Press release

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Regulated information

Strong growth pushes Barco beyond 1 billion euro in sales

Kortrijk, Belgium, 9 February 2012 - Barco (Nyse/Euronext: BAR; Reuters: BARBt.BR; Bloomberg: BAR BB) today announced results for the six and twelve month periods ended 31 December, 2011.

Fiscal year 2011 financial highlights:

- Incoming orders for 2011 increased 10.7% to 1,082.9 million euro, up 104.6 million euro from 978.3 million euro in 2010.
- At 1,041.2 million euro sales were up 144.2 million euro or 16.1% from 897.0 million euro in 2010.
- Barco's order book at the end of 2011 stood at 479.9 million euro, 53 million euro higher than at the end of 2010.
- Gross profits grew 8.84% to 312.9 million euro up from 287.5 million euro in 2010. Gross profit margin was 30.1%, against 32.1% in 2010.
- EBITDA was 130.2 million euro or 12.5% of sales, compared to 98.8 million euro or 11.0% of sales in 2010.
- EBIT before goodwill impairment was 78.4 million euro versus 45.1 million euro in 2010. EBIT margin was 7.5% compared to 5.0% in 2010.
- Net income for 2011 was 75.9 million euro, up 73.9% from 43.6 million euro in 2010.
- Net earnings per share were 6.32 euro versus 3.66 euro in 2010; a year-on-year increase of 72.2%.
- Free cash flow in 2011 was 81.2 million euro compared to minus 7.0 million euro in 2010.

Commenting on the years results Eric van Zele, President & CEO said: "We are very pleased to see that Barco passed the ambitious billion euro mark. We progressed on many fronts and delivered on our promises for sustainable and profitable growth. Overall sales grew 16.1% year-on-year with Entertainment growing at 31.1%, Healthcare at 10% and Control Rooms & Simulation at 16.1%. Despite a very challenging macro-economic environment we not only succeeded in turning Barco around but also established global leadership positions in all of our core businesses. With EBIT margins moving up from 5.0% in 2010 to 7.5% in 2011 we further

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delivered on our promises related to profitability while our free cash generation of 81.2 million euro illustrates good management of our working capital. End of December 2011 the net financial cash position of Barco stood at 61.1 million euro compared to 8.9 million euro a year earlier."

Mr Van Zele continued: "With an eye on the future and realizing that the current economic environment is very uncertain we believe that Barco's momentum for profitable growth will be sustainable as we continue to sharpen our focus on our core businesses and pursue alternative options for some of the other activities."

The board will propose to the general assembly to increase the dividend from 1 euro per share paid out in 2011 to 1.10 euro per share to be paid out in 2012.

CONSOLIDATED RESULTS FOR FISCAL YEAR 2011

Sales and order intake

Sales in 2011 were 1,041.2 million euro, representing robust growth of 16.1% compared to the 897.0 million of 2010.

All businesses with the exception of defense, air traffic control and the ventures as a group, contributed to that growth. The strongest momentum was realized in the Entertainment and the Control Rooms & Simulation divisions.

Sales to Europe, Middle East, Africa and Latin America (EMEALA) represented 43.7% of consolidated sales, while 33.3% of sales were realized in North America and 23.0% in Asia Pacific. When compared with 2010 regional sales grew respectively by 18.8%, 8.6% and 23.0%.

Order intake in 2011 was 1,082.9 million euro, an increase of 10.7% against 978.3 million euro in 2010. Europe, Middle East, Africa and Latin America (EMEALA) realized 40.9% of total sales, North America 33.8% and Asia Pacific 25.3%. The EMEALA region grew 4.4% year-on-year, North America 8.2% and the APAC region 27.1%. The BRIC countries together with Mexico, Japan, South-East Asia and Central Europe were among the best areas for growth in incoming orders.

Evolution order book

(in million euro)	2H11	1H11	2H10	1H10
Order book	479.9	479.9	426.9	513.3

Gross profit

Gross profit increased by 8.8% to 312.9 million euro or 30.1% of sales. In 2010 gross profit was 287.5 million euro and gross profit margin was 32.1%.

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EBITDA and EBIT

EBITDA was 130.2 million euro, 12.5% of sales compared to 98.8 million euro, 11.0% of sales the year before.

FY11	Sales	EBITDA	EBITDA %
Entertainment	432.1	63.8	14.8%
Healthcare	192.5	33.1	17.2%
Control Rooms & Simulation	214.4	16.2	7.5%
Defense & Aerospace	115.8	11.7	10.1%
Ventures	88.2	5.5	6.2%
BGS/Elim	(1.7)		
Group	**1,041.2**	**130.2**	**12.5%**

EBIT - before impairments on goodwill - was 78.4 million euro compared to 45.1 million euro in 2010. EBIT margin in 2011 was 7.5% up from 5.0% in 2010. Currency exchanges had a negative impact on EBIT of 1.6 million euro compared to the year before.

Research & development expenses increased year-on-year from 71.4 million euro to 74.6 million euro. In percentage of sales however, R & D expenses went down from 8.0% of sales to 7.2% of sales. Sales & Marketing expenses increased from 114.6 million euro to 122.5 million euro, but decreased in percentage terms from 12.8% of sales to 11.7% of sales. Also general & administration expenses increased in absolute numbers but decreased in percentage terms: from 49.0 million euro or 5.5% of sales to 50.2 million euro or 4.8% of sales.

Other operating results were 12.8 million euro positive, due largely to reversals of bad debt and other provisions booked in 2010.

Income taxes

Despite tax payments in cash, from an accounting perspective this effect was neutralized due to deferred tax assets on losses carried forward not recognized in previous years.

Net income

Net income rose from 43.6 million euro in 2010 to 75.8 million euro in 2011. Net margin for 2011 was 7.3% compared to 4.9% the year before.

Net earnings per share increased to 6.32 euro from 3.66 euro in 2010.
Fully diluted net earnings per share increased to 5.91 euro from 3.41 euro.

Free cash flow

Free cash flow over 2011 was 81.2 million euro. In 2010 it was negative at minus 7.0 million euro.

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BALANCE SHEET

At the end of December 2011 Barco had a net cash position of 61.6 million euro, compared to a net cash position of 8.9 million euro on 31 December 2010. Barco did not acquire any of its own shares in 2011[1]. On 31 December 2011 trade receivables stood at 187.1 million euro, down 12.5 million euro from end of 2010. DSO was reduced to 56 days, down from 59 days end 2010. At 233.9 million euro inventory was essentially flat year-on-year marking an important increase in turns from 2.3 at the end of 2010 to 2.7 at the end of 2011.
Trade payables decreased to 110.8 million euro from 125.4 million euro at the end of 2010. DPO was 54 days end of 2011 compared to 67 days the year before.
Capital expenditures for 2011 excluding capitalized development, was 20.3 million euro, compared to 13.4 million euro the year before.
The company performed on target with a ROCE of 20% compared to 10% in 2010.

DIVISIONAL RESULTS FOR FISCAL YEAR 2011

Entertainment division

Incoming orders for the Entertainment division grew 18.1% from 390.2 million euro in 2010 to 460.7 million euro in 2011. Both digital cinema and projectors used for events and fixed installations posted robust growth. The Asia pacific region contributed the most to this growth, most notably so in Greater China, India and Japan. Long term frame agreements have not been included in the reported numbers.

Sales for the Entertainment division increased by 31.1% to 432.1 million euro in 2011 from 329.5 million euro in 2011. Growth was generated in all regions leading to more than 30% growth in the EMEALA region, almost 20% in North America and close to 50% in the APAC region. Growth momentum was strongest in the events market. Barco's renewed focus on the corporate AV segment has also been remarkably successful.

EBITDA for the entertainment division stood at 63.8 million euro compared to 60.2 million euro in 2010, an increase of 6%. EBITDA margins decreased from 18.3% to 14.8% year-on-year as investments in R&D increased substantially.

Healthcare division

The Healthcare division booked incoming orders of 207.1 million euro in 2011. This represents an increase of 24.2% compared to 166.8 million euro of incoming orders booked in the same period the year before.

With 192.5 million euro sales versus 175.0 million euro in 2010, the Healthcare division realized an increase of 10.0% year-on-year. Top line increased in the three regions with the strongest performance booked in the APAC region with growth over 20%. The FIMI acquisition of 2009, continued to grow at double digit pace while winning important contracts for modality products. Other strategic developments such as for the compression free and low latency transmission of images within the Operating Room also resulted in some important contracts.

[1] The company now owns 737,963 of its own shares or 5.82% before dilution. The acquisition of own shares program started in 2003.

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Solid performance in orders and sales was booked in all regions, both in established markets as well as newer market segments such as for surgical displays, dental imaging and digital pathology.

EBITDA for 2011 was 33.1 million euro compared to 28.4 million euro in 2010, an increase of 16.4%. The EBITDA margin increased from 16.2% to 17.2%.

Control Rooms & Simulation division

Global order intake in the Control Rooms & Simulation division increased by 1.6% from 216.1 million euro in 2010 to 219.6 million euro in 2011, with growth originating from all three regions. The EMEALA and APAC regions performed best for Control Rooms, while order intake for Simulation was strongest in North America.

Sales in the Control Rooms & Simulation division increased 16.1% from 184.7 million euro in 2010 to 214.3 million euro in 2011, with robust growth of about 20% in both Europe and Apac regions. Control Rooms did well on a global level. Revenues for Simulation increased in the EMEALA and APAC regions but decreased in North America.

EBITDA for 2011 was at 16.2 million euro, a 7.5% EBITDA margin, compared to 14.8 million euro in 2010, an 8.0% margin.

Defense & Aerospace division

In 2011 global order intake for the Defense & Aerospace division was down 8.1% from 115.9 million euro to 106.6 million euro. Only the EMEALA region increased its order intake (by 7.9%). Avionics was the best performing market in the division, particularly in the EMEALA and APAC regions.

Global sales decreased by 1.7% from 117.8 million euro to 115.8 million euro, with a strong end-of-year performance. As in order intake Avionics performed the strongest. The EMEALA region grew its top line by 5.9%. The other two regions experienced negative growth.

EBITDA for the semester was 11.7 million euro or 10.1% compared to 13.0 million euro or 11.0% margin in 2010.

Ventures

Through increased focus and autonomy the ventures turned profitable and gained strength as they were rightsized and repositioned strategically.

Order intake for the ventures in 2011 was 90.9 million euro, an increase of 1.0% from 90.0 million euro in 2010. The EMEALA region and North America did well, while the APAC region contributed negatively.

Global sales decreased by 4.2% from 92.1 million euro to 88.2 million euro, primarly because of weak sales in the APAC region.

EBITDA for 2011 was 5.5 million euro, or 6.2% compared to minus 17.5 million euro in 2010 or minus 19.0% in 2010.

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CONSOLIDATED RESULTS FOR 2H11

Second half 2011 financial highlights:

- Order intake for the semester was 523.5 million euro, an increase of 13.0% from 463.1 million euro a year earlier.
- Sales of 551.5 million euro were up 4.2% from 528.8 million euro in 2H10.
- Barco's order book at the end of December 2011 stood at 479.9 million euro. At the end of December 2010 the order book was 426.9 million euro.
- Gross profit grew 0.9% to 166.0 million euro up from 164.5 million euro the previous year. Gross profit margin was 30.1%. In 2H10 it was 31.1%.
- EBITDA was 70.1 million euro compared to 60.6 million euro in 2H10.
- EBIT was 43.2 million euro versus 34.0 million euro in 2H10. EBIT margin was 7.8% compared to 6.4% in 2H10.
- Net income for the semester was 41.7 million euro or 7.6% of sales, compared to 35.3 million euro the year before.
- Net earnings per share were 3.48 euro compared to 2.96 euro in 2H10.
- Free cash flow at the end of the semester was 94.0 million euro compared to minus 5.2 million euro in 2010.

Sales and order intake

Sales for the semester were 551.1 million euro, an increase of 4.2% year-on-year. Sales in 2H10 were high because of the very high shipments in digital cinema in 4Q10 as a result of the catching-up in production after a shortage of components earlier in the year.

The businesses with the strongest growth percentages were projectors for the events and fixed installed markets, control rooms, avionics and healthcare.
Sales to Europe, Middle East, Africa and Latin America (EMEALA) represented 43.9% of consolidated sales, while 33.0% of sales were realized in North America and 23.1% in Asia Pacific. Compared to 2H10 sales increased in the EMEALA and Asia Pacific regions but decreased in North America.

Order intake in 2H11 was 523.5 million euro, an increase of 13.0% compared to the same period the year before. The EMEALA region realized 44.6% of incoming orders, North America 34.0% and Asia Pacific 21.4%. All three regions grew versus 2H10, with EMEALA performing the strongest.

The order book at the end of the second semester stood at 479.9 million euro or 12.4% higher than at the end of 2H10 and equal to end 1H11.

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Gross profit

Gross profit margin increased year-on-year by 0.9% to 166.0 million euro. Gross profit margin was 30.1% compared to 31.1% in 2H10.

EBITDA and EBIT

EBITDA was 70.1 million euro compared to 60.6 million euro the year before. EBIT was 43.2 million euro before impairment costs on goodwill, compared to 34.0 million in 2H10. EBIT margin in 2H11 was 7.8%.

Total research & development expenses increased year-on-year from 36.7 million euro to 40.3 million euro. In percentage of sales R & D expenses went up from 6.9% of sales to 7.3% of sales. Sales & Marketing expenses increased from 61.7 million euro to 64.4 million euro, but relative to sales they remained flat at 11.7% of sales. General & administration expenses remained on the same level in absolute numbers year-on-year but decreased in percentage of sales from 4.9% of sales to 4.7% of sales.

Other operating result was 7.8 million euro. 2H10 had other operating result of minus 6.0 million euro.

Net income

Net income for 2H11 increased to 41.7 million euro from 35.3 million euro for 2H10. Net margin for 2H11 was 7.6% up from 6.7% the year before.

Net earnings per share (EPS) were 3.48 euro, up from 2.96 euro in 2H10.

DIVIDEND

The board proposes to the general assembly to approve a dividend of 1,10 euro per share over 2011.

OUTLOOK FOR 2012

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

With an eye on the future and realizing that the current economic environment is still very uncertain management believes that Barco's momentum for profitable growth will be sustainable as the company continues to sharpen its focus on its core businesses and pursue alternative options for some other activities.

CONFERENCE CALL

Barco will host a conference call with investors and analysts on 9 February 2011 at 9 a.m. CET (3 a.m. EST), to discuss the FY11 results. Eric van Zele, CEO, Carl Peeters, CFO and JP Tanghe and Carl Vanden Bussche, Investor Relations, will host the call.
An audio cast of this conference call will be available on the Company's website www.barco.com at 12.30 p.m. CET (6.30 a.m. EST).

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ABOUT BARCO

Barco, a global technology company, designs and develops visualization products for a variety of professional markets. Barco has its own facilities for Sales & Marketing, Customer Support, R & D and Manufacturing in Europe, North America and Asia Pacific.
Barco (NYSE Euronext Brussels: BAR) is headquartered in Belgium and is present in more than 90 countries with about 3500 employees worldwide.

- FINANCIAL TABLES -

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Income Statement *(in thousands of euros)*	2011 full year	2010 full year
Net sales	1,041,244	896,999
Cost of goods sold	-728,313	-609,484
Gross profit	312,932	287,516
Research and development expenses	-74,650	-71,371
Sales and marketing	-122,493	-114,555
General and administration expenses	-50,221	-49,006
Other operating income (expense) - net	12,792	-7,449
EBIT before goodwill impairment	78,359	45,135
Goodwill impairment	-10,000	0
Restructuring and impairment costs	0	0
Restructuring and impairment costs	-10,000	0
EBIT after goodwill impairment	68,359	45,135
Interest income	912	912
Interest expense	-3,442	-2,422
Other non-operating income (expense) - net	0	0
Income before taxes	65,829	43,625
Income taxes	10,407	0
Result after taxes	76,236	43,625
Share in the result of joint ventures and associates	-386	0
Net income from continuing operations	75,850	43,625
Net income from discontinued operations	0	0
Net income	75,850	43,625
Non-controlling interest	0	0
Net income attributable to equityholder of the parent	75,850	43,625
Earnings per share *(in euros)*	6.32	3.66
Diluted earnings per share *(in euros)*	5.91	3.41

Selected Financial Ratios	2011 full year	2010 full year
EBITDA	130,223	98,752
EBITDA on sales	12.5%	11.0%
EBIT on sales	7.5%	5.0%
Total debt to equity	5.9%	9.9%

Balance sheet *(in thousands of euro)*	31 Dec 2011	31 Dec 2010
ASSETS		
Goodwill	43,921	52,891
Capitalized development cost	69,020	59,378
Other intangible assets	14,565	8,573
Land and buildings	30,569	30,525
Other tangible assets	27,479	25,657
Investments	9,300	326
Deferred tax assets	56,763	41,742
Other non-current assets	19,134	17,339
Non-current assets	270,751	236,431
Inventory	233,928	230,421
Trade debtors	187,114	200,983
Other amounts receivable	35,197	32,044
Deposits and cash at bank and in hand	79,165	46,041
Prepaid expenses and accrued income	8,412	8,780
Assets from discontinued operations	0	0
Current assets	543,816	518,269
Total Assets	814,567	754,699

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EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	460,703	395,590
Non-controlling interest	0	1
Equity	460,703	395,591
Long-term debts	19,014	12,674
Deferred tax liabilities	5,005	7,331
Other long-term liabilities	8,117	13,288
Non-current liabilities	32,136	33,293
Current portion of long-term debts	1,691	2,643
Short-term debts	6,593	24,039
Trade payables	110,791	125,353
Advances received on contracts in progress	55,748	33,659
Tax payables	21,556	23,574
Employee benefits	51,741	47,598
Other current liabilities	8,045	6,522
Accrued charges and deferred income	23,488	14,154
Provisions for liabilities and charges	42,075	48,273
Liabilities from discontinued operations	0	0
Current liabilities	321,728	325,815
Total Equity and Liabilities	814,567	754,699

Cash flow statement *(in thousands of euros)*	2011 full year	2010 full year
Cash flow from operating activities		
EBIT after impairment	68,359	45,135
Impairment goodwill and capitalized development	11,328	1,278
Restructuring provision (personnel)	-3,351	-3,735
Amortization capitalized development cost	36,448	39,058
Depreciation of tangible and intangible fixed assets	14,088	13,282
Gains and losses on tangible fixed assets	-85	0
Share options recognized as cost	676	290
Share of profit/(loss) of joint ventures	-386	0
Discontinued operations : cash flow from operating activities	0	0
Gross operating cash flow	127,076	95,308
Changes in trade receivables	12,462	-55,438
Changes in inventory	-2,483	-68,240
Changes in trade payables	-14,693	55,340
Other changes in net working capital	35,923	21,007
Discontinued operations: change in net working capital	0	0
Change in net working capital	31,208	-47,331
Net operating cash flow	158,284	47,977
Interest income/expense	-2,530	-1,448
Income taxes	-10,718	393
Other non-operating results	0	-7
Discontinued operations: income taxes	0	0
Cash flow from operating activities	145,037	46,915
Cash flow from investing activities		
Expenditure on product development	-46,454	-41,107
Purchases of tangible and intangible fixed assets	-20,302	-13,397
Proceeds on disposals of tangible and intangible fixed assets	3,245	863
Acquisition of Group companies, net of acquired cash	-9,316	-9,876
Disposal of group companies, net of disposed cash	-1,460	1,976
Other investing activities	-8,000	1
Interest in joint ventures	-974	0
Discontinued operations: cash flow from investing activities	0	0
Cash flow from investing activities	-83,261	-61,541

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Cash flow from financing activities		
Dividends paid	-12,670	0
Share issue	3,593	0
Acquisition of own shares	0	0
Proceeds from (+), payments of (-) long-term liabilities	-1,255	-1,406
Proceeds from (+), payments of (-) short-term liabilities	-18,399	16,173
Cash flow from financing activities	-28,730	14,766
Net decrease/increase in cash and cash equivalents	33,046	141
Cash and cash equivalents at beginning of period	46,042	45,901
Change in consolidation method	77	0
Cash and cash equivalents at end of period	79,164	46,042

Results per division *(in thousands of euros)*	2011 full year	2010 full year
Sales		
Entertainment	432,084	329,712
Healthcare	192,511	175,152
Control Rooms & Simulation	214,361	184,818
Defense & Aerospace	115,770	117,921
Ventures	88,221	92,125
Intra-group eliminations	-1,702	-2,729
Group	1,041,244	896,999
EBITDA		
Entertainment	63,824	60,205
Healthcare	33,110	28,365
Control Rooms & Simulation	16,180	14,758
Defense & Aerospace	11,651	12,969
Ventures	5,459	-17,545
Intra-group eliminations	0	0
Group	130,223	98,752

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