

Barco 6 months ended

30 June 2012



BARCO

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OBLIGATIONS WITH REGARD TO PERIODICAL INFORMATION FOLLOWING THE TRANSPARENCY DIRECTIVE EFFECTIVE AS OF 1 JANUARY 2008

Declaration regarding the information given in this report 6 months ended 30 June 2012

The undersigned declare that:

- the report 6 months ended 30 June 2012 gives a true and fair view of the development and the results of the company and
- the report 6 months ended 30 June 2012 gives a true and fair view of the position of this issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Eric Van Zele, CEO

Carl Peeters, CFO

KEY FIGURES

	2012	2011
[in thousands of euro]	1st half	1st half
Net sales	530,994	490,300
Gross Profit	173,110	146,962
EBIT	43,526	35,038
Profit before taxes	45,108	33,984
Net income	43,287	33,984
Net income attributable to the equityholder	43,523	33,984
EBITDA	71,691	59,975
Earnings per share (in euro)	3.62	2.84
Diluted earnings per share (in euro)	3.37	2.65

NUMBER OF EMPLOYEES

30 June 2012

30 June 2011

Total (full-time equivalents)	3,684	3,543
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CAPITAL & OWNERSHIP OF THE COMPANY'S SHARES

On 30 June 2012, the capital amounted to euro 54,542,391.88, represented by 12,757,156 shares.

Ownership of the company's shares was as follows:

GIMV	9.80%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.99%	(636,239 shares)
Barco	5.78%	(737,963 shares)
Public	79.43%	(10,133,033 shares)
Total	100%	(12,757,156 shares)

Fully diluted

GIMV	9.28%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.72%	(636,239 shares)
Barco	5.48%	(737,963 shares)
Public	80.52%	(10,844,348 shares)
Total	100%	(13,468,471 shares)

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

MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS

First half 2012 financial highlights

- Barco's order book at the end of June 2012 stood at 501.5 million euro, an increase of 4.5% compared to 479.9 million euro a year earlier.
- Incoming orders amounted to 542.9 million euro, compared to 560.4 million euro for the same period in 2011. In addition to the reported order intake Barco secured a number of sizable new frame agreements.
- Sales totaled 531.0 million euro, an increase of 8.3% from 490.3 million euro for the first half of 2011.
- Gross profits realized were 173.1 million euro, an increase of 17.8% over last year's first half. Gross profit margin was 32.6%, compared to 30.0% for the first half of 2011.
- EBITDA was 71.7 million euro, an increase of 19.6% over the same period of 2011. EBITDA margin was 13.5%, compared to 12.2% for the first half of 2011.
- EBIT was 43.5 million euro, an increase of 24.3% over the same period of 2011. EBIT margin was 8.2%, compared to 7.2% for the first half of 2011.
- Net income was 43.5 million euro, up 27.9% over last year when net income was 34.0 million euro.
- Net earnings per share were 3.62 euro, compared to 2.84 euro for the first half of 2011.
- Free cash flow was 29.1 million euro, compared to a negative 12.7 million euro for the first half of 2011.

"Barco delivered a solid first half performance, boosted by second quarter sales growth in all business segments," said Mr. Van Zele, President and CEO. "On the strength of a common operations backbone and greater scale, our EBITDA margin increased by 130 basis points to 13.5% even as we made substantial and deliberate investments in sales and marketing initiatives and new technology platforms to advance our longer term strategic objectives. Strong cash flow generation combined with good management of working capital contributed to a healthy cash position of the company."

"We continued to gain share in all target markets and strengthened our global leadership position in Barco's core," Mr. Van Zele added. "To take full advantage of emerging opportunities in mid-market segments and to drive adoption of 'networked visualization' technology across our markets, our priorities in 2012 are to expand our product portfolio and to intensify our Sales and Marketing activities. We have made considerable progress against these priorities. For example, we launched a number of marketing programs in the 'Patient Care' and 'Digital Operating Room' segments of our Healthcare division and in the 'Corporate AV' segments of our Entertainment and Control Rooms divisions."

"By executing on these priorities, Barco will continue to drive profitable growth in all divisions," concluded Mr. Van Zele.

CONSOLIDATED RESULTS FOR THE FIRST HALF

Sales and order intake

Sales for the first half of the year were 531.0 million euro, a year-on-year increase of 8.3% or more than 40 million euro. All divisions as well as the ventures posted positive growth driven by strong performances during the second quarter.

Sales to Europe, Middle East, Africa and Latin America (EMEALA) represented 44% of consolidated sales, while 33% of sales were realized in North America and 23% in Asia Pacific. Compared to 1H11 sales were up 9% in the EMEALA region, and by 5% and 11% in North America and the APAC region respectively.

Order intake in 1H12 was 542.9 million euro, 3.1% below the same period in 2011 with a 9% increase in EMEALA offset by decreases in North America and APAC of 6% and 14%, respectively. The EMEALA region contributed 42% to total order intake followed by 32% from North America and 26% from the APAC region.

Order book

The order book at the end of June 2012 stood at 501.5 million euro. This is 4.5% higher than at the end of both 1H11 and 2H11.

[in millions of euro]	1H12	2H11	1H11	2H10	1H10
Order book	501.5	479.9	479.9	426.9	513.3

Gross profit

Gross profit increased to 173.1 million euro from 147.0 million euro, an increase of 17.8%. Gross profit margin was 32.6%, compared to 30.0% for the same period in 2011 and 30.1% for the 2H11.

EBITDA

EBITDA was 71.7 million euro, compared to 60.0 million euro the year before. EBITDA margin was 13.5% in 1H12, versus 12.2% in 1H11.

1H12	Sales	EBITDA	EBITDA %
ENT	218.9	40.0	18.3%
HC	100.2	12.0	12.0%
CRS	103.6	9.1	8.8%
D&A	63.4	7.2	11.4%
Ventures	45.2	3.4	7.5%
BGS/Elim	(0.3)		
Group	531.0	71.7	13.5%

EBIT

EBIT was 43.5 million euro, compared to 35.0 million in 1H11. Research & Development cash expenses increased by 5.1 million euro to 44.3 million euro. As a percent of sales, research and development expenses increased to 8.3% from 8.0% last year. Sales & Marketing expenses increased by 10.6 million euro, to 68.9 million euro, compared to 58.3 million euro last year. As a percent of sales, Sales & Marketing expenses rose to 13.0%, compared to 11.9% last year. General & administration expenses were 25.5 million euro, compared to 24.2 million euro last year and flat as a percent of sales, at 4.8%.

Other operating results amounted to 4.3 million euro, compared to 5.0 million euro last year.

Income taxes

In 1H12 taxes were 1.8 million euro, compared to 0 million euro in 1H11.

Net income

Net income attributable to equity holders for the semester increased to 43.5 million euro, from 34.0 million euro last year. Net margin for the semester was 8.2%, compared to 6.9% the year before.

Net earnings per ordinary share (EPS) were 3.62 euro, up from 2.84 euro in 1H11. Fully diluted net earnings per share were 3.37 euro, compared to 2.65 euro last year.

Free cash flow

Free cash flow for the first six months of 2012 was 29.1 million euro, compared to negative 12.7 million euro for the same period last year, reflecting solid gross operating cash flow of 68.2 million euro and good management of net working capital.

BALANCE SHEET

On 30 June 2012, Barco had a net financial cash position of 47.5 million euro, compared to 24.8 million euro on 30 June 2011 and 61.6 million euro on 31 December 2011. The change in the net financial cash position includes the new cash flow as well as cash used to pay dividends and for acquisitions. Barco did not acquire any of its own shares in the first six months of 2012¹.

At the end of 1H12, trade receivables were at 194.7 million euro, compared to 170.7 on 30 June 2011, and 187.1 million euro on 31 December 2011. DSO were at 60 days, compared to 61 days as of 30 June 2011 and 56 days as of 31 December 2011. At 264.6 million euro, inventory was 15.2 million euro lower than 30 June 2011 and 30.7 million euro higher than 31 December 2011. Inventory turns were at 2.5, compared to 2.2 at the end of June 2011 and 2.7 at the end of December 2011. Trade payables stood at 152.5 million euro at the end of June 2012, compared to 97.8 million euro on 30 June 2011 and 110.8 million euro on 31 December 2011. Capex, excluding capitalized development, was 10.3 million euro, compared to 7.5 million euro for the same period last year.

ROCE stood at 18.9%, compared to 12.7% at 30 June 2011 and 19.6% at 31 December 2011.

(1) The company now owns 737,963 of its own shares or 5.78% before dilution.

DIVISIONAL RESULTS FOR FIRST HALF 2012

Entertainment division

During the first half of 2012, Barco maintained its dominant share of the digital cinema market while continuing to execute its plans to grow into the emerging replacement market and nascent global mid-segment markets, and to increase its market share of the professional AV market. These plans include introducing next generation products and building partnerships to drive sales in emerging markets. Since the beginning of 2012, the company has showcased a new ground-breaking laser based projector, launched new products for the professional AV market, formed new distributor partnerships and expanded relationships with existing customers.

Global order intake in the Entertainment division was 230.5 million euro, compared to 266.8 million euro for 1H11, a 13.6% decline. In addition to the reported order intake, Barco secured several new and substantial frame agreements. Consistent with Barco's corporate objectives, order intake in the Professional AV market increased while order intake for Digital Cinema declined as anticipated. Order intake increased in the EMEALA region and softened in North America and the APAC region.

Sales increased by 6.0% to 218.9 million euro in 1H12, compared to 206.5 million euro in 1H11 driven by a 14.5% sales gain in the second quarter of 2012. Both Digital Cinema and Professional AV posted sales increases for the 1H12 period. Sales in Latin America, the Middle East and Asia Pacific were strong, partially offset by flat results in Western Europe and North America.

EBITDA was 40.0 million euro, compared to 28.0 million euro for 1H11, increasing by 42.9% and outpacing sales growth. As a result of volume gains and operational improvements implemented during 2011, the EBITDA margin increased 480 basis points to 18.3% from 13.5% last year.

Healthcare division

During 1H12 Barco focused on implementing its strategy of expanding into multiple new healthcare segments that are adopting digital visualization technologies, leveraging its market leadership in diagnostic imaging. Management has determined that heavy investments in research & development and marketing are necessary in the short term to establish leadership positions in the fast-growing emerging segments of the market. To date, these investments have included acquiring JAOTech in February 2012, further developing networked visualization solutions and integrating IPVS components in these solutions. Investments in marketing have produced new partnerships with systems integrators, initial contract wins and a strong funnel of future sales opportunities. In addition, the company has made further inroads into dental imaging, signing its first agreement with a U.S. distributor, and into pathology. Finally, Barco has invested in training sales teams and partners worldwide to sell point-of-care terminals. Management expects these upfront investments will begin to yield returns in the second half of 2012.

Order intake was 94.2 million euro in 1H12, compared to 98.8 million euro for the same period last year, a decrease of 4.7%. Growth in the APAC region was offset by softness in Europe and North America.

Sales grew by 10.2% to 100.2 million euro from 90.9 million euro in 1H11. This growth was boosted by a 14.8% sales gain in the second quarter of 2012 and reflects Barco's ongoing strength in diagnostic imaging with growth coming from the APAC region and North America.

The EBITDA margin declined from 19.0% to 12.0% as a result of the heavy investments in future growth. EBITDA in 1H12 was 12.0 million euro, compared to 17.3 million euro in 1H11.

Control rooms & Simulation division

During the 1H12, Barco continued to advance its plan to improve profitability of the Control Rooms & Simulation division. The company moved manufacturing to India and reorganized the division's operational structure and continues to rebuild its supply chain and invest in the development of networked visualization and mid-segment products.

Global order intake was 101.3 million euro, compared to 103.6 million euro in 1H11, a 2.2% decrease, reflecting good results for Control Rooms, particularly in the APAC region, offset by softness in Simulation. Sales grew by 4.0% to 103.6 million euro in 1H12, compared to 99.6 million euro for the same period last year, also driven by gains in Control Rooms. Comparing year over year sales by geographic region, North America and the APAC region posted higher sales while EMEALA sales were flat.

EBITDA for the first half of 2012 was at 9.1 million euro, for a 8.8% margin, compared to 7.4 million euro, for a 7.4% margin in the first half of 2011

Defense & Aerospace division

During the first half of 2012, Barco continued to execute its strategy to optimize profitability by focusing on a narrow set of profitable market opportunities. In Defense, the company released new network visualization and smartview products, both of which were well received by key accounts. In Avionics, the company won two new contracts for its renewed and modular Avionics display platform and started deliveries to the largest Air Traffic Control program ever. Global order intake increased by 23.8%, to 58.2 million euro from 47.0 million euro in 1H11 fueled by new Aerospace contracts in the EMEALA and APAC regions. In addition to the reported order intake Barco signed several frame agreements which will provide the basis for future order intake.

Sales grew by 18.3% to 63.4 million euro from 53.6 million euro in 1H11, reflecting strong shipments in the second quarter, primarily in the APAC region and North America.

EBITDA was 7.2 million euro, for an 11.4% EBITDA margin, compared to 5.4 million euro, for a 10.1% margin in 1H11.

Ventures

Order intake for the ventures in 1H12 was 60.7 million euro, an increase of 36.7% compared to 44.4 million euro in 1H11, primarily reflecting contract wins for Livedots and Clickshare.

Global sales increased by 11.9% to 45.2 million euro, compared to 40.4 million euro the year before, primarily driven by sales growth for Livedots.

EBITDA was 3.4 million euro, for a 7.5% EBITDA margin, compared to 1.8 million euro, for a 4.5% margin last year.

OUTLOOK FOR 2012

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

The company ended the first half of 2012 with a book-to-bill ratio that indicates continued sales growth for the second half of 2012. Barring further macro economic deterioration, 2012 should deliver another good year for Barco.

In agreement with the Board of Directors, Mr. Eric Van Zele has confirmed his intention to serve his full term as Chief Executive Officer through May 2014. Under his leadership, Barco plans to continue driving shareholder value by working decisively on 2H12 focal points in line with its three core strategies:

- Further solidify its position in emerging geographies and continue to expand its channel programs, in particular for the corporate AV segments.
- Establish Barco's leadership in networked visualization solutions, and strengthen its n° 1 position in high performance projection and display technology.
- Expand its low cost manufacturing in India and China to enable the release of additional mid segment systems.

Barco will further invest in strengthening its core, including making decisions on its portfolio of venture companies, in order to maximize shareholder long term value.

In addition, Barco plans to continue to develop its next generation of leaders and further institutionalize the company's corporate values throughout the organization in order to ready the company for its next stage of growth.

RISK FACTORS

Management refers to the section "Risk Factors" in the Annual Report 2011 (pages 91 to 93), which remain valid for the second year-half of 2012.

INCOME STATEMENT

	2012	2011
[in thousands of euro]	1st half	1st half
Net sales	530,994	490,300
Cost of goods sold	-357,883	-343,338
Gross profit	173,110	146,962
Research & Development expenses	-39,487	-34,358
Sales & Marketing	-68,872	-58,306
General & Administration expenses	-25,537	-24,244
Other operating income (expense) - net	4,311	4,984
EBIT	43,526	35,038
Interest income	2,216	582
Interest expense	-632	-1,636
Income before taxes	45,108	33,984
Income taxes	-1,822	0
Net income	43,287	33,984
Share in the results of joint ventures and associates	237	0
Net income attributable to the equityholder of the parent	43,523	33,984
Earnings per share	3.62	2.84
Diluted earnings per share	3.37	2.65

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2012	2011
[in thousands of euro]	6 months ended 30 June 2012	6 months ended 30 June 2011
Net income	43,523	33,984
Exchange differences on translation of foreign operations	1,127	-5,155
Net (loss)/gain on cash flow hedges	-80	39
Income tax	<u>3</u> -77	<u>0</u> 39
Other comprehensive income (loss) for the period, net of tax	1,050	-5,115
Total comprehensive income for the period, net of tax	44,573	28,869

BALANCE SHEET

[in thousands of euro]	30 June 2012	31 Dec 2011
ASSETS		
Goodwill	68,129	43,921
Capitalized development cost	74,137	69,020
Other intangible assets	20,391	14,565
Land and buildings	29,512	30,569
Other tangible assets	29,310	27,479
Investments	10,856	9,300
Deferred tax assets	58,488	56,763
Other non-current assets	17,288	19,134
Non-current assets	308,110	270,751
Inventory	264,594	233,928
Trade debtors	194,747	187,114
Other amounts receivable	40,535	35,197
Deposits and cash at bank and in hand	61,188	79,165
Prepaid expenses and accrued income	4,954	8,412
Current assets	566,018	543,816
Total assets	874,128	814,567
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	489,556	460,703
Non-controlling interest	0	0
Equity	489,556	460,703
Long-term debts	15,711	19,014
Deferred tax liabilities	5,302	5,005
Other long-term liabilities	7,203	8,117
Non-current liabilities	28,215	32,136
Current portion of long-term debts	1,924	1,691
Short-term debts	4,088	6,593
Trade payables	152,536	110,791
Advances received on contracts in progress	53,660	55,748
Tax payables	26,430	21,556
Employee benefits	50,868	51,741
Other current liabilities	7,978	8,045
Accrued charges and deferred income	18,802	23,488
Provisions	40,069	42,075
Current liabilities	356,357	321,728
Total equity and liabilities	874,128	814,567

COMMENTS TO THE INTERIM FINANCIAL STATEMENTS

Significant IFRS accounting principles

IAS 34 was applied to the half year financial report. The same accounting policies and methods of computation are followed in the interim financial statements as were followed in the annual financial statements of 2011, except for the adoption of new Standards and Interpretations effective as of 1 January 2012, noted below:

- IAS 12 - Deferred Tax: Recovery of Underlying Assets (Amendment). The Group doesn't have investment properties at fair value, nor assets under IAS 16 valued under the revaluation model. Therefore, the amendment does not have an impact on the financial statement of the Group.

The following amendments to IFRSs standards did not have any impact on the accounting policies, financial position or performance of the Group as they are not applicable:

- IFRS 7 - Disclosures - Transfers of financial assets (Amendment)
- IFRS 1 - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment)

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Acquisitions

Acquisition of JA0tech

Per 03 February 2012, Barco acquired 100% of the shares of the UK-based company JA0tech Ltd, a leading manufacturer of patient entertainment and point-of-care terminals for hospitals. The acquisition fits within Barco's long-term vision of increasing

healthcare efficiency and its growth strategy of expanding into multiple healthcare segments.

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). The following table summarizes the consideration paid for JA0tech Ltd and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

Assets and Liabilities JA0tech		
[in thousands of euro]	Before acquisition date	After acquisition date
Total non-current assets	837	151
Inventory	2,732	2,011
Trade receivables	5,507	5,491
Other current assets	453	437
Total current assets	8,691	7,939
Restructuring provision		-184
Warranty provision	-308	-531
Total non-current liabilities	-308	-715
Intercompany loan	-2,496	-2,496
Trade payables	-4,784	-4,784
Other current liabilities	-1,957	-1,979
Total current liabilities	-9,236	-9,258
Cash	562	562
Net assets	546	-1,321
Acquisition price		10,046
Goodwill		11,367

The total acquisition cost includes the amount paid at closing of 9.0 million euro and a deferred consideration of 1 million euro, payable early 2014. The contract further provides for additional earn-out payments. The earn-out payments depend on the cumulative gross margin generated for the financial years ended 31 December 2012 to 31 December 2014. There are no minimum or maximum earn-out payments stipulated in the contract.

There have been no earn-out payments made per June 30, 2012 and no earn-out payments were taken into account yet in the acquisition cost. The goodwill recognized at acquisition is related to the 'surprise' Barco was willing to pay because of the commercial and operational synergies expected to be achieved from integrating JAOtech into the Healthcare division and is not tax deductible. The goodwill is determined on a preliminary basis.

Acquisition of IP Video Systems

Per 31 January 2012, Barco acquired the networked visualization activities of IP Video Systems, a California-based innovator in networked visualization solutions. The acquisition fits within Barco's overall strategy to invest in high-performance networked visualization technology, and will strengthen the company's product portfolio in a large number of markets.

Barco mainly acquired the products, know-how and warranty obligations of the IP Video Systems business through an asset deal. The asset deal needs to be seen as a business combination since Barco acquired all of the company's personnel on top of the agreed purchased assets. Therefore the acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations Revised.

The following table summarizes the consideration paid for IP Video Systems and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

Assets and Liabilities IP Video Systems		
[in thousands of euro]	Before acquisition date	After acquisition date
Know-how	0	4,673
Tangible fixed assets	7	4
Deferred tax assets	0	355
Total non-current assets	7	5,031
Inventory	285	285
Total current assets	285	285
Warranty provision	0	-35
Total non-current liabilities	0	-35
Retention bonus accrual	0	-1,748
Total current liabilities	0	-1,748
Total net assets	292	3,533
Acquisition price		15,179
Goodwill		11,646

The total acquisition cost includes the amount paid at closing of 20 million USD (15.2 million euro recalculated at FX rate at acquisition date). The goodwill recognized at acquisition is related to the technology developed by IP Video Systems and the future cash flows Barco will be able to realize based on the sale of products using the IP Video Systems technology. The acquisition fits in Barco's corporate strategy to invest in high-performance networked visualization technologies. The total goodwill amount is tax deductible.

The goodwill is determined on a preliminary basis.

Related party transactions

The related parties of the Company comprise the CEO, the other Directors of the board and the Senior Vice Presidents. The nature of the compensation

transactions with the related parties in the first half of the year did not significantly differ from the transactions disclosed in the Annual Report of 2011 (pages 86 and 87). All transactions involving shares or other financial instruments of Barco performed in given quarter 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 2012 relating to the litigations and commitments which have been disclosed in the 2011 consolidated financial statements.

CHANGES IN EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT

	2012	2011
[in thousands of euro]	6 months ended 30 June 2012	6 months ended 30 June 2011
Equity attributable to equityholders of the parent 31 December	460,703	395,591
Net income attributable to equityholders of the parent	43,523	33,984
Dividend	-12,480	-12,670
Other comprehensive income (loss) for the period, net of tax	1,050	-5,115
Capital increase	104	3,584
Share-based payment	391	338
Realisation translation adjustment on liquidated companies	-3,735	0
Equity attributable to equityholders of the parent 30 June	489,556	415,712

CASH FLOW STATEMENT

	2012	2011
[in thousands of euro]	6 months ended 30 June 2012	6 months ended 30 June 2011
Cash flow from operating activities		
EBIT	43,526	35,038
Restructuring provision and charges (personnel)	0	-2,614
Unrealized foreign currency translation gain on Kladno liquidation	-3,735	0
Amortization capitalized development cost	20,256	17,806
Depreciation of tangible and intangible fixed assets	7,908	7,139
Gains and losses on tangible fixed assets	38	-57
Share options recognized as cost	391	338
Share of profit/(loss) of joint ventures	237	0
Gross operating cash flow	68,621	57,650
Changes in trade receivables	113	29,058
Changes in inventory	-26,884	-47,928
Changes in trade payables	36,565	-27,792
Other changes in net working capital	-17,313	10,125
Change in net working capital	-7,519	-36,536
Net operating cash flow	61,102	21,115
Interest income/expense	1,584	-1,054
Income taxes	1,384	-5,374
Cash flow from operating activities	64,069	14,686
Cash flow from investing activities		
Expenditure on product development	-25,066	-22,694
Purchases of tangible and intangible fixed assets	-10,323	-7,465
Proceeds on disposals of tangible and intangible fixed assets	827	3,077
Acquisition of Group companies, net of acquired cash ¹	-27,381	-8,705
Disposal of group companies, net of disposed cash ²	0	-3,452
Other investing activities	-50	0
Interest in joint-ventures	-1,240	0
Cash flow from investing activities	-63,234	-39,240
Cash flow from financing activities		
Dividends paid	-13,153	-12,670
Share issue	104	3,584
Proceeds from (+), payments of (-) long-term liabilities	-1,730	-1,269
Proceeds from (+), payments of (-) short-term liabilities	-4,600	13,267
Cash flow from financing activities	-19,379	2,912
Net decrease in cash and cash equivalents	-18,544	-21,641
Cash and cash equivalents at beginning of period	79,165	46,041
Cash and cash equivalents (CTA) ³	567	0
Cash and cash equivalents at end of period	61,188	24,400

(1) Per 30 June 2012 this relates to the acquisitions of JAOTech and IP Video System activities (see Acquisitions) and earn-out on FIMI acquisition paid to Philips. Per 30 June 2011 this relates to the acquisition of Cinestore activities and earn-out on FIMI acquisition paid to Philips.

(2) On 2 February 2009, Barco closed the divestment of its Advanced Visualization (AVIS) activities. At that time Barco accrued taxes on the realized gain related to the sale of the activities. These taxes were paid in the first half year of 2011.

(3) In the cash flow of 30 June 2011 the impact of exchange rate fluctuations is included in every line of the cash flow. From 1 January 2012 onwards cash flow is calculated excluding the impact of exchange rate fluctuations. The net effect of these differences are shown on one line (CTA).

FREE CASH FLOW

	2012	2011
[in thousands of euro]	6 months ended 30 June 2012	6 months ended 30 June 2011
EBIT	43,526	35,038
Restructuring provision (personnel)	0	-2,614
Unrealized foreign currency translation gain on Kladno liquidation	-3,735	0
Amortization capitalized development cost	20,256	17,806
Depreciation of tangible and intangible fixed assets	7,908	7,139
Gains and losses on tangible fixed assets	38	-57
Share of profit/(loss) of joint ventures	237	0
Gross operating free cash flow	68,230	57,313
Changes in trade receivables	113	29,058
Changes in inventory	-26,884	-47,928
Changes in trade payables	36,565	-27,792
Other changes in net working capital	-17,313	10,125
Change in net working capital	-7,519	-36,536
Net operating cash flow	60,711	20,777
Interest income/expense	1,584	-1,054
Income taxes	1,384	-5,374
Cash flow from operating activities	63,678	14,348
Expenditure on product development	-25,066	-22,694
Purchases of tangible & intangible fixed assets	-10,323	-7,465
Proceeds on disposals of tangible & intangible fixed assets	827	3,077
Cash flow from investing activities	-34,562	-27,082
FREE CASH FLOW	29,116	-12,734

SEGMENT INFORMATION

Barco's existing reporting structure is maintained in 2012:

• Barco's core business activities:

- **Entertainment:** designs and manufactures a broad family of projectors and image processing products for use at events, concerts, open-air festival stages, retail stores, sports stadiums, museums, auditoria, meeting rooms and movie theaters.

- **Healthcare:** has a solid reputation for delivering dependable visualization solutions that are central to the provision of quality healthcare. The product offering includes leading-edge displays for radiology, mammography, surgery, dentistry, pathology and modality imaging, along with DICOM compliant review displays, networked digital OR systems, and point-of-care devices.

- **Control rooms & Simulation:** offers a complete portfolio of high-quality video wall modules in a wide range of sizes and resolutions. In addition, Control rooms & Simulation has a strong focus on dedicated collaboration software, professional services and smart networked solutions.

- **Defense & Aerospace:** provides high-performance display systems, large-screen visualization platforms, advanced processing modules and network-client applications, all ensuring continuous information availability in harsh environmental conditions.

• Barco's Ventures:

- **BarcoSilex:** active in high level electronic engineering.
- **dZine:** a key player in digital signage systems and professional mobile solutions.
- **High End Systems:** specialized in professional entertainment lighting products.
- **LiveDots:** offers high-performance LED display solutions for indoor and outdoor installations
- **Orthogon:** develops software components for the Air Traffic Control market.
- **ClickShare:** markets the ClickShare "one-click-wonder" meeting room solution.

Management monitors the results of each of the four divisions and the six ventures 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 a consequence, the group has aligned its segment reporting with this business structure, resulting in five operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

RESULTS PER BUSINESS GROUP

The following table presents revenue and profit information regarding the Group's operating segments for the 6 months ending June 30, 2012 and 2011, respectively.

[in thousands of euro]	2012		2011	
	1st half year			
	Sales	EBITDA ¹	Sales	EBITDA ¹
Entertainment	218,941	39,959	206,545	27,969
Healthcare	100,205	12,016	90,913	17,335
Control rooms & Simulation	103,602	9,146	99,575	7,413
Defense & Aerospace	63,424	7,200	53,642	5,422
Ventures	45,175	3,370	40,413	1,836
Intra-group eliminations	-353	0	-788	0
Total group	530,994	71,691	490,300	59,975

SEGMENT ASSETS

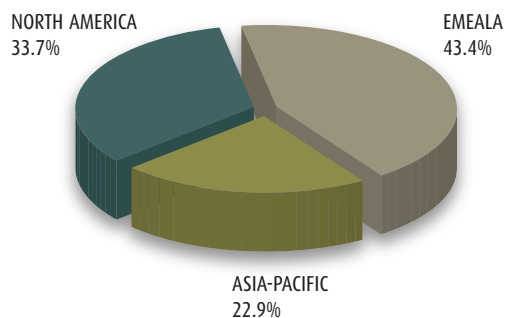
The following table presents segment assets of the Group's operating segments ending June 30, 2012 and December 31, 2011:

	2012	2011
[in thousands of euro]	30 June 2012	31 December 2011
ASSETS		
Segment assets Entertainment	197,175	178,792
Segment assets Healthcare	127,353	103,871
Segment assets Control rooms & Simulation	152,075	158,135
Segment assets Defense & Aerospace	114,757	104,407
Segment assets Ventures	73,101	73,292
Total segment assets	664,461	618,496
LIABILITIES		
Segment liabilities Entertainment	128,956	116,312
Segment liabilities Healthcare	54,906	47,872
Segment liabilities Control rooms & Simulation	69,714	65,439
Segment liabilities Defense & Aerospace	28,770	28,424
Segment liabilities Ventures	20,180	24,955
Total segment liabilities	302,525	283,002

GEOGRAPHICAL BREAKDOWN OF SALES

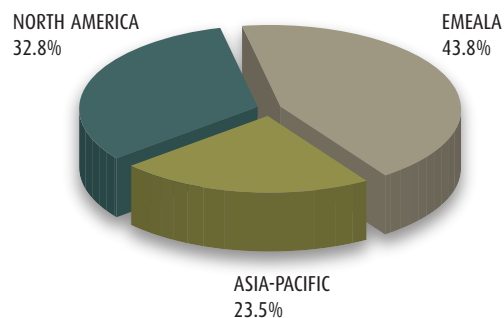
Management directs sales of the Group based on the regions to which the goods are shipped or the services are rendered and has three reportable regions Europe, Middle East, Africa and Latin America (EMEALA), North America (NA) and Asia-Pacific (APAC). The pie charts below present the Group's sales over the regions for the 6 month period ended 30 June 2012 and 30 June 2011, respectively.

1st half 2011



Group	1H 11	1H 11
EMEALA	212.8	43.4%
North America	165.1	33.7%
APAC	112.4	22.9%

1st half 2012



Group	1H 12	1H 12	12 - 11	12 - 11
EMEALA	232.4	43.8%	19.6	9.2%
North America	174.0	32.8%	8.9	5.4%
APAC	124.7	23.5%	12.5	11.2%

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

No subsequent events occurred which could have a significant impact on the consolidated financial statements of the group per 30 June 2012.

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 June 30, 2012 and for the six months then ended

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Barco NV (the "Company") as at June 30, 2012 and the related interim condensed consolidated statements of income, interim consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management 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 ("IAS 34") as adopted for use in 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 ("revue limitée/beperkt nazicht" as defined by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. 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 auditing standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" 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 respects, in accordance with IAS 34 as adopted for use in the European Union.

Gent, July 18, 2012

Ernst & Young Bedrijfsrevisoren BCVBA
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Stock exchange

NYSE Euronext Brussels

Barco share BAR ISIN BE0003790079
Barco VVPR-strip BARS ISIN BE0005583548

Reuters BARBt.BR
Bloomberg BAR BB

Financial information

More information can be obtained from the
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Report

This report “6 months ended 30 June 2012”
is also available in Dutch and can be
consulted on www.barco.com

Cover photograph: Multi-modality viewing on Coronis Fusion 6MP DL at BG Bergmannstrost Hospital, Halle, Germany

www.barco.com

