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RESULTS 1H15

STRONG FIRST HALF ON HIGHER SALES AND IMPROVED PROFITABILITY

22 July 2015

Eric Van Zele, President & CEO

AGENDA

- FINANCIAL HIGHLIGHTS
- EDITORIAL COMMENTS
- DIVISIONAL RESULTS & BUSINESS UPDATE
- OUTLOOK

* In this updated presentation (August 2015), a correction has been made regarding the distribution of Adjusted EBITDA values between 1H14 and 2H14 for Healthcare & Enterprise compared to the numbers released with the 1H15 earnings presentation (slide 20 and 22). Group and Full year EBITDA values remain unchanged.

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FINANCIAL HIGHLIGHTS

EXECUTIVE SUMMARY

I. Strong Operational Performance

- Orders up 15.9%
- Sales up 16.6%
- Adjusted EBITDA @ 8%
- Good cash flow @ € 14.5m

II. Strong cash position of € 187.7m

- Strong net cash inflow on divestiture of € 151.5m
- Substantial pre-tax gain of € 64m

III. Change in capitalization methodology

- Improved transparancy
- Optimized balance sheet

FINANCIAL HIGHLIGHTS

- Orders € **522.5m**, +15.9%
- Sales € **506.2m**, +16.6%
- Gross Profits @ **35.4%**, up 2.1ppts
- Adjusted EBITDA* @ **8%**, up 2.9ppts
- EBIT @ **€ 7.5m** or 1.5%
  - Down 1.4 ppts in “new reporting format” vs 1H14
  - Up 3.3 ppts in “old format” vs 1H14
- Net income of **€ 51.7m**
  - Inclusive exceptional gain on DAT
  - EPS of € 3.86 (vs € 0.69)
- FCF € **14.5m**

1H15	**Sales**	**Adjusted EBITDA**	**Adjusted EBITDA %**
Entertainment	264.4	27.5	10.4%
Enterprise	138.9	2.7	1.9%
Healthcare	104.7	10.3	9.9%
Intra-group eliminations	(1.8)		
Group	**506.2**	**40.5**	**8.0%**

* Adjusted EBITDA: EBITDA minus capitalized development cost

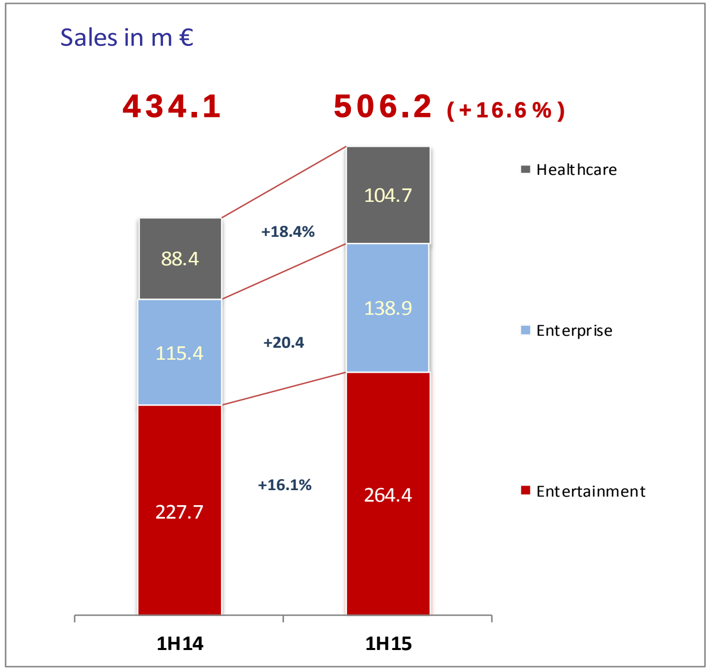
NEW CAPITALIZATION METHODOLOGY

- Considerations
  - Predictability of current product development
  - Increased transparancy
    - More narrow gap between EBIT and EBITDA
    - More cash orientation and direct transparency in allocation of capital to R&D
    - Avoid disruption of impairments
- Execution & impact on Balance Sheet and Profit & Loss statement
    - As of 2015, Barco will no longer capitalize product development expenses
    - Outstanding capitalized product development expenses will be amortized over remaining periods
    - Gap EBIT-EBITDA expected to evolve to ca 3 ppts
- “Adjusted EBITDA” or EBITDA minus capitalized development
    - To support comparability with previous reporting periods

EDITORIAL COMMENTS

Orders & Sales

- Order book @ 333.1 million euro (slightly lower (-2.9%) vs 1H14; but up 10.2% vs EOY14)
- Strong growth in Order intake & Sales for both the Americas & the APAC region
- Robust growth in Entertainment (+16.1%)
  - Mainly fueled by Digital Cinema, China
- Growth in Enterprise (+20.4%)
  - Exponential growth in Corporate
  - Stabilizing sales in Control Rooms
- Robust growth in Healthcare (+18.4%)
  - Growth in Surgical
  - ADVAN included as of 1 July 2015



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GEOGRAPHICAL BREAKDOWN SALES

AMERICAS

EMEA

APAC

	AMERICAS	EMEA	APAC
1H15	37%	31%	32%
Change vs 1H14	+16%	-0%	+40%

EDITORIAL COMMENTS

Profitability

- Gross Profit Margin up with 2.1 ppts
- Total operational cash expenses down to 29.2% of sales (vs 30.4%) and up in absolute value partly due to FX impact
- All divisions show improved profitability
- Adjusted EBITDA @ € 40.5m (vs € 22.3m in 1H14)

INCOME STATEMENT

In € m	1H15		1H14	
Sales	**506.2**	**100.0%**	**434.1**	**100.0%**
Cost of goods sold	(326.9)	(64.6%)	(289.6)	(66.7%)
Gross profit	**179.3**	**35.4%**	**144.5**	**33.3%**
Research & development expenses	(47.1)	(9.3%)	(44.3)	(10.2%)
Development capitalization/amortization	(23.3)	(4.6%)	0.1	0.0%
Sales & marketing	(77.1)	(15.2%)	(66.2)	(15.2%)
General & administration	(23.4)	(4.6%)	(21.4)	(4.9%)
Other operating result	(1.0)	(0.2%)	(0.0)	(0.0%)
EBIT	**7.5**	**1.5%**	**12.7**	**2.9%**
Interest expense, net	0.1	0.0%	(1.0)	(0.2%)
Income taxes	(1.5)	(0.3%)	(2.1)	(0.5%)
Result after taxes	**6.1**	**1.2%**	**9.6**	**2.2%**
Share in the result of JV's and associates	(0.7)	(0.1%)	0.0	0.0%
Net income from continuing operations	**5.4**	**1.1%**	**9.7**	**2.2%**
Net income from discontinued operations	**46.3**	**9.1%**	**1.4**	**0.3%**
Net income	**51.7**	**10.2%**	**11.0**	**2.5%**
Net income attributable to non-controlling interest	(5.2)	(1.0%)	(2.5)	(0.6%)
Net income attributable to the equityholders	**46.4**	**9.2%**	**8.5**	**2.0%**
Earnings per share (in €)	3.86		0.69	
EBITDA minus capitalized development	**40.5**	**8.0%**	**22.3**	**5.1%**

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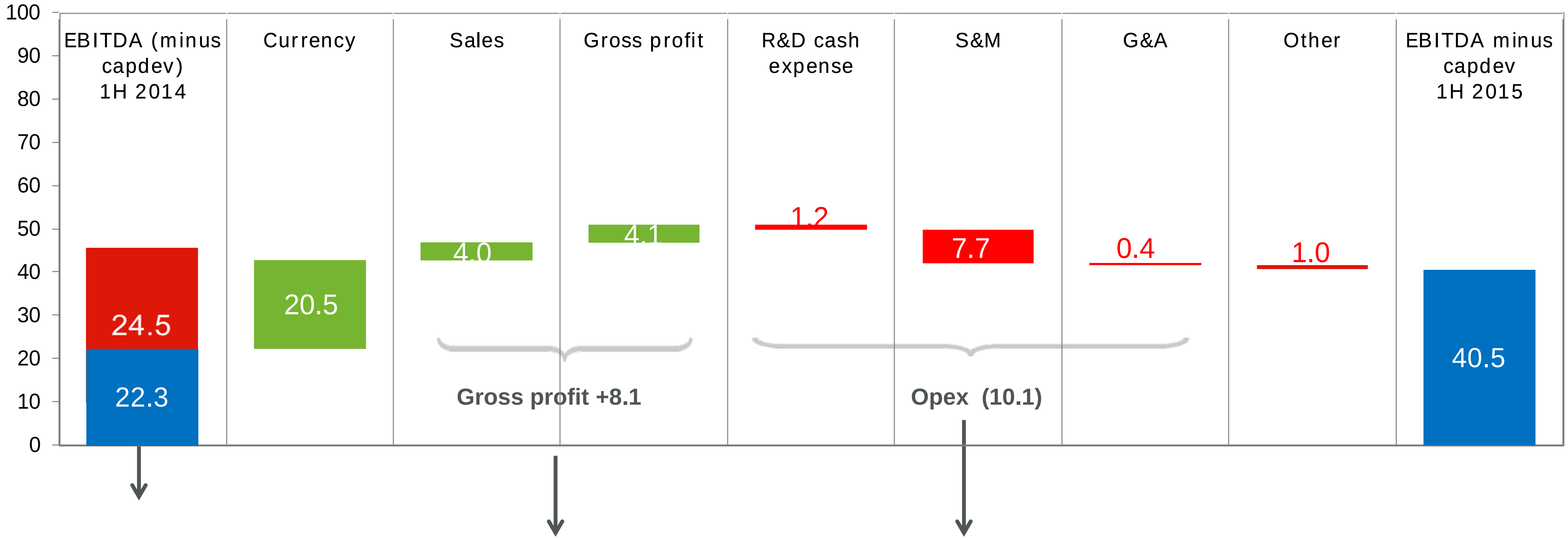
EBITDA* IMPROVEMENT (+ € 18.2M)



- Development not capitalized as of 1/1/15, impact of € 24.5m
- Adjusted EBITDA* 1H14: € 22.3m

- Sales increase in APAC and Americas, sales flat in EMEA
- Gross profit margins up 2.1ppts

- Opex at 29.2% in 1H15, 1.2ppts lower than last year

* EBITDA minus capitalized development

CASH & BALANCE SHEET

- € 187.7m net cash (vs € 41m 1H14 and € 63.4m EOY14)
- € 38.2m gross operating cash flow (vs € 46.8 m in 1H14)
- € 10.2m increase in working capital
  - Trade receivables with DSO of 65 days (vs 54 days 1H14 and 63 EOY14)
  - Inventory turns were 3.1 (vs 3 turns 1H14 and 2.9 turns EOY14)
  - Trade payables @ € 111.4m (vs 109.1 EOY14)
- € 14.5m free cash flow realized in 1H15 (vs -€ 14.5m in 1H14)
- ROCE @ 5% (vs 8% 1H14 and 6% EOY14)
- Capitalized Development now @ € 49.2m
- Capital Expenditure @ € 18.1m

FREE CASH FLOW

Group	1H15	1H14	Change
EBIT	7.5	12.7	(5.2)
Amortization capitalized development cost	23.3	24.4	(1.1)
Depreciation tangible and intangible FA	9.8	9.7	0.1
Gains and losses on tangible FA	(0.2)	0.0	(0.2)
Gain on divestment Orthogon	(1.5)		(1.5)
Share of profit/(loss) of joint ventures	(0.7)	0.0	(0.7)
Gross operating cash flow	38.2	46.8	(8.6)
Changes in trade receivables	(15.6)	9.2	(24.7)
Changes in inventory	12.5	(20.4)	32.9
Changes in trade payables	(6.5)	4.5	(11.0)
Other changes in net working capital	(0.6)	(19.5)	18.9
Change in net working capital	(10.2)	(26.2)	15.9
Net operating Cash Flow	28.0	20.6	7.4
Interest income/expense	0.1	(1.0)	1.1
Income taxes	(7.9)	(4.1)	(3.8)
Cash flow from operating activities	20.3	15.5	4.7
Expenditure on product development	0.0	(24.5)	24.5
Purchase of tangible and intangible FA	(6.1)	(9.6)	3.6
Proceeds on disposal of tan and intan FA	0.3	4.1	(3.8)
Cash flow from investing	(5.8)	(30.1)	24.3
FREE CASH FLOW	14.5	(14.5)	29.0

Turnaround of € 29m y-o-y

- Improved adjusted EBITDA (gross operating cash flow minus expenditure on product development) – impact € +15.9m
- Other **working capital** kept flat
- Within the base working capital: decreasing inventories, offset by higher receivables and lower payables

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NET FINANCIAL CASH MOVEMENT

Net financial cash increased to € 187.7m
After divestment of D&A, dividend pay-out and acquisition of Advan

Net cash 31/12/2014	63.3
Free cash flow (reported)	14.1
Proceeds from divestments	153.0
Acquisition Advan	(12.1)
One Campus	(11.4)
Dividends paid	(19.4)
Other, net	0.2
Net cash 30/06/2015	187.7

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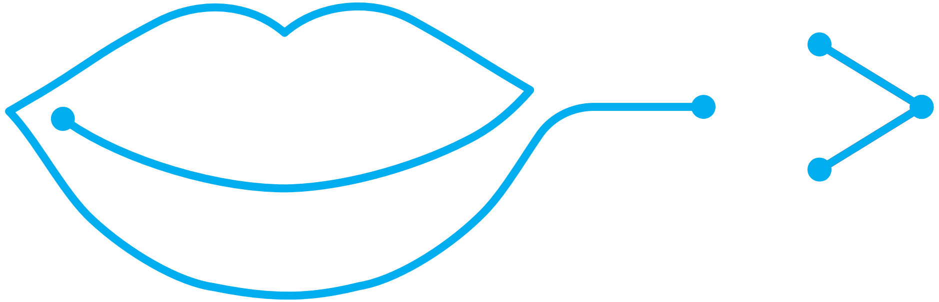
DIVISIONAL RESULTS 1H15 & BUSINESS UPDATE

ENTERTAINMENT



Cinema

Venues & Hospitality

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ENTERTAINMENT

(in millions of euros)	**1H15**	**2H14**	**1H14**	**Change 1H**
Orders	297.0	195.5	235.7	+26.0%
Sales	264.4	232.0	227.7	+16.2%
Adjusted EBITDA	27.5	11.6	22.7	+21.1%
Adjusted EBITDA margin	10.4%	5.0%	10.0%	

- Orders & Sales: Robust increases (Orders + 26% ; Sales + 16%)
  - Cinema strong with contributions from deployments in Latam, new builds in China, IMAX and service
  - V&H on track with good uptake of Image Processing & Simulation solutions
- Strong margins drive solid profitability-performance
- Business Update 1H15
  - Drive high end laser illumination in Cinema
  - Launch low cost E-series projector (rural areas & e-cinema) and creating the building blocks for the Cinema Incubators
  - Launch of new image processing solutions for V&H and investing to install footprint in fixed install market

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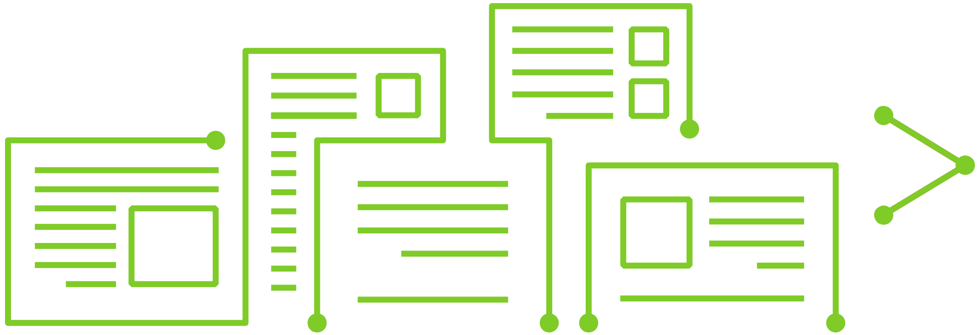
ENTERPRISE



CORPORATE

CONTROL ROOMS

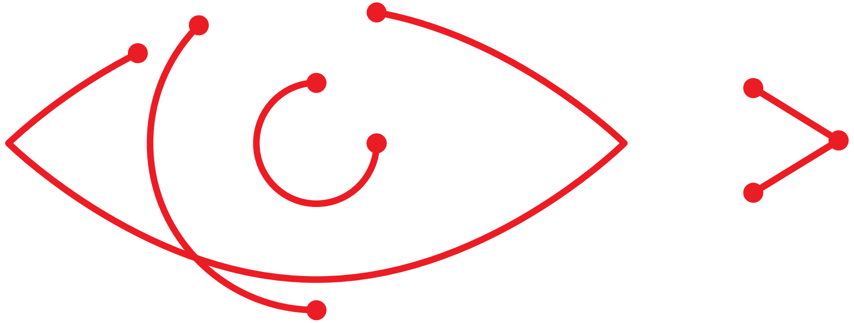
ENTERPRISE

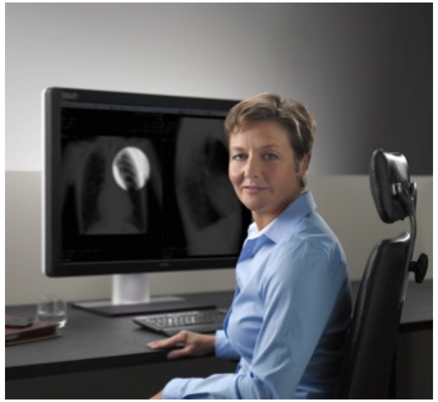
(in millions of euros)	1H15	2H14*	1H14*	Change 1H
Orders	135.2	129.3	126.2	+7.1%
Sales	138.9	144.4	115.4	+20.4%
Adjusted EBITDA	2.7	12.0	(3.3)	N/M
Adjusted EBITDA margin	1.9%	8.3%	(2.9%)	

- Orders & Sales
  - Corporate: strong 1H15 driven by continued growth of ClickShare
  - Control Rooms: stabilizing sales with growing contribution of networking and software solutions
- Profitability
  - Corporate: Strong gross profit margin and positive adjusted EBITDA performance
  - Control Rooms: Measures to restore profitability under consideration
- Business Update 1H15
  - Cash flow positive in Control Rooms mainly driven by improved inventory
  - Reduction in complexity of Control Rooms product portfolio ongoing
  - Increasing focus in Corporate on channel account programs for North America

* A correction has been made in the distribution of Adjusted EBITDA values between 1H14 and 2H14 compared to the numbers released in the 1H15 earnings press release.

HEALTHCARE





DIAGNOSTIC IMAGING

SURGICAL

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HEALTHCARE

(in millions of euros)	1H15	2H14*	1H14*	Change 1H
Orders	90.8	93.2	87.8	+3.4%
Sales	104.7	98.2	88.4	+18.4%
Adjusted EBITDA	10.3	7.4	2.9	+255.2%
Adjusted EBITDA margin	9.9%	7.5%	3.3%	

- Orders & Sales
  - Sales growth and strong execution in all major regions compared to 2014
  - UNITI well received in the market and starting to result in orders from key accounts
  - Strong growth with Surgical quarter-over-quarter ; both in EMEA (500+ installs) and NA through major accounts
  - Interactive Patient Care repositioned and channel partner relationships restored
- Business Update 1H15
  - Diagnostics 12 MP-UNITI display launch worldwide,
  - Surgical solution being assessed by major new accounts
  - Gearing up China distributor network
  - ADVAN acquisition closed in June

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OUTLOOK

OUTLOOK

- Assuming foreign exchange rates remain at current levels, management expects to grow sales for the year in the high single digit range.
- Adjusted EBITDA, including planned growth initiatives, will improve moderately year-on-year.

These outlook statements are forward looking and actual results may differ materially

Q&A

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