

**Report of the Statutory Auditor relating to the issue  
of warrants "Options Barco 04 - Personnel Europe  
2011" and "Options Barco 04 - Personnel Foreign  
Countries 2011" with suppression of the preference  
right in accordance with articles 596 and 598  
of the Code on Companies**

**Barco NV**

April 2011

TRANSLATION FOR CONVENIENCE PURPOSE ONLY - THE DUTCH TEXT HAS PRIORITY

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This report is prepared relating to the issue of warrants (stock options) with suppression of the preference right in accordance with articles 596 and 598 of the Code of Companies by Barco NV, and is solely for the purpose of this report and for your information, and is not to be used for any other purpose or to be distributed to any other parties.

## **1 Assignment**

In accordance with articles 596 and 598 of the Company Code, the undersigned, Ernst & Young Bedrijfsrevisoren BCBVA, represented by Mrs. Lieve Cornelis and Mr. Jan De Luyck, were requested to prepare a report with respect to the proposed issue of warrants "Options Barco 04 - Personnel Europe 2011" and "Options Barco 04 - Personnel Foreign Countries 2011" with suppression of the preference right of the current shareholders and holders of warrants in favor the employees of Barco NV ("the Company") and the Company's affiliated companies.

Article 596 of the Company Code provides that:

*"The general meeting, which is called to deliberate and decide on (...)the issue of warrants may lift or restrict the preferential right to the benefit of the company, provided such decision is taken with the attendance quorum and majority required for a amendment of the articles of association. The proposal for such decision must be expressly mentioned in the convening notice.*

*The board of directors must motivate its proposal in a detailed report in particular regarding the exercise price and the financial impact of the transaction on the shareholders. A report is prepared by the statutory auditor (...). Such report shall represent that the financial and accounting data contained in the report of the board of directors are correct and sufficient to inform the general meeting called to vote on the proposal. ..."*

Article 598 of the Company Code provides that:

*"Where the right of first option to purchase (preferential right) is limited or done away with in favour of one or more identified persons that are not employees of the company or of one of the company's subsidiaries, the identity of the beneficiary or the identities of the beneficiaries of the limitation or cancellation of the right of first option to purchase shall be disclosed not only in the report drawn up by the board of directors but also in the summonses. In addition, the issuing price, in relation to listed companies, may not amount to less than the average figure of the prices that obtained during the thirty days that preceded the start of the issuing. (...) The board of directors' reports shall disclose the impact of the proposed issuing with regard to the existing shareholder and more specifically on his shares in the profits and net worth. A statutory auditor (...) shall express a detailed opinion on the computation and justification of the issuing price."*

## **2 The contemplated transaction**

### **2.1 General**

The proposal set forth in the special report of the Board of Directors of Barco NV and the agenda of the Extraordinary General Meeting of April 28, 2011 and June 8, 2011 (in case at the meeting of April 28, 2011 the quorum required to deliberate and decide validly is not met) relates to the issue of 40.000 warrants "Options Barco 04 - Personnel Europe 2011" and 45.000 warrants "Options Barco 04 - Personnel Foreign Countries 2011" which entitles to the subscription of a same number of existing shares of Barco NV.

The conditions of issue of these warrants (stock options) "Options Barco 04 - Personnel Europe 2011" and "Options Barco 04 - Personnel Foreign Countries 2011" are set forth in the respective Stock-option Plan which provides in the granting of respectively 40.000 and 45.000 warrants to the employees of The Company and its affiliated companies.

The warrants (stock options) granted may be exercised as follows :

- with respect to the Stock-option Plan "Options Barco 04 - Personnel Europe 2011", at the earliest as of January 1 of the fourth calendar year following the year in which the offer was made.
- with respect to the Stock-option Plan "Options Barco 04 - Personnel Foreign Countries 2011", at the earliest as of January 1 of the third calendar year following the year in which the offer was made.

In accordance with the Stock-option Plan warrants may be exercised at least 3 times a year, i.e. as from 15 May till and including 15 June, as from 1 August till and including 15 September and as from 1 November till and including 15 December, unless additional exercise periods are determined by the Committee. This Committee is established in accordance with Article 9 of the Stock-option Plan.

The term of a warrant is determined in the Stock-option Plan and for shall be effective for the plan "Options Barco 04 - Personnel Europe 2011" during a period of maximum 10 years and for the plan "Options Barco 04 - Personnel Foreign Countries 2011" during a period of maximum 5 years.

The justification of the transaction is motivated in the special report of the Board of Directors made-up in this respect.

The description of all conditions and modalities of the issue are contained in the Stock-option Plan "Options Barco 04 - Personnel Europe 2011" and the Stock-option Plan "Options Barco 04 - Personnel Foreign Countries 2011" which is attached to the special report of the Board of Directors.

The issue price and exercise price are specified below.

## 2.2 Issue price

As set forth in the special report of the Board of Directors the warrants are granted to the beneficiary for free.

## 2.3 Exercise price

In its special report, prepared in accordance with article 583 of the Company Code, the Board of Directors mentions the exercise price of the warrants as determined in the Stock-option Plan "Options Barco 04 - Personnel Europe 2011" and the Stock-option Plan "Options Barco 04 - Personnel Foreign Countries 2011".

Each warrant "Options Barco 04 - Personnel Europe 2011" and "Options Barco 04 - Personnel Foreign Countries 2011" entitles to acquire one existing share of Barco NV with suppression of the preference right of the current shareholders and holders of warrants (stock options), for an exercise price equal to:

- the lower of:
  - (i) the average closing price of the share as traded on the Euronext Brussels stock exchange during thirty calendar days preceding the date of the offer of the warrants (stock-options), or
  - (ii) the final closing price of the share as traded on the Euronext Brussels stock exchange on the last trading day preceding the date of the offer of the warrants (stock-options)
- or such exercise price as determined within the applicable legislation for authorized stock-option plans, in the countries where the Plan "Options Barco 04 - Personnel Europe 2011" and "Options Barco 04 - Personnel Foreign Countries 2011" is implemented, provided, however, that such price shall adhere as closely as possible to the price determined within the respective plan.

### **3 Impact of the proposed issue on the status of the existing shareholders**

The impact of the proposed Stock-option Plan "Options Barco 04 - Personnel Europe 2011" and "Options Barco 04 - Personnel Foreign Countries 2011" on the status of the existing shareholders, in particular related to their share in the share capital and the profit, is described in the special report of the Board of Directors dated April 2011 in accordance with articles 596 and 598 of the Code of Companies.

The exercise of the warrants (stock options) offered under the Stock-option Plan "Options Barco 04 - Personnel Europe 2011" and Stock-option Plan "Options Barco 04 - Personnel Foreign Countries 2011" will have a minimal financial impact for the shareholders since the warrants (stock options) are exchanged for existing shares and not for newly created shares. Therefore the exercise of the warrants (stock options) will result neither in an increase of the share capital of the Company nor in further dilution of the existing shares.

## **4 Conclusion**

We considered the special report of the Board of Directors prepared in accordance with articles 596 and 598 of the Company Code relating to the contemplated issue of warrants (stock options) "Options Barco 04 - Personnel Europe 2011" and "Options Barco 04 - Personnel Foreign Countries 2011" as well as the convening notice of the Extraordinary General meeting in accordance with article 533 of the Code of Companies. Our assignment mainly related to the review of the coherence of the information included in the special report of the Board of Directors with the information available within the scope of our assignments.

The financial and accounting data contained in the special report of the Board of Directors are correct and sufficient to inform the general meeting to vote on the proposed issuance of warrants.

Gent, 21 April 2011

Ernst & Young Bedrijfsrevisoren BCVBA  
Statutory auditor  
represented by

Lieve Cornelis  
Partner

Jan De Luyck  
Partner

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