

Barco 6 months ended

30 June 2013



BARCO

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OBLIGATIONS WITH REGARD TO PERIODICAL INFORMATION FOLLOWING THE TRANSPARENCY DIRECTIVE EFFECTIVE AS OF 1 JANUARY 2008

Declaration regarding the information given in this report 6 months ended 30 June 2013

The undersigned declare that:

- the report 6 months ended 30 June 2013, which is in line with the standards applicable for annual accounts, gives a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies;
- the report 6 months ended 30 June 2013 gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Eric Van Zele, CEO

Carl Peeters, CFO

KEY FIGURES

	2013	2012
IN THOUSANDS OF EURO	1st half	1st half
Net sales	597,868	530,994
Gross profit	195,925	173,110
EBIT before restructuring	41,763	43,526
EBIT after restructuring	37,143	43,526
Profit before taxes	35,923	45,108
Net income	31,652	43,523
Net income attributable to the equityholder	30,883	43,523
EBITDA before restructuring	76,730	71,691
EBITDA after restructuring	72,110	71,691
Earnings per share (in euro)	2.54	3.62
Diluted earnings per share (in euro)	2.45	3.37

NUMBER OF EMPLOYEES

30 June 2013

30 June 2012

Total (full-time equivalents)	3,950	3,684
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CAPITAL & OWNERSHIP OF THE COMPANY'S SHARES

On 30 June 2013, the capital amounted to euro 55,516,832.32 represented by 12,984,829 shares.

Ownership of the company's shares was as follows:

GIMV	9.63%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.90%	(636,239 shares)
Barco	5.51%	(716,163 shares)
Public	79.96%	(10,382,506 shares)
Total	100%	(12,984,829 shares)

Fully diluted

GIMV	9.38%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.77%	(636,239 shares)
Barco	5.37%	(716,163 shares)
Public	80.48%	(10,727,648 shares)
Total	100%	(13,329,971 shares)

This information is updated on www.barco.com on an ongoing basis.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS

FIRST HALF 2013 FINANCIAL HIGHLIGHTS

- Sales totaled 597.9 million euro, an increase of 12.6% from 531.0 million euro for the first half of 2012.
- Incoming orders amounted to 556.5 million euro, an increase of 2.5% compared to 542.9 million euro for the same period in 2012.
- EBITDA was 76.7 million euro, compared to 71.7 million euro for 1H12. EBITDA margin was 12.8%, compared to 13.5% for the first half of 2012.
- EBIT before restructuring was 41.8 million euro, a decrease of 1.8 million euro from 43.5 million euro for the same period of 2012. EBIT margin was 7.0%, compared to 8.2% for the first half of 2012.
- Net income was 31.7 million euro, compared to 43.5 million euro a year before.

“Barco performed well delivering another semester of double-digit sales growth and good operational profitability even as we absorbed two acquisitions and continued to invest in several strategic growth initiatives,” said Eric Van Zele, President and CEO.

“While our Projection division gained share in all of its markets, sales for our Healthcare and Advanced Visualization divisions were somewhat slow in the first semester. Market acceptance of our digital operating room solution is taking time but our efforts to create demand are bearing fruit and we expect to see stronger order intake going forward. In addition, sales for ClickShare are gaining momentum, supporting our outlook for a resumption of growth in the second half of the year for the Advanced Visualization division. Also in the Defense & Aerospace division we experienced slippage on a few major programs into the second half of the year and we took steps to reduce costs in view of reduced military spending worldwide, which resulted in our booking a 4.6 million euro restructuring provision.

With these and other strategic growth initiatives taking hold, we believe we are on track to deliver another year of profitable growth,” concluded Mr. Van Zele.

(1) EMEALA region includes Europe, Middle East, Africa and Latin America

CONSOLIDATED RESULTS FOR THE FIRST HALF

Preliminary remark

The results of the China Joint Venture and of projectiondesign® have been fully consolidated retro-actively as of 1 January 2013; the results of Awind have been consolidated as of 1 April 2013.

ORDER INTAKE AND ORDER BOOK

Order intake in 1H13 was 556.5 million euro, 2.5% above the same period in 2012 with increases in Asia Pacific (APAC) and North America offset by softness in the EMEALA region. The EMEALA region¹ accounted for 39% of total order intake, North America 31% and the APAC region 30%. With orders increasing year-over-year, the order book was nevertheless 4.5% lower compared to the end of last year and 12.3% lower compared to the end of June 2012 due to an improved sales conversion rate and shorter leadtimes.

IN MILLIONS OF EURO	1H13	2H12	1H12	2H11	1H11
Order book	440.0	461.2	501.5	479.9	479.9

SALES

Sales of 597.9 million euro reflect growth in Projection and the Ventures partially offset by declines in Defense and Aerospace. Sales for Advanced Visualization and Healthcare were essentially flat.

Sales to Europe, Middle East, Africa and Latin America (EMEALA) represented 41% of consolidated sales, while 32% of sales were realized in North America and 27% in Asia Pacific. Compared to 1H12 sales were up by 5% in the EMEALA region, and by 11% and 28% in North America and the APAC region, respectively.

PROFITABILITY

Gross profit

Gross profit increased to 195.9 million euro from 173.1 million euro, an increase of 13.2%. Gross profit margin was 32.8%, compared to 32.6% for the same period in 2012 and 32.4% for the 2H12.

Operational expenses

Total indirect expenses increased by 15.6% versus last year, largely due to the addition of projectiondesign® and Awind (without the acquired businesses, indirect expenses increased by only 4.3%).

Research & Development cash expenses increased by 8.1 million euro to 52.4 million euro, reflecting new product development projects in the Advanced Visualization division, higher R&D spending due to the addition of projectiondesign® and amortization of technology acquired from projectiondesign® and Awind. As a percent of sales, research and development expenses increased to 8.8% from 8.3% last year.

Sales & Marketing expenses increased by 13.3 million euro to 82.1 million euro compared to 68.9 million euro last year, in large part due to the above-mentioned acquisitions. As a percent of sales, Sales & Marketing expenses rose to 13.7%, compared to 13.0% last year. General & administration expenses were 27.0 million euro, compared to 25.5 million euro last year or 4.5% of sales versus 4.8% last year.

Other operating results amounted to 1.2 million euro, compared to 4.3 million euro last year.

EBITDA & EBIT

EBITDA was 76.7 million euro, an increase of 7.0%, compared to 71.7 million euro the year before. EBITDA margin was 12.8% versus 13.5% in 1H12. At 12.8% Barco's operational profit margin remained healthy considering important investments made to future growth including acquisitions and non-recurring costs related to these acquisitions, including a booking of inventory step-up, in accordance with IFRS guidelines.

1H13	Sales	EBITDA	EBITDA %
Projection	285.4	47.6	16.7%
Healthcare	98.6	12.2	12.3%
Advanced Visualization	88.9	5.5	6.2%
Defense & Aerospace	71.1	6.7	9.4%
Ventures	55.4	4.8	8.7%
Intra-group eliminations	-1.6		
Group	597.9	76.7	12.8%

The gap between EBITDA and EBIT widened from 5.3% of sales to 5.8%. This is due to a combination of increased amortizations of capitalized development costs and intangibles booked in connection with the recent acquisitions (technology, customer lists and trade names), in accordance with IFRS-guidelines).

As a result EBIT before restructuring was 41.8 million euro, compared to 43.5 million euro in 1H12

Income taxes

In 1H13 taxes were 4.3 million euro, for a tax rate of 12.0%, compared to 1.8 million euro in 1H12, or a tax rate of 4.0%.

Net income

A non-recurring restructuring provision of 4.6 million euro was booked in connection with actions taken to rightsize the Defense group, contributing to a decrease in net income attributable to equity holders for the semester from 43.5 million euro last year to 30.9 million euro. Net margin for the semester was 5.2%, compared to 8.2% the year before.

Net earnings per ordinary share (EPS) for the half year were 2.54 euro, down from 3.62 euro in 1H12. Fully diluted net earnings per share were 2.45 euro, compared to 3.37 euro last year.

CASH FLOW & BALANCE SHEET

On 30 June 2013, Barco had a net financial cash position of 24.2 million euro, compared to 47.5 million euro on 30 June 2012 and 111.2 million euro on 31 December 2012. Barco used its cash to complete the acquisitions of projectiondesign® and Awind and to pay dividends.

Free cash flow for the first six months of 2013 was negative 11.6 million euro, compared to positive 29.1 million euro for the same period last year.

Barco generated 72.1 million euro in gross operating cash flow and expended cash primarily on increased income taxes and working capital¹.

At the end of 1H13, trade receivables were 194.5 million euro, the same level as last year and 11.4 million euro higher than 31 December 2012. DSO were at 57 days, compared to 60 days as of 30 June 2012 and 48 days as of 31 December 2012.

At 251.4 million euro inventory was 13.2 million euro lower than 30 June 2012 and 27.7 million euro higher than 31 December 2012. Inventory turns were at 3.0, compared to 2.5, at the end of June 2012 and 3.1 at the end of December 2012.

(1) Barco did not acquire any of its own shares in the first six months of 2013. The company now owns 716,163 of its own shares or 5.51% before dilution

Trade payables stood at 118.4 million euro at the end of June 2013 compared to 152.5 million euro at the end of June 2012 and 127.5 million euro on 31 December 2012, reflecting tight controls over purchasing during 1H13 and DPOs for 1H13 being compatible with the record level attained in 1H12.

Capital expenditure, excluding capitalized development, was 10.1 million euro, compared to 10.3 million euro for the same period last year.

ROCE stood at 16%, compared to 19% at 30 June 2012 and 24% at 31 December 2012.

The following Balance Sheet items were significantly impacted by the acquisitions of projectiondesign® and Awind: Goodwill increased to 145.4 million euro on 30 June 2013 from 68.8 million on 31 December 2012. Other intangible assets increased from 25.0 million euro on 31 December 2012 to 55.5 million euro while non current liabilities increased from 25.9 million euro on 31 December 2012 to 77.9 million euro.

DIVISIONAL RESULTS FOR FIRST HALF 2013

Projection division

The projection division delivered top-line increases in both Digital Cinema and Professional AV. EBITDA declined as a percent of sales to 16.7% from last year's record 18.3% reflecting the addition of projectiondesign®, which is currently generating a lower margin.

In the first semester of 2013, Barco expanded its market share in the Digital Cinema market with major program wins and roll-outs in Latin America, China and India. In anticipation of the maturing digital cinema market, Barco continued to introduce projectors for the professional AV mid-segment, building on its reputation for superior technology and global distribution network.

In this professional AV segment, the division posted strong growth in orders and sales, mainly reflecting the addition of projectiondesign®. Barco is on track with its integration plan that is designed to align projectiondesign®'s profitability with the Barco's financial targets for the Projection division by optimizing sales and marketing and supply chain and manufacturing operations. During the first semester, Barco completed the alignment of the two companies' sales and marketing organizations and released its first joint product, the Collaborate projector, aimed at the mid venue projector segment. Along with integrating projectiondesign®, Barco continued to extend its global

channel network in order to further penetrate the mid-segments of the professional AV market.

Projection	1H13	1H12	Change %
Orders	262.4	230.5	13.8%
Sales	285.4	218.9	30.4%
EBITDA	47.6	40.0	19.2%
EBITDA margin	16.7%	18.3%	

Consistent with Barco's corporate objectives, order intake in the Professional AV market grew more than Digital Cinema, which also increased for the first half. Order intake increased in all three regions, with the APAC region accountable for most of the growth.

Both Digital Cinema and Professional AV posted sales increases for the 1H13 period. Sales in Latin America, the Middle East and APAC were strong, partially offset by flat results in Western Europe and North America.

EBITDA margin decreased from the 1H12 level due to the addition of projectiondesign®.

Healthcare division

The division maintained its leadership position in diagnostic imaging, despite a somewhat weak demand in the modality business in Europe, and continued to implement its investment strategy of expanding into the new market segments including digital operating rooms, interactive patient care and dentistry. During the semester, Barco continued to seed the market with first installations of its digital operating systems and to build the necessary sales and marketing infrastructure, signing agreements with market specific systems integrators and expanding agreements with existing channel partners. Recently both existing and new customers made commitments to install over 100 more operating rooms and the FDA has given Barco Class II approval to distribute the Nexxis-solution also in the United States, opening up this large market to intensified business development. As a result, Barco is seeing solid evidence of early adoption of this new technology emerging and is well positioned to drive new orders in the second half of the year on top of its solid traditional business. To better position Barco for the interactive patient care and dentistry segments, the company has expanded the solution offering and released products with revamped functionality.

Healthcare	1H13	1H12	Change %
Orders	92.7	94.2	-1.5%
Sales	98.6	100.2	-1.6%
EBITDA	12.2	12.0	1.6%
EBITDA margin	12.3%	12.0%	

Order intake was mainly flat year over year. Growth in the North American region was offset by softness in Western Europe.

Sales was slightly down driven by a softer second quarter. The traditional diagnostic markets remain solid with growth in North America offset by softness in Western Europe and in the modality business.

EBITDA improved slightly mainly because of cost reduction efforts in the division

Advanced Visualization division

The Advanced Visualization division posted flat sales reflecting the addition of collaboration solutions of Awind and ClickShare offset by lower sales for control rooms as a result of several project delays in Western Europe and Middle East. On the other hand, sales for ClickShare have been steadily increasing with sales for the second quarter higher than the first quarter. In addition, Barco recently received the certification necessary to sell ClickShare in China and has started the certification process to sell in Japan and South Korea.

With additional access to important APAC markets for ClickShare and having added new partners and introduced its control room mid segment solutions throughout its channel network, Barco is well positioned to drive growth of its advanced visualization solutions.

Advanced Visualization	1H13	1H12	Change %
Orders	94.5	101.1	-6.4%
Sales	88.9	89.6	-0.8%
EBITDA	5.5	7.5	-26.7%
EBITDA margin	6.1%	8.4%	

Global order intake was down compared to 1H12, reflecting softness in Control Rooms, particularly in the European region, partially offset by growth in collaboration solutions in the second quarter.

Sales for Advanced Visualization were essentially flat compared to 1H12 driven by delays in control room projects in Europe and the Middle

East compensated by a growing contribution of the collaboration segment. By geographic region, North America and the APAC region posted higher sales while EMEALA sales were down.

Increased investment in networked and collaboration solutions and higher sales and marketing expenses caused EBITDA to decline both in absolute terms and as a percent of sales.

Defense & Aerospace division

New and replacement business in avionics was not able to compensate for the ongoing reduction in defense spending worldwide, resulting in a 11.7% decline in sales. Barco is taking steps to streamline the defense business organization and improve the division's profitability. Based on orders for Avionics, sales are expected to rebound in the second half of the year.

Defense & Aerospace	1H13	1H12	Change %
Orders	59.5	69.2	-14.0%
Sales	71.1	80.4	-11.7%
EBITDA	6.7	7.7	-13.0%
EBITDA margin	9.4%	9.5%	

The decrease in global order intake was mainly driven by a weak defense spending in all regions, partially offset by a healthy order intake in avionics.

Sales were down, reflecting growth in the Latin America and APAC region offset by decreases in the EMEA and North America region.

EBITDA margin on par as a percentage of sales, reflecting the first impact of the cost reduction program in Defense.

Ventures

Strong performances at LiveDots and High End Systems drove sales growth. Sales mix negatively impacted the EBITDA margin.

Ventures	1H13	1H12	Change %
Orders	48.9	50.1	-2.4%
Sales	55.4	42.2	31.3%
EBITDA	4.8	4.5	5.1%
EBITDA margin	8.6%	10.8%	

OUTLOOK FOR 2013

The following statements are forward looking and actual results may differ materially.

On the basis of a solid mid-year performance, continued progress integrating acquired businesses and improving operational efficiency, Barco reiterates its expectation to generate profitable growth in 2013 albeit at a slower pace than in 2012.

RISK FACTORS

Management refers to the section “Risk Factors” in the Annual Report 2012 (pages 100 to 105), which remain valid for the second year-half of 2013.

INCOME STATEMENT

	2013	2012
IN THOUSANDS OF EURO	1st half	1st half
Net sales	597,868	530,994
Cost of goods sold	-401,944	-357,883
Gross profit	195,925	173,110
Research & Development expenses	-46,287	-39,487
Sales & Marketing	-82,142	-68,872
General & Administration expenses	-26,962	-25,537
Other operating income (expense) - net	1,228	4,311
EBIT before restructuring	41,763	43,526
Restructuring cost	-4,620	0
EBIT after restructuring	37,143	43,526
Interest income	545	2,216
Interest expense	-1,765	-632
Income before taxes	35,923	45,108
Income taxes	-4,297	-1,822
Result after taxes	31,626	43,287
Share in the result of joint ventures and associates	27	237
Net income	31,652	43,523
Non-controlling interest	-770	0
Net income attributable to the equityholder of the parent	30,883	43,523
Earnings per share	2.54	3.62
Diluted earnings per share	2.45	3.37

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2013	2012
IN THOUSANDS OF EURO	6 months ended 30 June 2013	6 months ended 30 June 2012
Net income	31,652	43,523
Exchange differences on translation of foreign operations ¹	-4,580	1,127
Net (loss)/gain on cash flow hedges	341	-80
Income tax	-41	3
	300	-77
Other comprehensive income (loss) for the period, net of tax	-4,281	1,050
Total comprehensive income for the period, net of tax	27,372	44,573

All items of other comprehensive income are recyclable to the income statement.

(1) Translation exposure gives rise to non-cash exchange gains/losses. Examples are foreign equity and other long-term investments abroad. These long term investments give rise to periodic translation gains/losses that are non-cash in nature until the investment is liquidated or sold. The comprehensive income line commonly shows a positive result in case the foreign currency in countries where investments were made appreciates versus the euro, and a negative result in case the foreign currency depreciates.

In 2013, the negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Indian Rupee and Norwegian Crown. In 2012, the investment in Czech, Barco Manufacturing SRQ has been liquidated, resulting in the realization of the foreign currency translation for an amount of € 3.7 million euro. The remaining negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Indian Rupee.

BALANCE SHEET

	2013	2012
IN THOUSANDS OF EURO	30 June 2013	31 Dec 2012
ASSETS		
Goodwill	145,371	68,809
Capitalized development cost	88,110	81,978
Other intangible assets	55,494	25,093
Land and buildings	28,130	28,744
Other tangible assets	41,384	30,661
Investments	9,763	44,445
Deferred tax assets	65,761	61,948
Other non-current assets	14,513	18,041
Non-current assets	448,525	359,719
Inventory	251,356	223,677
Trade debtors	194,471	183,082
Other amounts receivable	34,003	29,053
Deposits and cash at bank and in hand	75,785	122,139
Prepaid expenses and accrued income	5,336	4,209
Current assets	560,951	562,160
Total assets	1,009,476	921,879
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	557,386	538,050
Non-controlling interest	3,048	0
Equity	560,434	538,050
Long-term debts	46,843	12,695
Deferred tax liabilities	10,758	3,089
Other long-term liabilities	20,315	10,161
Non-current liabilities	77,915	25,945
Current portion of long-term debts	2,676	4,105
Short-term debts	7,951	1,302
Trade payables	118,378	127,528
Advances received on contracts in progress	75,387	73,587
Tax payables	25,856	25,012
Employee benefits	55,767	57,958
Other current liabilities	7,964	8,241
Accrued charges and deferred income	29,362	20,763
Provisions	47,784	39,388
Current liabilities	371,127	357,884
Total equity and liabilities	1,009,476	921,879

COMMENTS TO THE INTERIM FINANCIAL STATEMENTS

SIGNIFICANT IFRS ACCOUNTING PRINCIPLES

IAS 34 was applied to the half year financial report. The same accounting policies and methods of computation are followed in the interim financial statements as were followed in the annual financial statements of 2012, except for the adoption of new Standards and Interpretations effective as of 1 January 2013, noted below:

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
- IAS 1 Clarification of the requirement for comparative information (Amendment)
- IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)
- IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)
- IAS 19 Employee Benefits (Revised 2011) (IAS 19R)
- IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7
- IFRS 13 Fair Value Measurement

As required by IAS 34, the nature and the effect of these changes are disclosed below.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 1 Clarification of the requirement for comparative information (Amendment)

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet. The amendment did not have impact on the Group's financial position or performance.

IAS 32 Tax effects of distributions to holders of equity instruments (Amendment)

The amendment to IAS 32 Financial Instruments: Presentation clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for the Group, as there is no tax consequences attached to cash or non-cash distribution.

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief

operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure as total segment assets and liabilities were reported to the chief operating decision maker. See Note on Segment Information.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

In case of the Group, the transition to IAS 19R had no material impact on the net defined benefit plan obligations.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), but did not affect the interim condensed consolidated financial statements period. In addition to the above-mentioned amendments and new standards, IFRS 1 First-time Adoption of International Financial Reporting Standards was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

ACQUISITIONS

Acquisition of projectiondesign

Per 21 February 2013, Barco acquired the remaining shares of the Norway-based company projectiondesign®, after acquiring 61% of the shares on December 19, 2012. The acquisition reflects Barco's strategy to strengthen its leading position in high-performance projection technology by advancing further into the mid-segment of its target markets.

The effective control was transferred on 1 January 2013. projectiondesign® is integrated in Barco's Projection division.

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). In the first half year of 2013 projectiondesign® has contributed 24.2 million euro to the total turnover of the Group, resulting -2.2 million euro EBITDA.

The following table summarizes the consideration paid for projectiondesign® and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

The IFRS restatements on other intangible fixed assets relate to fair value adjustments on the valuation of technology (amortized over 6 years), customer list (amortized over 6 years) and trade names (amortized over 1 year).

The total acquisition cost includes the amount paid at closing of 17.5 million euro, the amount paid per 19 December 2012 of 33 million euro and a vendor loan of 13.7 million euro to be paid to the former shareholders, which is considered as a pre-existing right at the moment of the acquisition and repayable in 2014, 2015 and 2016. The contract further provides for additional earn-out payments. The earn-out payments depend on the EBITDA generated over the financial year ended 31 December 2013. There are no minimum or maximum earn-out payments stipulated in the contract. No provision for earn-out payment has been set up in the June 30, 2013 financials.

Assets and Liabilities projectiondesign

IN THOUSANDS OF EURO - 01/01/13	Before acquisition	Fair value restatements	After acquisition
Other intangible fixed assets	386	18,384	18,770
Leased building	11,798	0	11,798
Other non-current assets	2,084	0	2,084
Total non-current assets	14,267	18,384	32,651
Inventory	16,184	-1,943	14,241
Trade receivables	11,143	0	11,143
Other current assets	1,182	0	1,182
Total current assets	28,509	-1,943	26,566
Provisions	-203	-4,057	-4,259
Leasing debt	-12,016	0	-12,016
Financial debt	-3,183	0	-3,183
Deferred tax liability	1,701	-3,602	-1,901
Total non-current liabilities	-13,701	-7,658	-21,359
Other current liabilities	-7,511	0	-7,511
Total current liabilities	-7,511	0	-7,511
Cash	-716	0	-716
Total net assets acquired	20,849	8,783	29,631
Total acquisition cost			64,309
Goodwill			34,678

Note: Fair value restatements also include restatements from local (Norwegian) Gaap to IFRS.

The goodwill recognized at acquisition is related to the assembled workforce, the company's ability to develop state-of-the-art technologies and synergies resulting from the combination of projectiondesign® with Barco. Barco is becoming a market leader in projection solutions for both large and mid-venue markets after this acquisition. The goodwill is not tax deductible and is recognized on a preliminary basis.

Acquisition of Awind

Per 26 March 2013, Barco acquired 100% of the shares of the Taiwan-based company Awind, a leading provider of wireless content sharing and WIFI-enabled presentations. This transaction advances Barco's strategy of leveraging its strengths in visualization to establish a leadership position in professional networking and collaboration. The effective control was transferred on 1 April 2013.

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). In the first three months since acquisition Awind has contributed 1.7 million euro to the total turnover of the Group, resulting 0.1 million euro EBITDA.

The following table summarizes the consideration paid for Awind and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

The IFRS restatements on other intangible fixed assets relate to fair value adjustments on the valuation of technology (amortized over 6 years), customer list (amortized over 5 years) and trade names (amortized over 1 year).

The total acquisition cost includes the amount paid at closing of 52.1 million US dollar (40 million euro recalculated at FX rate acquisition date), 15 million US dollar (11.5 million euro recalculated at FX rate acquisition date) put in escrow for 24 months and 6 million US dollar deferred consideration (4.6 million euro recalculated at FX rate acquisition date), retained for 15 months.

The goodwill recognized at acquisition is related to the technology developed by Awind and the future cash flows Barco will be able to realize based on the sale of products using the Awind technology. The goodwill is not tax deductible and is recognized on a preliminary basis.

Assets and Liabilities Awind

IN THOUSANDS OF EURO - 01/04/13	Before acquisition	Fair value restatements	After acquisition
Other intangible fixed assets	80	12,653	12,733
Other tangible fixed assets	125	0	125
Total non-current assets	205	12,653	12,858
Inventory	786	0	786
Trade receivables	919	0	919
Other current assets	276	0	276
Total current assets	1,980	0	1,980
Deferred tax liability	0	-2,151	-2,151
Total non-current liabilities	0	-2,151	-2,151
Other current liabilities	-743	0	-743
Total current liabilities	-743	0	-743
Cash	2,508	0	2,508
Total net assets acquired	3,949	10,502	14,451
Upfront consideration			51,621
Deferred consideration			4,615
Total acquisition cost			56,236
Goodwill			41,785

CHANGE IN CONSOLIDATION METHOD CHINESE JOINT VENTURE CFG BARCO

Effective as of January 1st, 2013 the contract with Barco's joint venture partner China Film Group has been modified, resulting in Barco obtaining control over CFG Barco (Beijing) Electronics Co, Ltd. Barco's ownership in the company of 58% remained unchanged and no additional consideration was paid for the change in control. As a result of obtaining control CFG Barco has been fully consolidated as from 1 January 2013 onwards. Until 31 December 2012 CFG Barco has been taken up at equity method.

The step acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). The remeasurement of the acquisition-date fair value of the equity interest in CFG Barco, held immediately before the acquisition date did not materially differ from the equity interest in the company before the business combination. Therefore no gain or loss needed to be recognized as a result of remeasuring to fair value the equity interest in CFG Barco.

The following table summarizes the amounts of the assets acquired and liabilities assumed of CFG recognized at the acquisition date.

Assets and Liabilities CFG Barco

IN THOUSANDS OF EURO - 01/01/13	Before acquisition	Fair value restatements	After acquisition
Deferred tax assets	728	0	728
Other non-current assets	684	0	684
Total non-current assets	1,412	0	1,412
Inventory	9,959	0	9,959
Trade receivables	14,314	0	14,314
Other current assets	5,919	0	5,919
Total current assets	30,192	0	30,192
Trade payables	-13,111	0	-13,111
Other current liabilities	-12,867	0	-12,867
Advances received on contracts in progress	-18,480	0	-18,480
Total current liabilities	-44,457	0	-44,457
Cash	18,138	0	18,138
Total net assets acquired	5,285	0	5,285

In the first six months of 2013 CFG Barco has contributed 28 million euro to the total turnover of the Group, resulting 2.4 million euro EBITDA.

RELATED PARTY TRANSACTIONS

Apart from transactions with the CEO, Corporate Senior Vice Presidents and Directors, there were no other transactions with related parties. The nature of the transactions with the CEO, Corporate Senior Vice Presidents and Directors during the first 6 months of 2013 did not significantly differ from the transactions disclosed in the Annual Report of 2012.

LITIGATIONS AND COMMITMENTS

No important changes occurred during the first 6 months of 2013 relating to the litigations and commitments which have been disclosed in the 2012 consolidated financial statements.

CHANGES IN EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT

	2013	2012
IN THOUSANDS OF EURO	6 months ended 30 June 2013	6 months ended 30 June 2012
Equity attributable to equityholders of the parent 31 December	538,050	460,703
Net income attributable to equityholders of the parent	30,883	43,523
Dividend	-16,856	-12,480
Other comprehensive income (loss) for the period, net of tax	-4,281	1,050
Capital increase	7,600	104
Sale of own shares	1,354	0
Share-based payment	636	391
Realisation translation adjustment on liquidated companies	-	-3,735
Equity attributable to equityholders of the parent 30 June	557,386	489,556

CASH FLOW STATEMENT

	2013	2012
IN THOUSANDS OF EURO	6 months ended 30 June 2013	6 months ended 30 June 2012
Cash flow from operating activities		
EBIT after restructuring	37,143	43,526
Unrealized foreign currency translation gain on Kladno liquidation	0	-3,735
Amortization capitalized development cost	23,058	20,256
Depreciation of tangible and intangible fixed assets	11,910	7,908
Gains and losses on tangible fixed assets	-3	38
Share options recognized as cost	636	391
Share of profit/(loss) of joint ventures	27	237
Gross operating cash flow	72,771	68,621
Changes in trade receivables	14,879	113
Changes in inventory	-4,060	-26,884
Changes in trade payables	-27,777	36,565
Other changes in net working capital	-14,939	-17,313
Change in net working capital	-31,898	-7,519
Net operating cash flow	40,873	61,102
Interest income	545	2,216
Interest expense	-1,765	-632
Income taxes	-11,471	1,384
Cash flow from operating activities	28,182	64,069
Cash flow from investing activities		
Expenditure on product development	-29,160	-25,066
Purchases of tangible and intangible fixed assets	-10,094	-10,323
Proceeds on disposals of tangible and intangible fixed assets	95	827
Acquisition of Group companies, net of acquired cash ⁽¹⁾	-51,667	-27,381
Other investing activities	0	-50
Interest in joint-ventures	0	-1,240
Cash flow from investing activities	-90,827	-63,234
Cash flow from financing activities		
Dividends paid	-16,856	-13,153
Share issue	7,600	104
Sale of own shares	1,354	0
Proceeds from (+), payments of (-) long-term liabilities	20,962	-1,730
Proceeds from (+), payments of (-) short-term liabilities	4,190	-4,600
Cash flow from financing activities	17,249	-19,379
Net decrease in cash and cash equivalents	-45,395	-18,544
Cash and cash equivalents at beginning of period	122,139	79,165
Cash and cash equivalents (CTA)	-958	567
Cash and cash equivalents at end of period	75,785	61,188

(1) Per 30 June 2013 this relates to the acquisitions Projectiondesign and Awind, net of cash (see Acquisitions) and earn-out on Fimi acquisition paid to Philips, less cash received upon the change in consolidation method of CFG Barco. Per 30 June 2012 this relates to the acquisitions of JAOTech and IP Video System activities and earn-out on FIMI acquisition paid to Philips.

FREE CASH FLOW

	2013	2012
IN THOUSANDS OF EURO	6 months ended 30 June 2013	6 months ended 30 June 2012
EBIT after restructuring	37,143	43,526
Unrealized foreign currency translation gain on Kladno liquidation	0	-3,735
Amortization capitalized development cost	23,058	20,256
Depreciation of tangible and intangible fixed assets	11,910	7,908
Gains and losses on tangible fixed assets	-3	38
Share of profit/(loss) of joint ventures	27	237
Gross operating free cash flow	72,134	68,230
Changes in trade receivables	14,879	113
Changes in inventory	-4,060	-26,884
Changes in trade payables	-27,777	36,565
Other changes in net working capital	-14,939	-17,313
Change in net working capital	-31,898	-7,519
Net operating cash flow	40,237	60,711
Interest income	545	2,216
Interest expense	-1,765	-632
Income taxes	-11,471	1,384
Cash flow from operating activities	27,546	63,678
Expenditure on product development	-29,160	-25,066
Purchases of tangible & intangible fixed assets	-10,094	-10,323
Proceeds on disposals of tangible & intangible fixed assets	95	827
Cash flow from investing activities	-39,160	-34,562
FREE CASH FLOW	-11,614	29,116

SEGMENT INFORMATION

Effective 1 January 2013, Barco changed the composition of the divisions as follows:

BARCO'S CORE BUSINESS ACTIVITIES:

- **Projection (former Entertainment division adding acquisition projectiondesign®):** designs and manufactures a broad family of projectors, LED displays and image processing products for use at events, concerts, open-air festival stages, retail stores, sports stadiums, museums, auditoria, meeting rooms and movie theaters.

- **Advanced Visualization (former Control Rooms and Simulation division adding two venture group companies dZine and ClickShare):** offers a complete portfolio of high-quality video wall modules in a wide range of sizes and resolutions. In addition, Advanced Visualization has a strong focus on dedicated collaboration software, professional services and smart networked solutions.

- **Healthcare:** has a solid reputation for delivering dependable visualization solutions that are central to the provision of quality healthcare. The product offering includes leading-edge displays for radiology, mammography, surgery, dentistry, pathology and modality imaging, along with DICOM compliant review displays, networked digital OR systems, and point-of-care devices.

- **Defense and Aerospace:** provides high-performance display systems, large-screen visualization platforms, advanced processing modules and network-client applications, all ensuring continuous information availability in harsh environmental conditions. The training business,

previously included in Control Rooms and Simulation has been added to the Defense and Aerospace division.

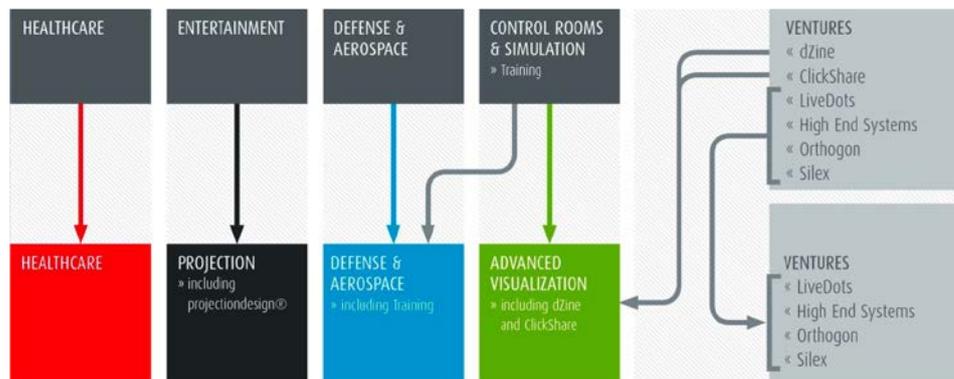
BARCO'S VENTURES:

- **BarcoSilex:** active in high level electronic engineering
- **High End Systems:** specialized in professional entertainment lighting products
- **LiveDots:** offers high-performance LED display solutions for indoor and outdoor installations.
- **Orthogon:** develops software components for the Air Traffic Control market.

Management monitors the results of each of the four divisions and the four ventures separately, so as to make decisions about resource allocation and performance assessment. Division performance is evaluated based on EBITDA. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating divisions.

As a consequence, the group has aligned its segment reporting with this business structure, resulting in five operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



RESULTS BY OPERATING SEGMENT

The following table presents revenue and profit information regarding the Group's operating segments for the 6 months ending June 30, 2013 and 2012, respectively.

IN THOUSANDS OF EURO	2013		2012	
	1st half year			
	Sales	EBITDA ¹	Sales	EBITDA ¹
Projection	285,447	47,638	218,941	39,959
Healthcare	98,636	12,164	100,205	12,016
Advanced Visualization	88,906	5,452	89,605	7,491
Defense & Aerospace	71,058	6,695	80,442	7,677
Ventures	55,390	4,781	42,190	4,548
Intra-group eliminations	-1,569	0	-389	0
Total group	597,868	76,730	530,994	71,691

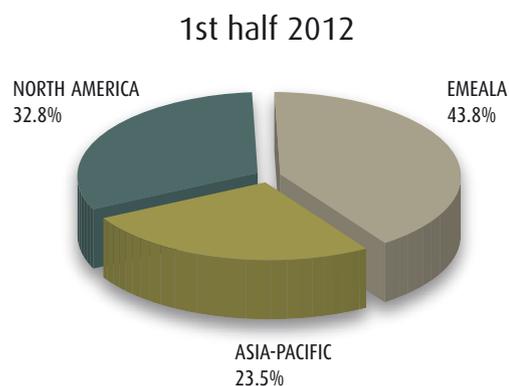
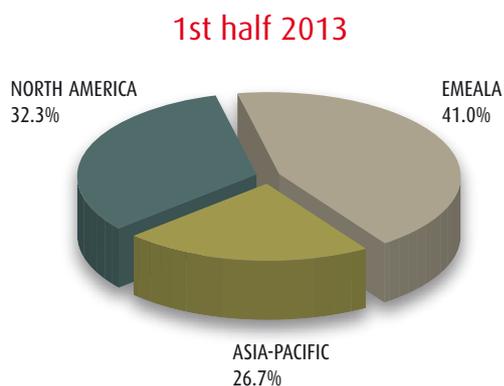
SEGMENT ASSETS

The following table presents segment assets and liabilities of the Group's operating segments ending June 30, 2013 and December 31, 2012:

	2013	2012
IN THOUSANDS OF EURO	30 June 2013	31 December 2012
SEGMENT ASSETS		
Projection	284,087	179,855
Healthcare	137,135	126,473
Advanced Visualization	188,563	137,689
Defense & Aerospace	135,094	135,656
Ventures	60,699	63,736
Total segment assets	805,578	643,409
SEGMENT LIABILITIES		
Projection	173,649	139,241
Healthcare	50,736	50,980
Advanced Visualization	50,988	59,999
Defense & Aerospace	39,588	35,765
Ventures	18,604	22,906
Total segment liabilities	333,564	308,890

GEOGRAPHIC BREAKDOWN OF SALES

Management directs sales of the Group based on the regions to which the goods are shipped or the services are rendered and has three reportable regions Europe, Middle East, Africa and Latin America (EMEALA), North America (NA) and Asia-Pacific (APAC). The pie charts below present the Group's sales over the regions for the 6 month period ended 30 June 2013 and 30 June 2012, respectively.



Group	1H 13	1H 13	13 - 12	
EMEALA	245.1	41.0%	12.7	5.5%
North America	193.0	32.3%	19.1	11.0%
APAC	159.7	26.7%	35.1	28.2%

Group	1H 12	1H 12
EMEALA	232.4	43.8%
North America	174.0	32.8%
APAC	124.7	23.5%

EVENTS AFTER THE BALANCE SHEET DATE

No subsequent events occurred which could have a significant impact on the interim condensed consolidated financial statements of the group per 30 June 2013.

AUDITOR'S REPORT

Report of the statutory auditor to the shareholders of Barco NV on the review of the condensed consolidated interim financial statements as of 30 June 2013 and for the six months period then ended

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Barco NV (the "Company") as at 30 June 2013 and the related condensed consolidated interim statements of income, changes in equity, comprehensive income and cash flows for the six-month period then ended, and explanatory notes ("the condensed consolidated interim financial statements"). The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted for use in the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as of 30 June 2013 and for the six months then ended are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted for use in the European Union.

Gent, July 18, 2013

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Stock exchange

NYSE Euronext Brussels
Barco share BAR ISIN BE0003790079
Barco VVPR-strip BARS ISIN BE0005583548

Reuters BARbt.BR
Bloomberg BAR BB

Financial information

More information can be obtained from the
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Report

This report “6 months ended 30 June 2013”
is also available in Dutch and can be
consulted on www.barco.com

Cover photograph: This hummingbird is the campaign image for Auro 11.1, Barco's immersive sound system for digital cinema