Results 1H13

“Sustained profitable growth”

“Barco absorbs two acquisitions and continues to invest in strategic growth”

19 July 2013

Eric Van Zele, President & CEO

Agenda

I. Financial highlights

II. Divisional results & Business update

III. Executive focus & Outlook

IV. Q&A

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I. Financial highlights 1H13

Financial highlights 1H13

- Orders: € 556.5m, 2.5% growth vs last year
- Sales: € 597.9m, 12.6% growth vs last year
- EBITDA: € 76.7m or 12.8%, 5.0% growth vs last year
- EBIT: € 41.8m or 7.0%

(in millions of euros)	1H13	1H12	Change	Change %
Incoming Orders	556.5	542.9	13.7	2.5%
Order book	440.0	501.5	-61.6	-12.3%
Sales	597.9	531.0	66.9	12.6%
EBITDA	76.7	71.7	5.0	7.0%
EBIT	41.8	43.5	-1.8	-4.1%
Net Income	31.7	43.5	-11.9	-27.3%
Free Cash Flow	-11.6	29.1	-40.7	

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

Editorial comments

Single digit growth in orders, up 2.5% vs 1H12

- Projection Division remains strong (+14%)
- Slow order intake for Advanced Visualization & slippage of major projects into Q3 for Healthcare and Defense & Aerospace.
- Initial sucesses for Nexxis (Surgical Imaging) and ClickShare
- Strongest growth in emerging regions (Asia Pacific and Central and Eastern Europe) offsetting slowness in Western Europe
- Improved sales conversion rate and shorter lead-times cause order book to decline

Double digit growth in sales (+13%) to almost € 600m, the best first semester ever

- Barco's Projection Division continued to perform at record strong levels (+30%)
- Healthcare & Advanced Visualization mainly flat & negative growth in Defense & Aerospace

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Editorial comments

Profitability on track

- Gross profits at 32.8%
- Healthy EBITDA level @ 12.8%, while absorbing acquisitions of projectiondesign® & Awind
    - Indirect expenses (R&D & Sales & Marketing) up 15.6% (of which 4.6% organic)
    - Additional non-recurring costs such as inventory step-up (IFRS related)
- Gap between EBIT and EBITDA widens to 5.8%, due to increased amortizations of
    - Capitalized development (mainly for growth investments in Projection and Healthcare)
    - Intangibles from acquisitions booked (IFRS restatements) (Technology, Customer lists & Trademarks)
- Net income down due to
    - More income taxes (12%)
    - Non-recurring restructuring provision of € 4.6m to rightsize the Defense group

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Cash Flow & Balance sheet

- € 72.1m gross operating cash flow generated (+5.8% versus 1H12)
- More cash outflows on Income taxes (€ -11m) & Working capital (€ -32m):
  - Trade receivables stable (DSOs at 57 days vs 60 days for 1H12 and 48 days EOY12)
  - Soft inventory increase with inventory turns at 3.0 (vs 2.5 for 1H12 and 3.1 EOY12)
  - Tight control over purchasing & DPO in-line with 1H12 caused accounts payables to decrease by € -28m (vs a plus of € 35m for 1H12)
- Resulting in Free Cash Flow of € -11.6m in 1H13 (vs € 29.1m in 1H12).
- Cash @ € 24.2m (from € 111.2m EOY12), after having paid for acquisitions & dividend
- ROCE @ 16% (vs 19% for 1H12 and 24% FY12)

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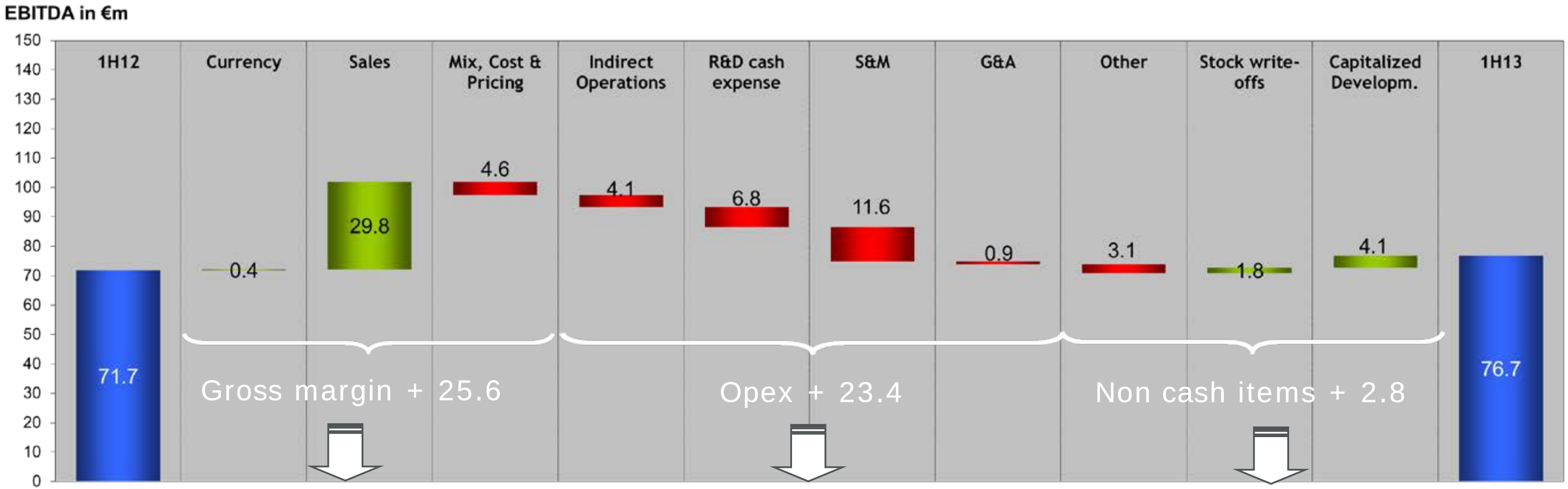
EBITDA waterfall 1H13 vs 1H12 (+ € 5m)



- Sales growth of 12.6% (organic growth 7.7%)*
- Sales growth in all regions
- Gross margins as % of sales remained stable

- Total indirect costs increase with 15.6%, mainly impact of the acquisitions

- Other income last year included € 3.6m result on the liquidation of Barco Manufacturing SRO
- Stock write-offs at 1.3% on sales vs 1.8% in 1H12
- Increased investments in strategic development projects for Projection and Healthcare

Organic growth is excluding impact of projectiondesign® and Awind

Geographical breakdown sales

NORTH-AMERICA

EMEALA

APAC

	NORTH-AMERICA	EMEALA	APAC
1H13	32%	41%	27%
Growth	11%	5%	28%

II. Divisional results 1H13 & Business updates

Projection – 1H13

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%	

- Robust order intake & strong sales performance
  - DC global leadership with recent sucesses in Latin America and India
  - Pro AV lifted by projectiondesign® with accelerating momentum in 2H13
- Healthy EBITDA contribution
  - Despite impact of projectiondesign® (with lower operational profitability)
  - Growing operational efficiencies
- Optimized working capital and very high ROCE

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Projection – Business update

- Additional DC sales potential in new markets, China & India
- Corporate AV and projectiondesign® initiatives in place for favorable growth to offset maturation of DC in Europe & NA
  - Integration of projectiondesign® progressing well with important restructuring steps completed successfully (including sales & marketing).
  - Target to leverage projectiondesign®, increasing topline growth and operational efficiency
  - Corporate AV productportfolio for new growth markets defined and ready for launch in 2H13
- Increased focus to new markets such as Digital Signage and Auro 11.1

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Healthcare – 1H13

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%	

- 1H top line in Orders and Sales slightly lower than last year
  - Diagnostic market remains healthy but softer modality segment (especially in Western Europe)
  - 1H13 sales equal to 1H12 for diagnostic, strong NA sales offsetting weak EMEA results
- EBITDA almost being par
  - Improving margin for diagnostic thanks to cost reduction efforts & despite price pressure & budget cuts in healthcare

Healthcare – Business update

- New customers added and healthy funnel in emerging markets (Middle East, Latin America) for Diagnostic & Point of Care
- Continued focus on implementation of growth strategy for the new segments Expected ramp up in Surgical Imaging and Patient Care to fuel increase in top line
  - Surgical Imaging: market adoption of digital operating room solution is taking time but efforts to create demand are bearing fruit; making progress with major system integrators
  - Interactive Patient Care: focus on translating funnel into sales. Release of new product portfolio will be instrumental.
- Realigning stock to market behaviour to further improve inventory turns

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Advanced Visualisation – 1H13

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%	

- Slower 1H order intake & flat sales but reassuring Q2 order intake performance
  - Sales for advanced visualization solutions for high and mid segment market started slow
  - Western Europe & MEAI continue to underperform mainly in control rooms
  - ClickShare gaining momentum & steadily increasing and opening markets in China & APAC

- EBITDA declining because of increased investments in networked and collaboration solutions and in sales & marketing

Advanced Visualisation Systems – Business update

- Softer order intake (governments postponing decisions) but strong funnel with important projects to get closed in the next months
- New initiatives gaining traction
  - More mid-range & productized solutions become available from 3Q13 onwards completing the solution portfolio
  - ClickShare wins several industry awards and outlook remains promising. Quantity sold in Q2 doubled vs Q1. China and other major Asian countries coming on line (certification)
  - Integration program for Awind ongoing and resulting in first joint products to be released in 2H13. Important partners are onboarding

- Inventory decreased and turns are approaching the company's benchmarks

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Defense & Aerospace – 1H13

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%	

- Slow orders & sales in 1H13
  - Mainly driven by weak defense spending in all regions
  - Partially offset by a healthy order intake & sales performance in avionics

- Operational profit on par as a percentage of sales
  - Reduction of costs ongoing & rightsizing the defense business organization

Defense & Aerospace – Business update

- Defense & Aerospace making the turn
  - Renewed leadership team
  - Restructuring charge of € 4.6m booked for rightsizing actions (complexity reduction, key accounts, less SKU's,...)
  - Several major wins on the horizon in both Defense and Avionics
- Focus on improving profitability
  - Avionics remains strong as evidenced by announced new orders for business and commercial aircraft
  - Key Account Strategy initiative fuel new opportunities & focus to close the key programs awarded but delayed out of H1. Expected to result in a stronger second half order bookings for both Avionics and Defense
  - Inventory still too high, actions ongoing

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Ventures – 1H13

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%	

- Barco’s ventures show good growth thanks to a strong turnaround in High End Systems (new console product line) and continued good performance in LiveDots
- Also Orthogon enjoys strong order intake & good sales performance
- Silex OK on orders

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III. Executive focus 2H13 & Outlook

Executive focus 2H13

Barco intends to take next steps toward accomplishing its long term growth objectives, with executive focus on:

1. Maintaining global leadership in Projection & developing corporate AV market with an expanded product portfolio and broadened channel network
2. Unlocking networking potential & bringing the ClickShare opportunity home
3. Rightsizing Defense and reposition for substantial growth
4. Managing acquisitions into profitability & taking decisions on non-strategic assets

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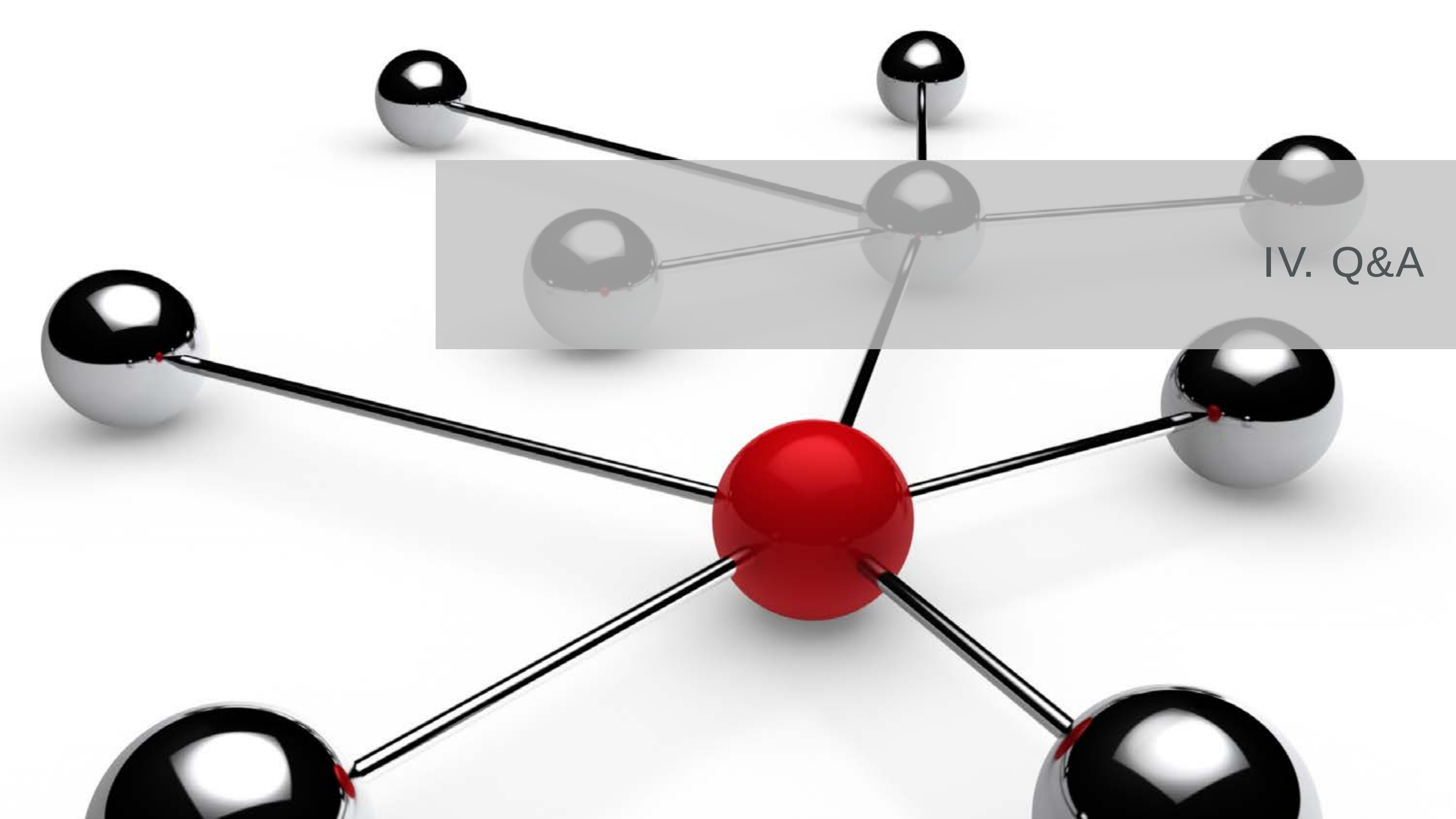
Outlook 2H13

On the strength of a solid mid-year performance and based on continued progress integrating acquired businesses and improving operational efficiency,

Barco reiterates its expectation to generate profitable growth albeit at a slower pace than in 2012

IV. Q&A



One Barco

Thank you!