



HALF YEAR **REPORT**

Barco six months ended 30 June 2017

Obligations with regard to periodical information following the transparency directive effective as of 1 January 2008

Declaration regarding the information given in this report as of and for the 6 months ended 30 June 2017

The undersigned declare that:

- the report 6 months ended 30 June 2017, 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 2017 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.

Jan De Witte, CEO

Ann Desender, CFO

Key figures

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Orders	561,887	532,879	522,537
Orderbook	349,534	332,426	333,062
Net sales	517,968	529,215	506,167
Gross profit	198,407	189,961	168,686
Gross profit margin	38.3%	35.9%	33.3%
EBIT before non-recurring	31,554	24,144	7,453
EBIT margin	6.1%	4.6%	1.5%
EBITDA ¹	48,163	49,451	40,509
EBITDA margin	9.3%	9.3%	8.0%
Net income	23,000	24,827	51,683
Net income margin	4.4%	4.7%	10.2%
Net income attributable to the equityholder of parent	19,163	18,086	46,436
Earnings per share (in euro)	1.56	1.49	3.86
Diluted earnings per share (in euro)	1.50	1.44	3.76

(1) EBITDA = EBIT before non-recurring + depreciations and amortizations

Number of employees

	30 June 2017	30 June 2016
Total (full-time equivalents)	3,465	3,480

Capital & ownership of Barco's shares

On 30 June 2017, the capital amounted to euro 55,849,837.72 represented by 13,062,634 shares. Ownership of the company's shares was as follows:

Michel Van de Wiele NV	18.33%	2,394,833 shares
ACF IV Investment SARL	5.04%	658,915 shares
Norges Bank (the Central Bank of Norway)	5.00%	653,680 shares
Templeton Investment Counsel, LLC	4.70%	614,438 shares
3D NV	3.95%	515,385 shares
Barco NV	5.51%	719,946 shares
Public	57.46%	7,505,437 shares
Total	100.00%	13,062,634 shares

Fully diluted

Michel Van de Wiele NV	18.31%	2,394,833 shares
ACF IV Investment SARL	5.04%	658,915 shares
Norges Bank (the Central Bank of Norway)	5.00%	653,680 shares
Templeton Investment Counsel, LLC	4.70%	614,438 shares
3D NV	3.94%	515,385 shares
Barco NV	5.50%	719,946 shares
Public	57.52%	7,524,057 shares
Total	100.00%	13,081,254 shares

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



Management discussion and analysis of the results

First half 2017 financial highlights

- Incoming orders at 561.9 million euro (+5.4%)
- Orderbook at 349.5 million euro, (+9.0% versus year-end 2016)
- Sales at 518.0 million euro (-2.1%)
- Gross profit margin of 38.3% (+2.4 pts)
- EBITDA ¹ of 48.2 million euro (-1.3 million euro) or 9.3% of sales (flat compared to 1H16)
- EBIT of 31.6 million euro (+7.4 million euro) or 6.1% of sales (+1.5 pts)
- Net income at 19.2 million euro (+1.1 million euro)

Management discussion

On the strength of a sound second quarter performance, Barco posted first semester gains in orders and a solid profitability. While the discontinuation of some non-profitable activities and the anticipated transition in the cinema market in key regions impacted sales, order intake was strong. The higher level of order intake reflects an uptake in demand for its new projection products for the Entertainment market and continued growth for ClickShare and its Healthcare solutions. Barco grew gross profit margin to 38.3% and EBITDA margin was 9.3% for the first half of 2017, reflecting favorable mix and initial results from the "Focus to perform"-program including value engineering initiatives & portfolio streamlining actions. During the second half of the year, Barco plans to focus on further strengthening its global competitiveness, improving

its commercial excellence while launching and shipping new hardware and software solutions across divisions. With a solid orderbook and the completion of selected portfolio optimizations Barco is well positioned for an improvement in sales and EBITDA margin for the second half of the year compared to the first half.

Outlook for 2H2017

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

Given top line results for the first half of the year, management expects full year sales to be in line with last year. Barco's target of further improving EBITDA remains unchanged.

(1) EBITDA = EBIT before non-recurring + depreciations and amortizations

Consolidated results for the first half

Order intake and order book

Order intake was 561.9 million euro, an increase of 29.0 million euro or 5.4% compared to last year, driven by strong increases in the Enterprise and Healthcare division. Orders for the EMEA region were flat year-over-year while both the APAC and Americas regions produced growth outcomes. The orderbook continued to strengthen to close at 349.5 million euro at the end of the first semester of 2017, a 5% increase year-over-year and a 9% increase versus the end of last year.

IN MILLIONS OF EURO	1H17	2H16	1H16	2H15	1H15
Order book	349.5	320.8	332.4	333.2	333.1
Order intake	561.9	548.3	532.9	521.2	522.5

Order intake by division

IN MILLIONS OF EURO	1H17	1H16	CHANGE 1H
Entertainment	275.9	283.6	-2.7%
Enterprise	171.0	143.7	+19.1%
Healthcare	114.9	105.7	+8.7%
Intra-group eliminations	-0.1	-0.1	
Group	561.9	532.9	+5.4%

Order intake per region

IN MILLIONS OF EURO	1H17	% OF TOTAL	1H16	% OF TOTAL	CHANGE
The Americas	198.2	35%	186.9	35%	6%
EMEA	174.7	31%	174.3	33%	0%
APAC	188.9	34%	171.7	32%	10%

Sales

First semester sales were slightly lower compared to 1H16 reflecting the anticipated decline in Cinema (Entertainment) sales and the discontinuation of some non-profitable activities partially offset by gains in the Enterprise and Healthcare divisions. Excluding the impact of High End Systems, which the company divested in 1H17, sales for the first half were 0.6% lower than 1H16. Excluding currency effects reported sales were 3.4% below last year.

IN MILLIONS OF EURO	1H17	2H16	1H16	2H15	1H15
Sales	518.0	573.1	529.2	522.7	506.2

Sales by division

IN MILLIONS OF EURO	1H17	1H16	CHANGE 1H
Entertainment	247.4	272.6	-9.2%
Enterprise	150.8	140.9	+7.0%
Healthcare	119.9	115.7	+3.7%
Intra-group eliminations	-0.2	-0.0	
Group	518.0	529.2	-2.1%

Sales per region

IN MILLIONS OF EURO	1H17	% OF TOTAL	1H16	% OF TOTAL	CHANGE
The Americas	193.5	37%	197.2	37%	-2%
EMEA	166.5	32%	168.0	32%	-1%
APAC	158.0	31%	164.1	31%	-4%

Profitability

Gross profit

Gross profit was 198.4 million euro for the first half of 2017, an increase of 4.4% compared to 190.0 million euro for the first semester 2016. Gross profit margin increased 2.4 percentage points to 38.3% for the first half of 2017 compared to 35.9% for the first half of 2016, mainly driven by lower project costs, favourable mix and value engineering projects.

Indirect expenses

Total operational expenses were 165.5 million euro or 32.0% of sales compared to 154.2 million euro or 29.1% of sales for the first half of 2016.

Higher R&D expenses related to new product introductions, further building commercialization capacity for ClickShare, increased IT expenses and amortization of the One Platform project contributed to the year-over-year increase in operational expenses for the first semester.

- On a cash basis, Research & Development expenses increased to 63.4 million euro from 56.1 million euro last year. As a percent of sales, cash R&D expenses amounted to 12.2% of sales compared to 10.6% a year earlier.
- Sales & Marketing expenses increased to 73.3 million euro compared to 72.1 million euro for the first half of 2016. As a percent of sales, Sales & Marketing expenses were 14.2% in 1H17 compared to 13.6% in 1H16.
- General & administration expenses were 28.8 million euro, compared to 26.1 million euro last year or 5.6% of sales versus 4.9% last year. The increase was mainly due to higher IT-expenses in the areas of digitization and security.
- Other operating results amounted to a negative 1.3 million euro compared to a positive 1.3 million euro last year.

(1) EBITDA as EBIT before non recurring + depreciations and amortizations

(2) As of 2015 Barco's product development costs are being expensed as incurred. Previously the company capitalized product development costs. The outstanding balance of these capitalized development costs was being amortized in 2015 and 2016 and as a result EBIT for 1H16 was impacted by 12.9 million euro of amortizations.

EBITDA & EBIT

EBITDA¹ was 48.2 million euro, compared to 49.5 million euro for the prior year first semester. EBITDA margin was flat year-over-year at 9.3%. Excluding currency effects EBITDA margin would have been 10.3%. By division, Sales, EBITDA and EBITDA margin was as follows:

1H17			
IN MILLIONS OF EURO	SALES	EBITDA	EBITDA %
Entertainment	247.4	175	7.1%
Enterprise	150.8	16.8	11.1%
Healthcare	119.9	13.8	11.5%
Group	518.0	48.2	9.3%

EBITDA by division 1H17 versus 1H16 is as follows:

IN MILLIONS OF EURO	CHANGE		
	1H17	1H16	1H
Entertainment	17.5	22.7	-22.7%
Enterprise	16.8	15.6	7.4%
Healthcare	13.8	11.1	25.2%
Group	48.2	49.5	-2.6%

The EBITDA decline in the Entertainment division reflects anticipated cinema sales softness and heavier investments in new products and related business development efforts. EBITDA growth in the Enterprise division was driven by a greater contribution from the Corporate activity. The Healthcare division posted profitability gains reflecting favourable product mix and the benefit of value engineering initiatives. EBIT was 31.6 million euro or 6.1% of sales. For the first half of last year EBIT was 24.1 million euro or 4.6 % of sales².

Income taxes

In the first half of 2017 taxes were 5.7 million euro for an effective tax rate of 20.0%, compared to 7.9 million euro in the first half of 2016, or an effective tax rate of 24.0%.

The lower effective tax rate for the first half of 2017 was driven by innovative income deduction (IID) in Belgium and a credit reflecting a carry-back of tax losses in the US on the High End Systems divestment to the taxable gain realized on the 2015 sale of the Defense & Aerospace business.

Net income

Barco recorded an impairment charge of 4.5 million euro related to a minority investment for which the return criteria were no longer met.

Net income attributable to equity holders was 19.2 million euro or 3.7% of sales compared to 18.1 million euro, or 3.4% of sales, for the first semester of 2016.

Net income includes the deduction of third party interests in the amount of 3.8 million euro related to the Joint Venture with China Film Group.

Net earnings per ordinary share (EPS) for the first semester were 1.56 euro, compared to 1.49 euro the year before. Fully diluted net earnings per share were 1.50 euro, compared to 1.44 euro at the end of June 2016.

CASH FLOW & BALANCE SHEET**Free cash flow**

Free cash flow for the first half of 2017 was 33.5 million euro negative, compared to 28.9 million euro negative for the first half of 2016. While gross operating cash flow was similar to last year, the increase in working capital was driven mainly by lower advances received, included in other working capital.

Table Free Cash Flow see page 22.

Working capital and return on capital employed

IN MILLIONS OF EURO	1H17	FY16	1H16
Trade receivables	189.7	188.6	186.8
DSO	63	55	61
Inventory	169.4	166.2	191.4
Inventory turns	3.3	3.6	2.9
Trade payables	-121.3	-135.1	-123.0
DPO	59	63	61
Other working capital	-232.8	-276.0	-229.3
TOTAL WORKING CAPITAL	5.1	-56.4	25.9

An increased focus on operational excellence resulted in material improvement in working capital at the mid-year point of 2017 compared to previous years. Working capital decreased from 25.9 million euro to 5.1 million euro mainly due to improvements mainly in inventory turnover. As a result net working capital as percentage of sales¹ was 0.5% compared to 2.5% a year before and -5.1% at year-end 2016. Return on capital employed (ROCE) was 11% compared to 10% for the same period last year.²

Capital expenditure

Capital expenditure was 11.7 million euro, almost at the same level with last year, excluding the cash-out for the OneCampus project.

Cash position

Barco had a net financial cash position of 228.0 million euro compared to 286.6 million euro as of 31 December 2016 and 193.0 million euro as of 30 June 2016. The decrease reflects mainly the lower operating cash flow and dividend payments. Immediately available net cash, excluding cash in the China Film Group joint venture, amounted to 140.0 million euro.

(1) Net working capital as a percentage of sales calculated over a rolling 12 month sales result.

(2) ROCE excluding the non-recurring effect of amortization of capitalized development expenses in 2016.

DIVISIONAL RESULTS FOR 1H17

ENTERTAINMENT DIVISION

IN MILLIONS OF EURO	1H17	1H16	1H15	CHANGE vs 1H16
Orders	275.9	283.6	297.0	-2.7%
Sales	247.4	272.6	264.4	-9.2%
EBITDA	17.5	22.7	27.5	-22.7%
EBITDA margin	7.1%	8.3%	10.4%	

For the first semester, as anticipated, the Entertainment division saw cinema orders and sales volumes decline while Venues & Hospitality generated sales and order increases mainly driven by good demand for new products such as laser phosphor projectors for the events and simulation market. As a result Venues & Hospitality accounted for 40% of orders versus 35% for the same period in 2016.

Barco continues to strengthen its Cinema market and technology leadership, broadening its offering to include smart care service solutions and expanding its installed base of smart laser and flagship laser projectors. While adoption slowed down mainly in China and North America compared to 2016 as a result of the Cinema market transition, Barco continued to capture share in growth markets in South East Asia, Latin America and India.

The EBITDA margin decline reflects higher operating expenses driven by the launch of new products in the first semester partially offset by a more favourable product mix and the benefits of lower product costs resulting from value engineering initiatives.

On 31 March 2017 Barco completed the sale of High End Systems to US-based ETC ¹. In conjunction with the transaction, Barco repositioned its LED-activities in the high-end niche segments of the market. For the Barco Escape format, the company is exploring strategic options to secure content financing.

ENTERPRISE DIVISION

IN MILLIONS OF EURO	1H17	1H16	1H15	CHANGE vs 1H16
Orders	171.1	143.7	135.2	19.1%
Sales	150.8	140.9	138.9	7.0%
EBITDA	16.8	15.6	2.7	7.4%
EBITDA margin	11.1%	11.1%	1.9%	

The Enterprise division maintained a healthy performance with good growth in orders, sales and EBITDA, led by the Corporate segment which continued to generate strong sales and order growth of ClickShare. The Corporate segment accounted for about 55% of Enterprise's sales and generated positive EBITDA for the division.

The Corporate segment registered growth in all regions and expanded its award-winning product portfolio with the introduction of a new higher-end version of ClickShare. As part of an ongoing effort to expand its sales reach and channel network, the segment entered into a global collaboration agreement with Logitech, and added distributors in the US and some APAC-markets.

Control Rooms saw a slight decline in sales versus last year but booked good uptake in orders, mainly driven by healthy demand for the new RGB laser based cube.

The segment remains on track to strengthen its competitive position in 2017 through a combination of new hardware releases, an expanded the software portfolio and a joint venture in China which allows Barco to access local market opportunities.

(1) In 2016 the Lighting activity booked 20 million US dollar in sales with EBITDA close to break-even.

(2) Decision as disclosed in Full year '16 press release and Annual report.

HEALTHCARE DIVISION

IN MILLIONS OF EURO	1H17	1H16	1H15	CHANGE vs 1H16
Orders	114.9	105.7	90.8	8.7%
Sales	119.9	115.7	104.7	3.7%
EBITDA	13.8	11.1	10.3	25.2%
EBITDA margin	11.5%	9.6%	9.9%	

Healthcare achieved an 11.5% EBITDA margin for 1H17 driven by sales increases in the diagnostic and surgical segments, the implementation of cost control initiatives and a more favourable product mix.

The division strengthened its leadership position in the diagnostic market, making further progress in Europe and APAC while the modality segment experienced softer demand. The surgical business grew further and expanded its partner network in particular in the North American market.

The Healthcare division took steps to enter the dental market, leveraging its diagnostic imaging technological expertise to launch new products, and is developing channels in Europe. Finally the division has decided to no longer invest in its patient care business as of 2017 and has redeployed resources toward attractive, profitable growth opportunities in other healthcare growth segments.²

Risk factors

Management refers to the section "Risk Factors" in the Annual Report 2016 (pages C/24 to C/29), which remain valid for the second year-half of 2017.



Agenda

- Executive pitch
- Product/service description
- Situation analysis
- Organization of personnel per
- Marketing plan
- Financial plan



Interim condensed consolidated income statement

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Net sales	517,968	529,215	506,167
Cost of goods sold	-319,561	-339,254	-337,481
Gross profit	198,407	189,961	168,686
Research and development expenses	-63,377	-68,961	-70,354
Sales and marketing expenses	-73,319	-72,052	-66,508
General and administration expenses	-28,808	-26,142	-23,404
Other operating income (expense) - net	-1,349	1,338	-967
EBIT (before non-recurring) ¹	31,554	24,144	7,453
Gain on sale building	-	7,666	-
Impairment on investment ²	-4,537	-	-
Other non-operating income/(expense)	162	95	11
EBIT	27,179	31,905	7,464
Interest income	2,676	2,518	2,313
Interest expense	-1,403	-1,709	-2,191
Income/(loss) before taxes	28,451	32,714	7,587
Income taxes	-5,690	-7,851	-1,517
Result after taxes	22,761	24,863	6,070
Share in the result of joint ventures and associates	239	-36	-681
Net income/(loss) from continuing operations	23,000	24,827	5,388
Net income from discontinued operations	-	-	46,295
Net income	23,000	24,827	51,683
Net income attributable to non-controlling interest	3,837	6,741	5,247
Net income attributable to the equity holder of the parent	19,163	18,086	46,436
Net income/(loss) (continuing) attributable to the equity holder of the parent	19,163	18,086	141
Net income (discontinued) attributable to the equity holder of the parent	-	-	46,295
Earnings per share (in euro)	1.56	1.49	3.86
Diluted earnings per share (in euro)	1.50	1.44	3.76
Earnings (continuing) per share (in euro)	1.56	1.49	0.01
Diluted earnings (continuing) per share (in euro)	1.50	1.44	0.01

(1) Management considers EBIT (before non-recurring) to be a relevant performance measure in order to compare results over the period 2015 to 2017, as it excludes non-recurring items.

(2) Barco recorded impairment charges of 4.5 million euro related to a minority investment for which the criteria were no longer met.

Interim condensed consolidated statement of comprehensive income

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Net income from continuing operations	23,000	24,827	5,388
Net income from discontinued operations	-	-	46,295
Net income	23,000	24,827	51,683
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences from continuing operations on translation of foreign operations ¹	-18,527	-6,769	15,634
Net gain/(loss) on cash flow hedges continuing operations	385	-824	1,181
Income tax	-77	198	-236
Net gain/(loss) on cash flow hedges continuing operations, net of tax	308	-626	945
Other comprehensive income/(loss) for the period (continuing), net of tax	-18,219	-7,396	16,579
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gains/(losses) on defined benefit plans	6,824	-	-
Deferred tax on remeasurement gains (losses) on defined benefit plans	-2,319	-	-
Actuarial gains or losses, net of tax	4,504	-	-
Other comprehensive income/(loss) for the period, net of tax, attributable to equity holders of the parent	-12,210	-6,811	15,990
Other comprehensive income/(loss) for the period, net of tax, non-controlling interest	-1,504	-584	589
Total comprehensive income (continuing), net of tax, attributable to equity holder of the parent	10,790	18,016	21,378
Total comprehensive income (discontinued) for the period, net of tax, attributable to equity holder of the parent	-	-	46,295
Total comprehensive income for the period, net of tax, attributable to equity holder of the parent	10,790	18,016	67,673
Total comprehensive income for the period, net of tax, non-controlling interest	-1,504	-584	589

(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 period translation gains/losses that are non-cash in nature until the investment is realized or liquidated. 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. At the end of June 2017 and 2016, the negative exchange difference in the comprehensive income line were mainly booked on foreign operations held in US dollars and Chinese yuan. At the end of June 2015, the positive exchange difference in the comprehensive income line was mainly booked on foreign operations held in US dollars, Chinese yuan and Taiwan dollars.

Interim condensed consolidated balance sheet

IN THOUSANDS OF EURO	30 JUNE 2017	31 DEC 2016
Assets		
Goodwill	124,255	124,255
Other intangible assets	70,332	75,765
Land and buildings	50,782	53,019
Other tangible assets	50,437	50,916
Investments	10,569	14,460
Deferred tax assets	84,923	89,100
Other non-current assets	16,212	19,112
Non-current assets	407,510	426,627
Inventory	169,430	166,202
Trade debtors	189,676	188,561
Other amounts receivable	13,502	15,584
Cash and cash equivalents	287,239	353,549
Prepaid expenses and accrued income	9,003	8,709
Current assets	668,850	732,605
Total assets	1,076,360	1,159,231
Equity and liabilities		
Equity attributable to equityholders of the parent	579,478	590,243
Non-controlling interests	27,577	25,244
Equity	607,055	615,487
Long-term debts	59,177	66,811
Deferred tax liabilities	5,776	8,813
Other long-term liabilities	10,547	11,198
Non-current liabilities	75,500	86,823
Current portion of long-term debts	10,000	11,500
Short-term debts	1,761	2,085
Trade payables	121,265	135,127
Advances received from customers	86,057	109,064
Tax payables	13,315	13,880
Employee benefit liabilities	47,456	57,050
Other current liabilities	6,774	9,684
Accrued charges and deferred income	59,502	58,050
Provisions	47,675	60,481
Current liabilities	393,805	456,922
Total equity and liabilities	1,076,360	1,159,231

Comments to the interim condensed consolidated financial statements

Significant IFRS accounting principles

IAS 34 was applied to prepare the half year interim condensed financial statements as of and for the 6 months period ended 30 June 2017.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Barco's annual consolidated financial statements as of and for the year ended 31 December 2016 and the adoption of new standards and interpretations effective as of 1 January 2017.

The new standards and interpretations effective as of 1 January 2017 include the following:

- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative, effective 1 January 2017
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses, effective 1 January 2017
- Annual Improvements Cycle - 2014-2016, effective 1 January 2017

However, they do not impact the annual consolidated financial statements of Barco or the interim condensed consolidated financial statements of the Group.

Standards issued but not yet effective IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. During 2016, and 2017, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity. Regarding classification and measurement, impairment and hedge accounting we refer to the annual report 2016 which is still applicable.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments. During 2017, the Group continued its assessment started in 2016 and based on the current status of the assessment the group deems that there will not be an impact on revenues. The qualification of this analysis is ongoing as further described.

(a) Sale of goods

Contracts with customers in which the sale of equipment is generally expected to be the only performance obligation are not expected to have any impact on the Group's profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Warranty obligations

The Group provides warranties for general repairs which the Group expects that such warranties will be assurance-type warranties which will continue to be accounted for under IAS

37 Provisions, Contingent Liabilities and Contingent Assets consistent with its current practice.

(b) Rendering of services

The Group provides services within all segments. These services are sold either on their own in contracts with the customers or bundled together with the sale of equipment to a customer. Currently, the Group accounts for the equipment and service as separate deliverables of bundled sales and allocates consideration between these deliverables using the relative fair value approach. The Group recognises service revenue by reference to the stage of completion. Under IFRS 15, allocation will be made based on relative stand-alone selling prices. As a result, the allocation of the consideration and, consequently, the timing of the amount of revenue recognised in relation to these sales may be impacted.

The Group has preliminarily assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group would continue to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point of time. The company is still analyzing the impact of the allocation of revenues by type of service.

(c) Presentation and disclosure requirements

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a change from current practice and increases the volume of disclosures required in Group's financial statements.

Acquisitions and divestments

Divestment of Barco Lighting Systems

On April 1st, 2017 Barco reached an agreement with US-based lighting company ETC to sell its Lighting activity, Barco Lighting Systems (also known as High End Systems) for an amount of 7.5 million dollars, of which 0.75 million dollars was put in escrow over a period of eighteen months (with projected full release on October 1st, 2018). This escrow amount was not recognized in profit and loss yet. Closing of the transaction happened on the same day. In addition, a price correction caused by an adjustment on the closing net working capital in comparison to the agreed target working capital of 0.7 million dollars (0.7 million euro) was paid to ETC in May 2017. The operating results of the Lighting segment together with the impact of the transaction resulted in 0.1 million euro EBITDA in the 2017 figures.

Acquisition of MTT and Medialon

There are no changes to the fair value recognition and measurement as mentioned in the 2016 annual report. The purchase price acquisition accounting is finalized as the one year window has past.

Related party transactions

Apart from compensation transactions with the CEO, Senior Vice Presidents and Directors of the Board, there were no other transactions with related parties. The nature of the compensation transactions with the CEO, Vice Presidents and Directors during the first 6 months of 2017 did not significantly differ from the transactions disclosed in the Annual Report of 2016 (pages C/17-C/22).

All transactions involving shares or other financial instruments of Barco performed in the first half year of 2017 are reported on the company's website by the end of the month following the quarter.

Litigations and commitments

No important changes occurred during the first 6 months of 2017 relating to the litigations and commitments which have been disclosed in the 2016 consolidated financial statements.

Interim condensed consolidated statement of changes in equity

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Equity attributable to equityholders of the parent January 1	590,243	597,739	587,415
<i>Net income (continuing) attributable to the equity holder of the parent</i>	19,163	18,086	141
<i>Net income (discontinued) attributable to the equity holder of the parent</i>	-	-	46,295
Net income attributable to equityholders of the parent	19,163	18,086	46,436
Dividend	-23,292	-21,188	-19,364
Other comprehensive income/(loss) for the period, net of tax, attributable to the equity holder of the parent	-12,210	-6,811	15,990
Capital increase/(decrease) (stock options)	334	-296	-262
Purchase (-)/Sale (+) of own shares	4,465	2,028	-1,570
Share-based payment	775	617	656
Equity attributable to equityholders of the parent June 30	579,478	590,174	629,300
Non-controlling interest January 1	25,244	13,925	7,146
Net income attributable to non-controlling interest	3,837	6,741	5,247
Dividend distributed to non-controlling interest	-	-5,750	-3,019
Other comprehensive income/(loss) for the period, net of tax	-1,504	-584	589
Non-controlling interest June 30	27,577	14,332	9,964
Equity June 30	607,055	604,506	639,263

Interim condensed consolidated statement of cash flows

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Cash flow from operating activities			
EBIT before non-recurring	31,554	24,144	7,453
Restructuring	-2,212	-2,624	-1,917
Gain on sale of divestments ¹	-571	-1,000	-1,406
Amortization capitalized development cost	-	12,907	23,290
Depreciation of tangible and intangible fixed assets	16,609	12,397	9,765
Gain/(loss) on tangible fixed assets	23	-278	-190
Share options recognized as cost	775	617	656
Share in the profit/(loss) of joint ventures and associates	239	-36	-681
Discontinued operations: cash flow from operating activities	-	-	-5,260
Gross operating cash flow	46,417	46,127	31,711
Changes in trade receivables	-10,422	-1,550	-15,550
Changes in inventory	-11,816	-27,183	12,488
Changes in trade payables	-11,496	-14,960	-6,515
Other changes in net working capital	-31,593	-15,486	1,291
Discontinued operations: change in net working capital	-	-	13,334
Change in net working capital	-65,327	-59,179	5,048
Net operating cash flow	-18,910	-13,052	36,759
Interest received	2,676	5,390	2,313
Interest paid	-1,403	-1,709	-2,191
Income taxes	-3,510	-8,034	-7,913
Discontinued operations: income taxes and interest received/(paid)	-	-	-7,542
Cash flow from operating activities	-21,147	-17,405	21,426
Cash flow from investing activities			
Purchases of tangible and intangible fixed assets	-11,653	-11,237	-6,052
Proceeds on disposals of tangible and intangible fixed assets	74	326	295
Proceeds from sale of building	-	9,300	-
Acquisition of Group companies, net of acquired cash ²	-2,022	-10,808	-
Disposal of Group companies, net of disposed cash ³	5,570	1,000	152,974
Other investing activities ⁴	-1,158	-10,715	-23,540
Discontinued operations: cash flow from investing activities	-	-	-887
Cash flow from investing activities (including acquisitions and divestments)	-9,191	-22,134	122,791

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Cash flow from financing activities			
Dividends paid	-23,292	-20,951	-19,376
Dividends received	229	178	12
Capital increase/(decrease)	334	-296	-262
(Acquisition)/sale of own shares	4465	2,028	-1,570
Proceeds from (+)/payments (-) of long-term liabilities	-5,141	-5,187	7,618
Proceeds from (+)/payments (-) of short-term liabilities	797	-2,222	-20,134
Dividend distributed to non-controlling interest	-	-5,749	-3,019
Cash flow from financing activities	-22,607	-32,199	-36,732
Net increase (decrease) in cash and cash equivalents	-52,946	-71,738	107,486
Cash and cash equivalents at beginning of period	353,549	341,277	145,340
Cash and cash equivalents (CTA)	-13,364	-5,231	10,200
Cash and cash equivalents at end of period	287,239	264,309	263,026

- (1) Per June 2017 this relates to the divestment of High End Systems. In 2016 and 2015 this relates to the divestment of Orthogon.
- (2) Per June 2017 this relates to the MTT and Medialon acquisition of 2016 for which the contract provided for a deferred payment of 6 million dollars, payable over the next three years. The first deferred payment was done in the first half of 2017.
- (3) Per June 2017 this relates to the sale of Barco's lighting activity, High End Systems, to the US-based lighting company ETC. Per 30 June 2016 the last part of the amount put in escrow on the 2014 sale of Orthogon was released for an amount of 1 million euro. Per 30 June 2015 this relates to the sale of the Defense & Aerospace division finalized per 31 January 2015, net of cash and 1 million euro released of the amount put in escrow on the 2014 sale of Orthogon.
- (4) Other investing activities relate in 2017 to capital contribution CCO Barco Airport Venture LLC. In 2016 and 2015 to the investment in One Campus, the new building at headquarters, which is financed with long term liabilities. Per 30 June 2015 Other investing activities also include the acquisition of 100% of the shares of Advan for an amount of € 12.1 million.

Free Cash Flow

IN THOUSANDS OF EURO	1H 2017	1H 2016	1H 2015
Gross operating free cash flow ¹	45,642	45,510	36,315
Changes in trade receivables	-10,422	-1,550	-15,550
Changes in inventory	-11,816	-27,183	12,488
Changes in trade payables	-11,496	-14,960	-6,515
Other changes in net working capital	-31,593	-15,486	1,291
Change in net working capital	-65,327	-59,179	-8,286
Net operating free cash flow	-19,685	-13,669	28,029
Interest income/expense	1,273	3,680	122
Income taxes	-3,510	-8,034	-7,913
Free cash flow from operating activities	-21,922	-18,022	20,238
Purchases of tangible & intangible fixed assets	-11,653	-11,237	-6,052
Proceeds on disposals of tangible & intangible fixed assets	74	326	295
Free cash flow from investing activities	-11,581	-10,910	-5,757
FREE CASH FLOW	-33,503	-28,932	14,481

(1) Gross Operating Free Cash Flow = EBITDA + restructuring pay-out – gain on sale of divestments – gains and losses on tangible fixed assets + share in the profit/(loss) of joint ventures and associates.

Segment information

Barco is a global company developing solutions for the entertainment, enterprise and healthcare markets.

- **Entertainment:** The Entertainment division is the combination of the Cinema and Venues & Hospitality activities, which includes Professional AV, Events and the Retail & Advertising activities.
- **Enterprise:** The Enterprise division is the combination of the Control Rooms activities and the Corporate activities. ClickShare is the main contributor to the Corporate activity which also includes the ventures Silex, X20 and Medialon.
- **Healthcare:** The Healthcare division includes the activities in Diagnostic Imaging (Diagnostic and Modality Imaging) and in Surgical.

Management monitors the results of each of the three divisions 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 of January 1, 2016, the remaining projector activity which had been part of Enterprise was transferred to the Entertainment division. The 2015 financial segment data have not been restated for comparison reasons as the information is not available and the cost to develop it is excessive. In this case in accordance with IFRS8.30, the segment information for the current period should be presented on both the old and the new bases of segmentation. However the necessary information is unavailable and the cost of developing it is excessive, therefore Barco can also not present the current information on the old basis of segmentation.

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, 2017, 2016 and 2015, respectively:

IN THOUSANDS OF EURO	2017		2016		2015	
	SALES	EBITDA	SALES	EBITDA	SALES	EBITDA
Entertainment	247,404	17,538	272,571	22,710	264,419	27,505
Enterprise	150,797	16,806	140,950	15,646	138,850	2,662
Healthcare	119,939	13,819	115,694	11,094	104,690	10,342
Intra-group eliminations	-172	-	-	-	-1,791	-
Group	517,968	48,163	529,215	49,451	506,167	40,509

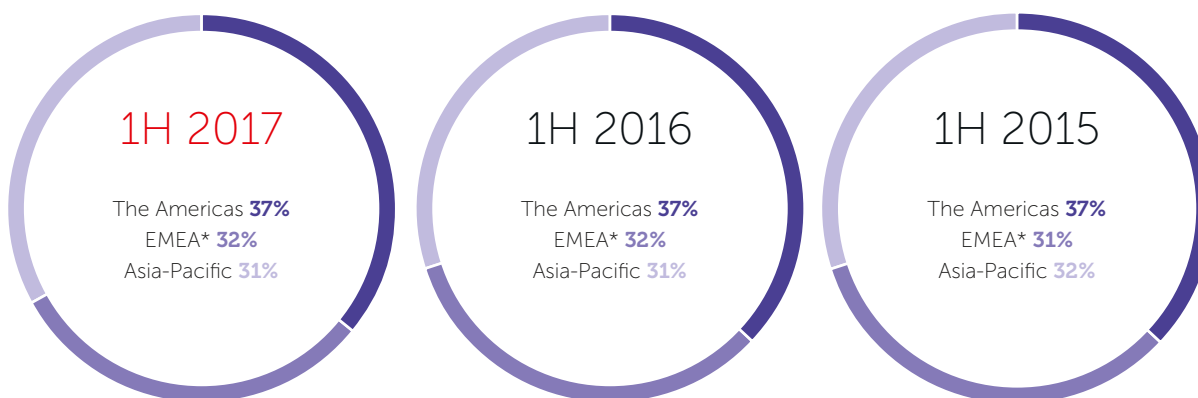
Segment assets

The following table presents segment assets of the Group's operating segments ending June 30, 2017 and December 31, 2016:

IN THOUSANDS OF EURO	2017	2016
Assets		
Segment assets		
Entertainment	313,388	315,164
Enterprise	169,778	177,073
Healthcare	100,978	102,768
Total segment assets	584,144	595,005
Liabilities		
Segment liabilities		
Entertainment	229,335	269,241
Enterprise	66,727	73,364
Healthcare	63,765	59,847
Total segment liabilities	359,826	402,452

Geographical 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 and Africa (EMEA), Americas (North America and LATAM) and Asia-Pacific (APAC). The pie charts below present the Group's sales over the regions for the 6 month period ended 30 June 2017, 2016 and 2015, respectively:



GROUP	1H17	% OF TOTAL	1H16	% OF TOTAL	1H15	% OF TOTAL
EMEA	166.5	32%	168	32%	157.1	31%
AMERICAS	193.5	37%	197	37%	184.8	37%
APAC	158.0	31%	164	31%	164.2	32%

Events after the statement of financial position date

No subsequent events occurred which could have a significant impact on the interim condensed financial statements of the group per 30 June 2017.

Auditor's report

Report of the statutory auditor to the shareholders of Barco NV on the review of the interim condensed consolidated financial statements as of 30 June 2017 and for the 6 month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Barco NV (the "Company"), and its subsidiaries as at 30 June 2017 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated balance sheet total of € 1.076.360 thousand and a net income for the six month period then ended of € 23.000 thousand. The board of directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated 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 Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Ghent, 18 July 2017
Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by Marnix Van Dooren
Partner*
* Acting on behalf of a BVBA/SPRL
Ref.: 17MVD0005

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