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Agfa-Gevaert publishes its first quarter results

- **All business groups contributed to 10.8 percent revenue growth**
- **Agfa Graphics compensated about half of the raw material impact through various gross margin measures**
- **EBIT amounts to 40 million Euro**
- **Net result amounts to 5 million Euro**

Mortsel (Belgium), May 11, 2011 – Agfa-Gevaert today announced its first quarter 2011 results.

Agfa-Gevaert Group – first quarter 2011

in million Euro	Q1 2010	Q1 2011	% change
Revenue	664	736	10.8%
Gross profit (*)	229	231	0.9%
% of revenue	34.5%	31.4%	
Recurring EBITDA (*)	77	63	-18.2%
% of revenue	11.6%	8.6%	
Recurring EBIT (*)	53	40	-24.5%
% of revenue	8.0%	5.4%	
Profit from operating activities	51	32	-37.3%
Profit attributable to the owners of the Company	18	5	-72.2%
Net cash from operating activities	24	(26)	-208.0%

(*) before restructuring and non-recurring items

Partly driven by the recent strategic steps, the Agfa-Gevaert Group's revenue increased by 10.8 percent compared to the first quarter of 2010. All business groups contributed to the growth. The exchange rate conditions still had a beneficial impact of 2.0 percent on the Group's top line. The effects of the price increases for the film products are expected to gradually become more visible in the second half of the year.

Part of the impact of the raw material prices on the Group's profitability was compensated through various gross margin measures. The Group's recurring gross profit margin declined from 34.5 percent in the first quarter of 2010 to 31.4 percent.

As a percentage of revenue, Selling and General Administration expenses decreased to 19.8 percent, versus 20.5 percent in the previous year.

The Group's recurring EBITDA (the sum of Graphics, HealthCare, Specialty Products and the unallocated portion) decreased from 77 million Euro to 63 million Euro. Recurring EBIT decreased from 53 million Euro (8.0 percent of revenue) to 40 million Euro (5.4 percent of revenue).

Restructuring and non-recurring items resulted in an expense of 8 million Euro, versus an expense of 2 million Euro in 2010.

The net finance costs remained stable at 23 million Euro.

Income tax expense amounted to 4 million Euro, compared to 10 million Euro in 2010. Current tax expense amounted to 6 million Euro and deferred tax income amounted to 2 million Euro.

A positive net result of 5 million Euro was booked, compared to 18 million Euro in the first quarter of 2010.

Balance sheet and cash flow

- At the end of the first quarter, total assets were 2,995 million Euro, compared to 3,086 million Euro at the end of 2010.
- Inventories amounted to 688 million Euro (or 123 days). Trade receivables (minus deferred revenue and advanced payments from customers) amounted to 438 million Euro, or 54 days and trade payables were 293 million Euro, or 52 days.
- Net financial debt amounted to 189 million Euro, versus 434 million Euro at the end of the first quarter of 2010 and 161 million Euro at the end of 2010.
- Net cash from operating activities amounted to minus 26 million Euro.

Agfa Graphics – first quarter 2011

in million Euro	Q1 2010	Q1 2011	% change
Revenue	345	386	11.9%
Recurring EBITDA (*)	35.1	27.3	-22.2%
% of revenue	10.2%	7.1%	
Recurring EBIT (*)	24.6	17.0	-30.9%
% of revenue	7.1%	4.4%	

(*) before restructuring and non-recurring items

Compared to last year's first quarter, Agfa Graphics' revenue increased by 11.9 percent (10.1 percent excluding currency effects) to 386 million Euro.

In prepress, the analogue computer-to-film (CtF) segment's volumes were impacted by Agfa Graphics' film price increases related to the high raw material prices. As expected, part of the dealers started to use up their film stocks. It is expected that the effects of the price increases for the film products will gradually become more visible in the next quarters.

The digital computer-to-plate (CtP) business' revenue increased due to the recent strategic moves.

In industrial inkjet, the revenue increase is attributable to both external and internal growth, driven by increasing equipment and ink volumes.

As a result of the high raw material prices, Agfa Graphics' gross profit margin decreased to 28.8 percent, compared to 30.4 percent in the first quarter of 2010. About half of the raw material impact on Agfa Graphics' profitability was mitigated by various gross margin measures.

Recurring EBITDA amounted to 27.3 million Euro (7.1 percent of revenue).

Recurring EBIT was 17.0 million Euro or 4.4 percent of revenue.

In the field of prepress, Agfa Graphics introduced two new 8-up thermal platesetters in different speed versions in the first quarter. Both the :Avalon N8-60 and the :Avalon N8-80 feature a next-generation laser imager, which enhances the image quality, reliability and throughput. Furthermore, the new systems allow the printer to reduce power consumption. The chemistry-free photopolymer plate :N92VCF proves to be a success product for newspaper printers. Over 100 newspaper accounts are now working with the product and various customer quotes confirm the benefits of the system.

Agfa Graphics also developed a software tool that allows printers to connect to their :Apogee Prepress server from an iPad, iPhone or iPod Touch. The App can be used to get a quick check of a specific print job during production or to get a status overview of the prepress equipment.

In industrial inkjet, a number of important contracts were signed. The Manchester (UK) based Cestrian Imaging company purchased a second :M-Press Tiger highspeed inkjet press. Cestrian commented that the :M-Press has fuelled the digital revolution at the company, as customers often specifically request :M-Press prints for their marketing campaigns. Cestrian is one of the UK's leading digital print suppliers. In North America the first :M-Press with in-line screen printing unit was installed. With its :Anapurna and :Jeti systems, Agfa Graphics continued to

strengthen its position in the global wide-format printing market. The business group boasts a well-filled order book for these solutions. Two new wide-format inkjet printers were added to the assortment: the 5 meter wide :Jeti 5048 UV XL and the :Anapurna M1600, printing 4 colors and white.

In April, the Agfa Graphics Asia joint venture organized the Asian debut for a number of Agfa Graphics' environment-friendly products at the Print China 2011 trade fair (Guangdong, China). With its strong presence at the event, Agfa Graphics Asia confirmed its commitment towards the growing Chinese printing industry. Agfa Graphics also presented at Sign & Graphics Imaging Middle East and Gulf Print & Pack (Dubai), Graphispag Digital (Spain) and Sign & Digital (UK).

Agfa HealthCare – first quarter 2011

in million Euro	Q1 2010	Q1 2011	% change
Revenue	276	287	4.0%
Recurring EBITDA (*)	39.8	31.8	-20.1%
% of revenue	14.4%	11.1%	
Recurring EBIT (*)	27.6	20.1	-27.2%
% of revenue	10.0%	7.0%	

(*) before restructuring and non-recurring items

Agfa HealthCare's revenue grew by 4.0 percent compared to the first quarter of 2010. Excluding currency effects, the increase would amount to 1.6 percent. In Imaging, sales for traditional X-ray film products continued to decline. The price increases for these traditional film products - related to the high silver price - incite more and more hospitals to accelerate their investments in digital technology. As a consequence, volumes for hardcopy film and printers, as well as Computed Radiography (CR) systems, grew significantly. Direct Radiography (DR) sales performed above expectations. The first effects of the price increases for Agfa HealthCare's traditional film products are expected to become visible in the second half of the year.

In Imaging IT, the portion of the large PACS (Picture Archiving and Communication Systems) projects is growing due to the success of Agfa HealthCare's Data Center solutions. On the one hand, this shift feeds the order book but on the other hand, the revenue recognition process for these large projects takes longer compared to smaller-scale PACS projects. The effect of the slower revenue recognition is reflected in the first quarter top line. The second half of the year is expected to benefit from the strong order book.

The Enterprise IT business' revenue remained stable, with strong revenues in the German speaking part of Europe, where Agfa HealthCare's ORBIS solution is well established. In the countries where ORBIS was introduced more recently, the business is still in the investment phase.

Agfa HealthCare's gross profit margin amounted to 37.3 percent, versus 40.6 percent in the first quarter of 2010. The business group's profitability was affected by the silver price.

The business group's recurring EBITDA amounted to 31.8 million Euro (or 11.1 percent of revenue). Recurring EBIT reached 20.1 million Euro, or 7.0 percent of revenue, versus 27.6 million Euro and 10.0 percent in the first quarter of 2010.

In the first quarter, Agfa HealthCare announced that it was awarded a 3.5 million Euro grant by the Flemish Agency for Innovation by Science and Technology (IWT) for its IT R&D program.

In the field of Imaging, Agfa HealthCare showed a number of new Direct Radiography (DR) and Computed Radiography (CR) solutions at the ECR 2011 trade event in Vienna (Austria). The DX-D 600 digital X-ray room, for instance, is the business group's most productive DR solution yet. In CR, a new family of entry-level desktop digitizers was launched at ECR 2011, including the CR 30-Xm, which can be used for both mammography and general radiography exams. Agfa HealthCare's CR 30-X digitizer was ranked first in the new KLAS single-plate CR market report 2011. KLAS is an independent research firm that specializes in monitoring and reporting on the performance of healthcare vendors.

In Imaging IT, Agfa HealthCare was awarded a US Government DIN-PACS contract for the third consecutive time. Agfa HealthCare is the only company that has held a DIN-PACS (Digital Imaging Network/Picture Archiving and Communications System) contract with the US government since 1998, and it is the government's top supplier of these systems. In the UK, Agfa HealthCare signed a seven-year deal with Birmingham Children's Hospital NHS Foundation Trust for the replacement of the Trust's existing Agfa HealthCare PACS and CR solutions, as well as its current third-party Radiology Information System (RIS). In Poland, Agfa HealthCare has implemented the country's largest PACS solution to date in the University Hospital in Krakow. The hospital consists of 32 departments and 60 out-patient clinics.

In the field of Enterprise IT, a number of important contracts were signed in the first quarter. The St. Vincenz Hospital in Limburg (Germany), for instance, is replacing its existing hospital information system (HIS) and digital archive with Agfa HealthCare's ORBIS HIS and HYDMedia document management system. Also in Germany, the Foundation of the 'Cellitinnen zur hl. Maria' is extending its use of ORBIS across its sites. Five of its hospitals were already using ORBIS and now the four remaining hospitals are replacing their existing systems by Agfa HealthCare's solution. In Luxembourg, the three hospitals of the François-Elisabeth Foundation signed an agreement for the replacement of their existing HIS and document management systems with Agfa HealthCare's ORBIS and HYDMedia solutions.

Agfa Specialty Products – first quarter 2011

in million Euro	Q1 2010	Q1 2011	% change
Revenue	43	63	46.5%
Recurring EBITDA (*)	3.3	4.6	39.4%
% of revenue	7.7%	7.3%	
Recurring EBIT (*)	2.3	3.5	52.2%
% of revenue	5.3%	5.6%	

(*) before restructuring and non-recurring items

Agfa Specialty Products' revenue increased by 46.5 percent. The printed circuit board film, Synaps synthetic paper and Orgacon conductive polymers businesses performed strongly. Deliveries for the non-destructive testing segment also increased. For most of the traditional film-based products, the market-driven decline continued.

Although the gross margin was impacted by the high raw material prices, the recurring EBIT increased due to the higher sales volumes and mix effects. The recurring EBIT increased to 3.5 million Euro and the recurring EBITDA amounted to 4.6 million Euro.

In January, Agfa Specialty Products added a new member to its portfolio of Synaps synthetic papers. Synaps XM is a polyester based paper for use with laser printers. The Synaps family now consists of Synaps OM for offset and UV inkjet printing, the self-adhesive Synaps AP and AR synthetic papers, and Synaps XM.

End of message

Management Certification of Financial Statements and Quarterly Report

This statement is made in order to comply with new European transparency regulation enforced by the Belgian Royal Decree of 14 November 2007 and in effect as of 2008.

"The Board of Directors and the Executive Committee of Agfa-Gevaert NV, represented by Mr. Julien De Wilde, Chairman of the Board of Directors, Mr. Christian Reinaudo, President and CEO, and Mr. Kris Hoornaert, CFO, jointly certify that, to the best of their knowledge, the consolidated financial statements included in the report and based on the relevant accounting standards, fairly present in all material respects the financial condition and results of Agfa-Gevaert NV, including its consolidated subsidiaries. Based on our knowledge, the report includes all information that is required to be included in such document and does not omit to state all necessary material facts."

Statement of risk

This statement is made in order to comply with new European transparency regulation enforced by the Belgian Royal Decree of 14 November 2007 and in effect as of 2008.

"As with any company, Agfa is continually confronted with – but not exclusively - a number of market and competition risks or more specific risks related to the cost of raw materials, product liability, environmental matters, proprietary technology or litigation."

Key risk management data is provided in the annual report (p.47) available on www.agfa.com.

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The full press release and financial information is also available on the company's website: www.agfa.com

Consolidated Income Statement (in million Euro)

Non-audited, consolidated figures following IFRS accounting policies

	Q1 2010	Q1 2011	% change
Revenue	664	736	10.8%
Cost of sales	(435)	(505)	16.1%
Gross profit	229	231	0.9%
Selling expenses	(89)	(100)	12.4%
Research & Development expenses	(37)	(43)	16.2%
Administrative expenses	(51)	(50)	-2.0%
Other operating income	75	59	-21.3%
Other operating expenses	(76)	(65)	-14.5%
Profit from operating activities	51	32	-37.3%
Interest income (expense) - net	(3)	(3)	
Other finance income (expense) - net	(20)	(20)	
Net finance costs	(23)	(23)	
Profit before income taxes	28	9	-67.9%
Income tax expense	(10)	(4)	-60.0%
Profit for the period	18	5	-72.2%
Profit attributable to:			
Equity holders of the Company	18	5	-72.2%
Non-controlling interests	-	-	

Results from operating activities	51	32	-37.3%
Restructuring and non-recurring items	(2)	(8)	300.0%
Recurring EBIT	53	40	-24.5%

Outstanding shares per end of period	124,788,430	167,751,190
Weighted number of shares used for calculation	124,788,430	167,751,190
Earnings per share (€)	0.14	0.03

Consolidated Statements of Comprehensive Income for the period ending March 2010 / March 2011 (in million Euro)

	2010	2011
Profit for the period	18	5
Other Comprehensive Income for the period recognized directly in equity		
Exchange differences on translating of foreign operations	49	(30)
Cash Flow Hedges:		
Gains (losses) arising during the year recognized in equity	1	4
Reclassification adjustment for (gains)/losses included in profit and loss	-	(2)
Income taxes	-	(1)
Total other Comprehensive Income	50	(29)
Total Comprehensive Income for the period	68	(24)
Attributable to equity holders of the Company	68	(23)
Attributable to non-controlling interests	-	(1)

Consolidated Balance Sheet (in million Euro)

Non-audited, consolidated figures following IFRS accounting policies

	31/12/2010	31/03/2011
<u>ASSETS</u>		
Non-current assets	1,253	1,219
Intangible assets	680	660
Property, plant and equipment	313	301
Investments	14	18
Deferred tax assets	246	240
Current assets	1,833	1,776
Inventories	583	688
Trade receivables	619	618
Current tax assets	68	80
Other receivables and other assets	295	249
Cash and cash equivalents	239	110
Deferred charges	19	24
Derivative financial instruments	10	7
Total assets	3,086	2,995
<u>EQUITY AND LIABILITIES</u>		
Equity	1,063	1,039
Equity attributable to equity holders of the company	1,033	1,010
Share capital	187	187
Share premium	210	210
Retained earnings	703	708
Reserves	(68)	(67)
Translation differences	1	(28)
Equity attributable to non-controlling interest	30	29
Non-current liabilities	1,053	939
Liabilities for post-employment and long-term termination benefit plans	559	544
Liabilities for personnel commitments	14	13
Loans and borrowings	379	285
Provisions	24	22
Deferred income	6	6
Deferred tax liabilities	71	69
Current liabilities	970	1,017
Loans and borrowings	21	14
Trade payables	246	293
Deferred revenue and advance payments	152	180
Current tax liabilities	50	39
Other liabilities	182	163
Liabilities for personnel commitments	114	132
Provisions	200	193
Deferred income	4	3
Derivative financial instruments	1	-
Total Equity and Liabilities	3,086	2,995

Consolidated Statement of Cash Flows (in million Euro)

Non-audited, consolidated figures following IFRS accounting policies

	Q1 2010	Q1 2011
Results from operating activities	51	32
Depreciation / Amortization and impairment losses	24	23
Changes in fair value of derivative financial instruments	1	-
Adjustment for other non-cash income	(1)	-
(Gains) / losses on retirement of non-current assets	(1)	-
Gain from bargain purchase	(3)	-
Change in non-current provisions	(30)	(30)
Change in current provisions	8	11
Income taxes paid	(7)	(6)
Change in inventories	(27)	(98)
Change in trade receivables including cash inflows from securitization	(6)	3
Change in trade payables	2	51
Change in deferred revenue and advance payments	37	31
Change in other working capital	(24)	(43)
Net cash from / (used in) operating activities	24	(26)
Cash outflows for additions to intangible assets	(2)	(1)
Cash outflows for additions to property, plant and equipment	(5)	(10)
Cash inflows from disposals of intangible assets	2	-
Cash inflows from disposals of property, plant and equipment	1	1
Cash inflows from lease portfolio	6	3
Cash outflows for acquisitions	(16)	(4)
Interest and dividends received	1	-
Change in other investing activities	-	1
Net cash from / (used in) investing activities	(13)	(10)
Net issuances of debt	(3)	(92)
Interest and dividends paid	(1)	(1)
Other financial flows	(2)	4
Net cash from / (used in) financing activities	(6)	(89)
Change in cash and cash equivalents due to business activities	5	(125)
Change in cash and cash equivalents due to changes in exchange rate fluctuations	9	(5)
Change in cash and cash equivalents	14	(130)
Cash and cash equivalents at beginning of the period	118	238
Cash and cash equivalents at end of the period	132	108

Consolidated Statements of changes in Equity (in million Euro)

Non-audited, consolidated figures following IFRS accounting policies

In million Euro	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY									NON-CONTROLLING INTEREST	TOTAL EQUITY
	Share capital	Share premium	Retained Earnings	Reserve for own shares	Share-based payment reserve	Revaluation reserve	Hedging reserve	Translation differences	Total		
Balance at January 1, 2011	187	210	703	(82)	12	-	2	1	1,033	30	1,063
Total comprehensive income for the period											
Profit for the period			5						5	-	5
Other comprehensive income											
Foreign currency translation differences								(29)	(29)	(1)	(30)
Effective portion of changes in fair value of cash flow hedges, net of tax							1		1	-	1
Total comprehensive income for the period	-	-	5	-	-	-	1	(29)	(23)	(1)	(24)
Balance at March 31, 2011	187	210	708	(82)	12	-	3	(28)	1,010	29	1,039

In million Euro	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY									NON-CONTROLLING INTEREST	TOTAL EQUITY
	Share capital	Share premium	Retained Earnings	Reserve for own shares	Share-based payment reserve	Revaluation reserve	Hedging reserve	Translation differences	Total		
Balance at January 1, 2010	140	109	820	(296)	12	-	2	(66)	721	3	724
Total comprehensive income for the period											
Profit for the period			18						18	-	18
Other comprehensive income											
Foreign currency translation differences								49	49	-	49
Effective portion of changes in fair value of cash flow hedges, net of tax							1		1	-	1
Total comprehensive income for the period	-	-	18	-	-	-	1	49	68	-	68
Balance at March 31, 2010	140	109	838	(296)	12	-	3	(17)	789	3	792