurance coverage from the moment of the demerger until December 31, 2000, unless other arrangements would be provided for. As a general rule, New Barco will maintain insurance coverage that will also be extended to BarcoNet, whereby the insurance premiums for 2000 will be borne in accordance with the usual allocation rates. As of January 1, 2001, New Barco and BarcoNet will have separate insurance policies.

## **IMMOVABLE PROPERTY AND SOIL CERTIFICATES**

The assets and liabilities of Barco which will be allocated to the receiving companies include the following immovable property. The contents of the delivered soil certificates is mentioned below:

### ***A. Immovable property to be allocated to BarcoNet***

#### City of Kortrijk – Luipaardstraat 12

An office building on and with land, and accompanying parcels of land registered with the land registry under section B, number 339/L, having a surface of 1ha 04a 49ca and parts of numbers 290/F, 338 and 339/K having a surface of 1ha 20a 00ca.

Soil certificates were delivered by OVAM on January 8, 1999 and November 30, 1999 for the above mentioned parcels, mentioning the following text:

*"For this land registry parcel no data are available in the register of contaminated land, since no data are available with OVAM.*

#### *Note:*

*Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 §1 of the Soil Decontamination Decree can, as of October 1, 1996, only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.*

*This certificate replaces all previous certificates."*

**B. Immovable property to be allocated to New Barco**

- City of Kortrijk – third division - Theodoor Sevenslaan 104/106 and 106A

Industrial building on and with land and associated dwelling, registered with the land registry under section B, numbers 134/B12 and 134/C12 for a total surface of 1ha 67a 87ca, located at Theodoor Sevenslaan 104/106 and 106A, 8500 Kortrijk.

A soil certificate was delivered by OVAM on July 27, 2000 for the parcel with number 134/B12, mentioning the following text:

*"Assessment of the seriousness of the contamination*

*This Land Registry parcel is included in the register of contaminated land. The assessment of the seriousness of the contamination is based on the exploratory soil survey "Exploratory soil survey, Barco N.V., Theodoor Sevenslaan 104/106, 8500 Kortrijk. (585.03.40)" performed by Belconsulting N.V., on June 05, 2000, in which this Land Registry parcel was included.*

*It appears therefrom that there are serious indications that there is a historical soil contamination, constituting a serious threat.*

*Remark:*

- 1. land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer"*
- 2. Should the identity of the owner and/or user have changed in the meantime, this must immediately be notified immediately to OVAM, mentioning our reference.*

*This certificate replaces all previous certificates."*

A soil certificate was delivered by OVAM on August 23, 2000 for the above-mentioned parcel with number 134/C12, mentioning the following text:

*"For this land registry parcel, no data are available in the register of contaminated land, since no data are available with OVAM.*

*Remark:*

*Land on which an installation exists or existed or an activity is or was performed which is included in article 3 §1 of the Soil Decontamination Decree can, as of October 1, 1996, only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer. This certificate replaces all previous certificates."*

- City of Kortrijk – eighth division – Noordlaan 20

Industrial building on and with land registered with the land registry of Kortrijk under eighth division, section B, number 521/S with a surface of 6ha 93a 55ca and with the land registry of Kuurne under section A, number 474/E with a surface of 1ha 84a 45ca, located at Noordlaan, 20, 8500 Kortrijk.

With respect to this property, an agreement was executed on June 19, 1998 under the condition precedent that favorable soil certificates regarding certain boundary adjustments with the adjacent property, owned by the public limited-company Eurofrost, be obtained.

A soil certificate was delivered by OVAM on July 29, 2000 for the above-mentioned parcel number 521/S by the OVAM with the following text:

*"Assessment of the seriousness of the contamination*

*This land registry parcel is included in the register of contaminated soils. The assessment of the seriousness of the contamination is based on the exploratory soil survey "Exploratory soil survey, Barco N.V., Noordlaan 5, industrial zone at 8520 Kuurne. (585.03.40)", performed by Belconsulting N.V., on June 5, 2000, in which this parcel was included.*

*It appears therefrom that there are serious indications of mixed soil contamination exceeding or threatening to exceed the soil contamination standards. On this basis, and in accordance with the Soil Decontamination Decree, a descriptive soil survey must be performed.*

*Remark:*

- 1. Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 §1 of the Soil Decontamination Decree can, as of October 1, 1996, only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.*
- 2. Should the identity of the owner and/or user have changed in the meantime, this must be immediately be notified to OVAM, mentioning our reference."*

*This certificate replaces all previous certificates."*

A soil certificate was delivered by OVAM on July 29, 2000 for the above-mentioned parcel number 474/E, with the following text:

*"For this land registry parcel, no data are available in the register of contaminated land.*

*It appears from the exploratory soil survey "Exploratory soil survey, Barco N.V., Noordlaan 5, Industrial Zone at 8520 Kuurne. (585.02.40)", performed by Belconsulting N.V. on June 5, 2000, in which this parcel was included, that increased concentrations were discovered against background values without exceeding levels at which serious prejudice to humans or the environment could occur. In compliance with the Soil Decontamination Decree, no decontamination needs to occur.*

*Remark:*

*Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.*

*This certificate replaces all previous certificates."*

- City of Kortrijk – eighth division (Heule) – Ringlaan 3 and +3

Industrial building with associated dwelling, registered in the land registry under section B, numbers 669/H and 669/L with a total surface of 2ha 77a 97ca, located at Ringlaan 3 and +3, 8500 Kortrijk (Heule).

Soil certificates have been obtained from OVAM on July 29, 2000, mentioning the following text:

*"For this land registry parcel, no data are available in the register of contaminated land since no data available with OVAM.*

*Remark:*

*Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.*

*This certificate replaces all previous certificates."*

- City of Poperinge – first division – Frankrijklaan 18

Industrial building on and with land and an adjacent parcel of land, registered with the land registry under section E, numbers 237/T and 154/N with a total surface of 3ha 82a 56ca, located at Frankrijklaan 18, 8970 Poperinge.

A soil certificate has been obtained from OVAM on July 29, 2000 for the above-mentioned parcel number 237/T mentioning the following text:

*"For this land registry parcel, no data are available in the register of contaminated land.*

*It appears from the exploratory soil survey "Exploratory soil survey, Barco N.V. - Frankrijklaan 18 at 8970 Poperinge – Envirotex Laboratoria N.V. – B015506 – December 1999', performed by Envirotex N.V., on December 9, 1999, in which this parcel was included, that increased concentrations against background values were discovered without exceeding levels at which serious prejudice to humans or the environment could occur. In compliance with the Soil Decontamination Decree, no decontamination needs to occur.*

*Remark:*

*Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination*

*decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.  
This certificate replaces all previous certificates."*

A soil certificate has been obtained from OVAM on July 29, 2000 for the above-mentioned parcel number 154/N, mentioning the following text:

*"Assessment of the seriousness of the soil contamination*

*This land registry parcel is included in the register of contaminated land. The assessment of the seriousness of the contamination is based on the exploratory soil survey "Soil survey, Barco N.V. - Frankrijklaan 18 at 8970 Poperinge – Envirottox Laboratoria N.V. – B015506 – December 1999', performed by Envirottox N.V., on December 9, 1999, in which this parcel was included.*

*It appears therefrom that concentrations were discovered which directly or indirectly prejudice the quality of the soil or may prejudice the quality of the soil. In view of the nature of the soil and the functions that it fulfils as indicated in the above-mentioned report, there is no serious indication that the historical soil contamination constitutes a serious threat. On this basis, and in compliance with the soil decontamination decree, no soil decontamination needs to take place.*

*Remark:*

*1. Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer. 2. Should the identity of the owner and/or user have changed in the meantime, this must immediately be notified immediately to OVAM, mentioning our reference.*

*This certificate replaces all previous certificates."*

- City of Kortrijk – fourth division – President Kennedypark 35

Real estate complex consisting of an office building on and with land and associated parcels of land and a farm registered in the land registry under section D, numbers 134/C, 99/F, 120/C, 121/C, 124/C, 114/A, 282, 284, 288, 289, 290, 133/B, 125/B, 280/B, 279/E, 281/D, 283/B, 285, 119, 99/H for a total surface of 18ha 79a 14ca, located at President Kennedypark 35, 8500 Kortrijk.

Soil certificates have been obtained from OVAM on July 29, 2000 and August 23, 2000 for the above-mentioned parcels, mentioning the following text:

*"For this land registry parcel, no data are available in the register of contaminated land since no data are available with OVAM.*

*Remark:*

*Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.*

*This certificate replaces all previous certificates."*

- City of Kortrijk – fourth division – Manpad 5 and +5

The immovable property was purchased in July 2000 by virtue of a private deed of sale.

It involves a farm on and with land registered with the land registry under section D, numbers 117/A, 118/C, 286/B and 286/C, for a total surface of 95a 30ca, located at Manpad 5 and +5, 8500 Kortrijk.

Soil certificates have been obtained from OVAM August 19, 2000, mentioning the following text:

*"For this land registry parcel, no data are available in the register of contaminated land since no data are available with OVAM.*

*Remark:*

*Land on which an installation exists or existed or an activity is or was performed which is included in the list mentioned in article 3 § 1 of the soil decontamination decree can, as of October 1, 1996 only be transferred if a prior exploratory survey has been submitted to OVAM with a notification of transfer.*

*This certificate replaces all previous certificates."*

Two parcels of land owned by Barco, where increased levels are discovered at the occasion of the exploratory soil surveys, performed in accordance with the current regulations, are included in the demerger of Barco into two separate legal entities.

It concerns the following land registry parcels (both of which are allocated to New Barco):

- Sevenslaan: Kortrijk, Division 8, Section B, n° 134 B12
- Kuurne: Kuurne, Section A, n° 474 E

In order to timely proceed with the demerger, the Ministerial Decree, based on the advice given by OVAM, dated August 10, 2000 authorized Barco to postpone its decontamination obligations until after the demerger, provided that it issued at a bank guarantee of BEF 55 million. This amount was determined by an independent and approved soil decontamination expert and solely consists of an estimate of the costs on a "worst case" scenario basis.

**I. Issuance of shares and VVPR strips in the receiving companies to the shareholders in the demerged company and the criterion upon which such apportionment is based.**

As a result of the exchange ratio of the shares and the VVPR strips mentioned under B above, New Barco and BarcoNet will, immediately following the demerger, have identical shareholders as Barco immediately prior to the demerger.

The apportionment is based on the fact that each share or VVPR strip of Barco needs to be exchanged into a number of shares and VVPR strips of the receiving companies, which, together, represent a capital that is identical to the capital of Barco. The net assets of Barco will therefore be divided between all shareholders and holders of VVPR strips pro rata to their participation prior to the demerger. Consequently, this will not affect the rights and economic interests of the shareholders and holders of VVPR strips.

Done in Kortrijk on September 1, 2000 and made in 6 copies.

The Board of Directors of Barco N.V.

J. Cornu  
Director

A. Brabers  
Director

M. Ooms  
Director

G. Van Acker  
Director

E. Van Zele  
Director

R.J. Verhoeven  
Director

E. Dejonghe  
Senior Vice President & COO

H. Vandamme  
President & CEO

K. Vinck  
Director

H. Daems  
Chairman