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Barco 6 months ended - 30 June 2014

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 2014

The undersigned declare that:

» the report 6 months ended 30 June 2014, 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 2014 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.

Eric Van Zele, CEO

Carl Peeters, CFO

KEY FIGURES

IN THOUSANDS OF EURO	1st half 2014	1st half 2013
Net sales	498,008	597,868
Gross Profit	164,094	195,925
EBIT before restructuring	14,371	41,763
EBIT after restructuring	14,371	37,143
Profit before taxes	13,385	35,923
Net income	11,007	31,652
Net income attributable to non-controlling interest	2,520	770
Net income attributable to the equityholder of parent	8,487	30,883
EBITDA before restructuring	54,857	76,730
EBITDA after restructuring	54,857	72,110
Earnings per share (in euro)	0.69	2.54
Diluted earnings per share (in euro)	0.68	2.45

NUMBER OF EMPLOYEES

	30 June 2014	30 June 2013
Total (full-time equivalents)	**3,919**	**3,950**

CAPITAL & OWNERSHIP OF THE COMPANY'S SHARES

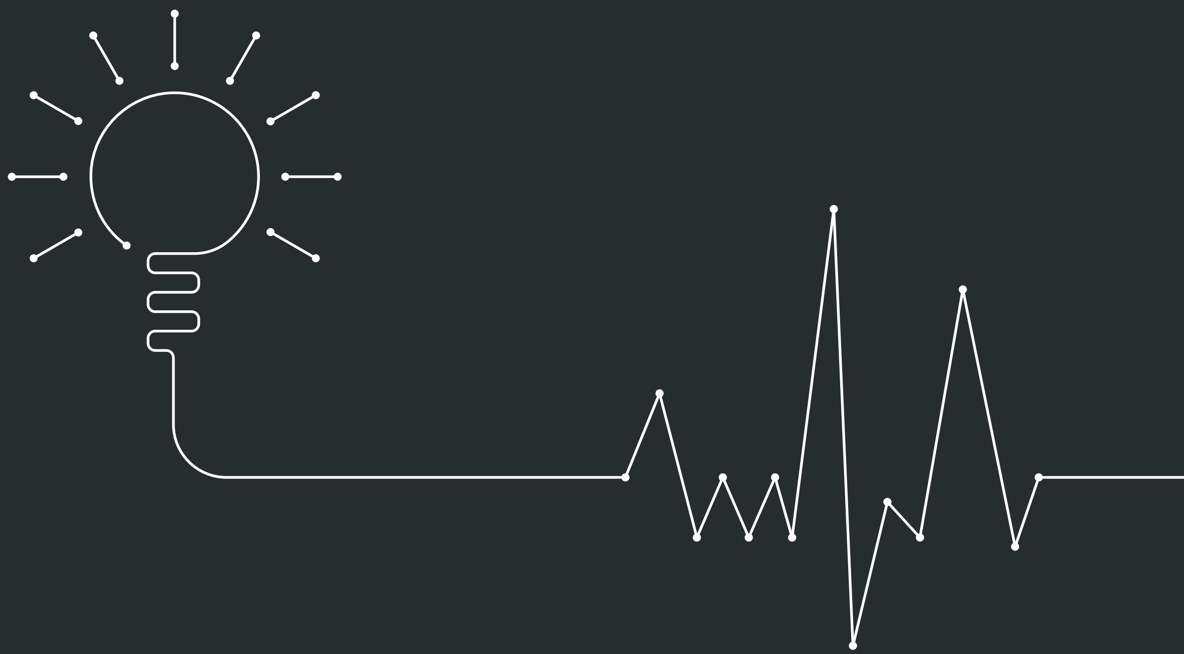
On 09 July 2014, the capital amounted to euro 55,559,717.92 represented by 12,994,849 shares. Ownership of the company's shares was as follows:

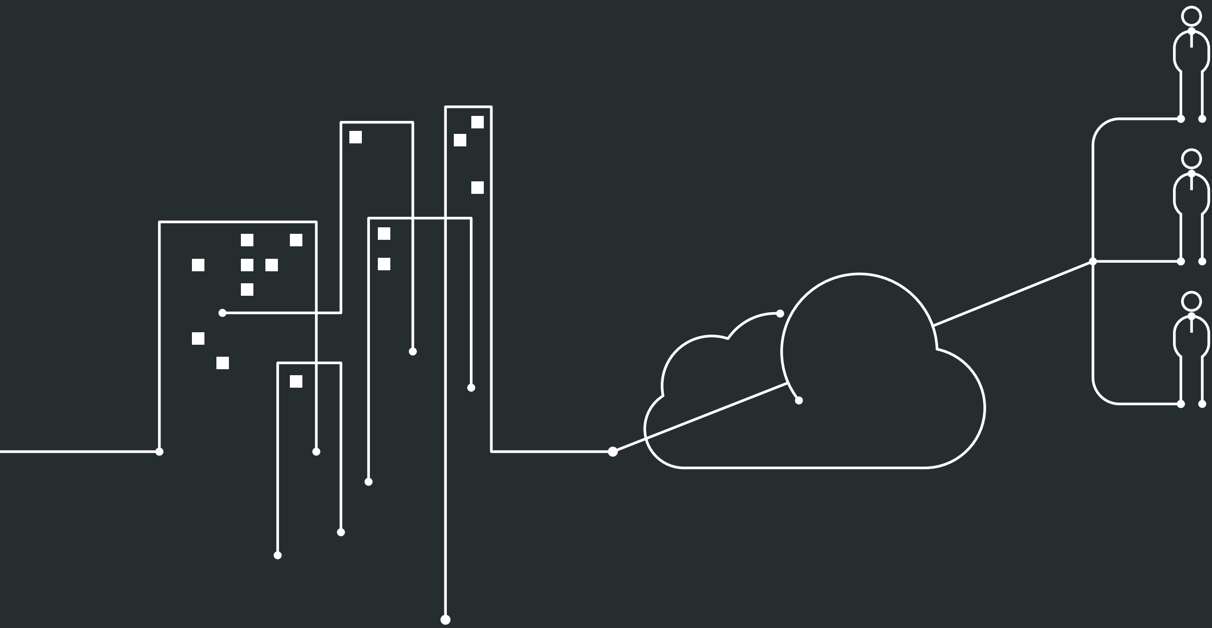
Michel Van de Wiele NV	9.62%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.90%	(636,239 shares)
GO Investment Partners LLP	3.06%	(397,419 shares)
3D NV	3.02%	(392,500 shares)
Barco	5.87%	(763,122 shares)
Public	73.53%	(9,555,648 shares)
Total	100%	(12,994,849 shares)

Fully diluted

Michel Van de Wiele NV	9.51%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.84%	(636,239 shares)
GO Investment Partners LLP	3.02%	(397,419 shares)
3D NV	2.99%	(392,500 shares)
Barco	5.80%	(763,122 shares)
Public	73.84%	(9,711,096 shares)
Total	100%	(13,150,297 shares)

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





MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS

FIRST HALF 2014 FINANCIAL HIGHLIGHTS

» Order book stood at 479.8 million euro, an increase of 9.1% compared to end of the first half 2013 and 4.1% compared to end of last year.

» Incoming orders amounted to 511.6 million euro, a decrease of 8.1% from 556.5 million euro for the first half of 2013. In constant currencies the decrease would have been 5.3%.

» Sales totaled 498.0 million euro, a decrease of 16.7% from 597.9 million euro for the first half of 2013. In constant currencies sales decrease would have been 13.8%

» EBITDA was 54.9 million euro, compared to 76.7 million euro for 1H13. EBITDA margin was 11.0%, compared to 12.8% for the first half of 2013.

» EBIT was 14.4 million euro, compared to 41.8 million euro for the same period of 2013. EBIT margin was 2.9%, compared to 7.0% for the first half of 2013.

» Cash position of the company remains healthy at 41.0 million euro compared to 24.2 million euro at the end of 1H13.

CONSOLIDATED RESULTS FOR THE FIRST HALF

ORDER INTAKE AND ORDER BOOK

Order book was 9.1% higher than 1H13 and 4.1% higher than the end of last year. Order intake was 511.6 million euro in 1H14, 8.1% below the same period in 2013 with single digit declines in all regions. As a percent of total order intake the Americas and EMEA each accounted for 35% while the Asia Pacific region accounted for 30%.

IN MILLIONS OF EURO	1H14	2H13	1H13	2H12	1H12
Order book	479.8	460.9	440.0	461.2	501.5

Order intake by region

IN MILLIONS OF EURO	1H14	1H13	Change
The Americas	180.9	199.3	-9.2%
EMEA	180.0	193.0	-6.8%
APAC	150.7	164.2	-8.2%

SALES

Sales for 1H14 of 498.0 million euro reflecting lower sales in each division of Barco.

All regions showed a softer first half compared to the first half of 2013. The Americas represented 38% of sales vs 40% in 1H13. EMEA represented 37% of sales versus 33% in 1H13. APAC represented 25% of sales versus 27% in 1H13.

Sales per region

IN MILLIONS OF EURO	1H14	1H13	Change
The Americas	189.2	239.6	-21.0%
EMEA	183.3	198.6	-7.7%
APAC	125.6	159.7	-21.4%

PROFITABILITY

Gross profit

Gross profit margin improved slightly to 33.0%, compared to 32.8% for the same period in 2013. As a result of lower sales, gross profit in absolute value decreased to 164.1 million euro from 195.9 million euro.

Operational expenses

Total indirect expenses decreased by 6.7% year-on-year. As a percent of sales indirect expenses were 36% for 1H14.

Total Research & Development expenses were reduced by 0.8 million euro to 51.6 million euro, compared to 52.4 million euro for 1H13, reflecting the integration of technology acquired over the last years. As a percent of sales, research and development expenses increased to 10.4% from 8.8% last year.

Sales & Marketing expenses declined by 7.9 million euro to 74.3 million euro compared to 82.1 million euro. As a percent of sales, Sales & Marketing expenses were 14.9%, compared to 13.7% last year.
General & administration expenses were 25.3 million euro, compared to 27.0 million euro last year or 5.1% of sales versus 4.5% last year.

Other operating results amounted to 1.1 million euro, compared to 1.2 million euro last year.

EBITDA & EBIT

EBITDA before restructuring was 54.9 million euro, compared to 76.7 million euro the year before. EBITDA margin was 11.0% versus 12.8% in 1H13.

	Sales	EBITDA	EBITDA %
Entertainment & Corporate	251.9	41.2	16.3%
Healthcare	88.4	9.7	11.0%
Industrial & Government	68.5	-1.4	-2.1%
Defense & Aerospace	64.0	8.1	12.7%
Ventures	26.2	-2.7	-10.5%
Intra-group eliminations	-1.0		
Group	**498.0**	**54.9**	**11.0%**

The gap between EBITDA and EBIT widened from 5.8 percentage points of sales for 1H13 and 6.4 ppts for the full year 2013 to 8.1 ppts for 1H14 primarily due to higher amortization of capitalized development costs. For the past years, Barco has incurred higher levels of Research & Development expenses, including acquired technology. In conjunction with these increased R&D expenses, the company has recorded higher capitalized development costs resulting in higher amortization of capitalized development costs this year compared to last year. Amortization for 1H14 was 29.2 million euro compared to 23.1 million euro for 1H13.
As a result EBIT before restructuring was 14.4 million euro, compared to 41.8 million euro in 1H13.

Barco is keeping the Research & Development budget stable this year and has also taken a start to level the amount of R&D expenses capitalized to the amortized expenses.

Income taxes

In 1H14 taxes were 2.4 million euro, for a tax rate of 18.0%, compared to 4.3 million euro in 1H13, or a tax rate of 12.0%. Reason for the increase in tax rate is linked to a lower profit booked in Belgium against which less deductions can get booked.

Net income

Net income was 11.0 million euro compared to 31.7 million euro last year. Net margin for the semester was 2.2%, compared to 5.3% in 2013.

Net earnings per ordinary share (EPS) for the half year were 0.69 euro per share, down from 2.54 euro in 1H13. Fully diluted net earnings per share were 0.68 euro, compared to 2.45 euro last year.

CASH FLOW & BALANCE SHEET

The company continues to uphold its operational excellence objectives and maintains strong working capital management.

On 30 June 2014, Barco had a net financial cash position of 41.0 million euro, compared to 24.2 million euro on 30 June 2013 and 104.4 million euro on 31 December 2013. Barco used its cash to pay dividends, fund the Share Buy Back program and acquire X2O.

Free cash flow for the first six months of 2014 was negative 8.1 million euro, compared to a negative of 11.6 million euro for the same period last year. Barco generated 54.9 million euro in gross operating cash flow.

At the end of 1H14, trade receivables were 158.1 million euro, 36.4 million euro lower than last year and 19.4 million euro lower than 31 December 2013. DSO stood at 56 days, compared to 57 days as of 30 June 2013 and 52 days as of 31 December 2013.

At 236.8 million euro, inventory was 14.6 million euro lower than 30 June 2013 and 25.2 million euro higher than 31 December 2013. Inventory turns were at 2.6, compared to 3.0 at the end of June 2013 and 3.2 at the end of December 2013.

Trade payables stood at 120.0 million euro at the end of June 2014, essentially flat with 118.4 million euro at the end of June 2013 and slightly higher than 114.1 million euro as of 31 December 2013.

Capital expenditure, excluding capitalized development, was 10.7 million euro, compared to 10.1 million euro for the same period last year.

ROCE stood at 8%, compared to 16% at 30 June 2013 and 15% at 31 December 2013.

DIVISIONAL RESULTS FOR FIRST HALF 2014

ENTERTAINMENT & CORPORATE

	1H14	1H13	Change %
Orders	261.6	283.0	-7.6%
Sales	251.9	306.2	-17.8%
EBITDA	41.2	48.1	-14.3%
EBITDA margin	16.3%	15.7%	

The Entertainment and Corporate division performed to plan, executing its strategy to build share in the Professional AV mid-segment while preserving its leading market share in Digital Cinema. As anticipated, increased sales for the Professional AV segment (consisting of Venues & Hospitality and Corporate) partially offset sales declines for Digital Cinema. As a result, the sales mix continued to shift in favor of Professional AV: 45% of sales of the E&C division came from non-Digital Cinema activities compared to 30% last year.

Barco grew its market share in 1H14 within Digital Cinema with major programs wins and roll-outs in China and other emerging countries such as Brazil and Indonesia. In addition, Barco continued to leverage its installed base, expanding its share of wallet through the introduction of new products and promising concepts like the Barco Alchemy module for the DC projectors, laser projection and audience interaction and providing services and upgrades.

In the Venues & Hospitality segment, the E&C division registered a strong capture rate of high performance projectors and new lighting systems in both existing and growth markets. Likewise the Corporate business delivered strong results with sales of ClickShare and further developed its corporate channel program in Western Europe and North America.

Despite the decline in sales, the division improved both its gross profit margin and EBITDA margin year-over-year as it successfully completed the integration of projectiondesign® and maintained operational excellence.

HEALTHCARE

	1H14	1H13	Change %
Orders	87.8	92.7	-5.3%
Sales	88.4	98.6	-10.4%
EBITDA	9.7	12.2	-20.1%
EBITDA margin	11.0%	12.3%	

The order book for the Healthcare division increased to a record level reflecting the ongoing development of opportunities in new market segments including surgical imaging and patient care along with a growing partner network.

Order intake was slightly below last year mainly reflecting continued soft market conditions in diagnostic imaging. Sales declined due to the slower momentum in the diagnostic and modality market particularly in Western Europe and due to lengthening implementation cycles for the new market solutions.

While the timetable is taking somewhat longer, the fundamentals of the division remain solid. As a result of cost down programs, gross profit margins increased while higher indirect expenses to support ongoing business development activities caused EBITDA to decline. Cost control measures have been taken in the first half to improve the profitability year-over-year.

INDUSTRIAL & GOVERNMENT

	1H14	1H13	Change %
Orders	76.7	85.3	-10.1%
Sales	68.5	80.8	-15.2%
EBITDA	-1.4	6.0	-123.6%
EBITDA margin	-2.1%	7.4%	

The division posted lower order intake and sales reflecting market softness and project delays particularly in China and a shift in favor of more mid-segment solutions at a lower price point, which was most evident in North America.
As a result of the sales decline, the division reported a negative EBITDA. To reverse the negative EBITDA, Barco is implementing measures to reposition the division as a technology leader in the mid segment and to recalibrate costs to better align with the division's sales potential given changing market conditions.

DEFENSE & AEROSPACE

	1H14	1H13	Change %
Orders	60.5	59.6	1.6%
Sales	64.0	71.1	-9.9%
EBITDA	8.1	6.7	21.1%
EBITDA margin	12.7%	9.4%	

Defense & Aerospace posted a flat order intake year-over-year and lower sales for the first half as a result of a weaker second quarter caused by project slipping into the second half of the year. The restructuring actions taken in 2013 continue to yield positive results as evidenced by the expanded EBITDA margin of 12.7%.

VENTURES

	1H14	1H13	Change %
Orders	26.1	37.4	-30.1%
Sales	26.2	42.7	-38.7%
EBITDA	-2.7	3.9	-171.1%
EBITDA margin	-10.5%	9.0%	

A weak performance by LiveDots drove the sales decline for Ventures. While gross profit margin remained quite stable, absolute gross profit declined which negatively impacted EBITDA and the EBITDA margin for the venture group. Cost savings have been implemented to restore profitability in 2H14.

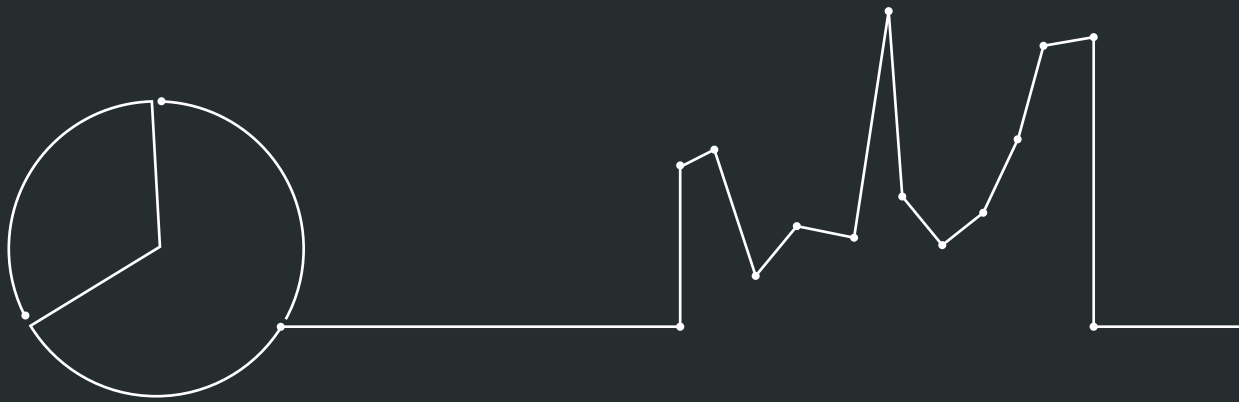
OUTLOOK FOR 2H14

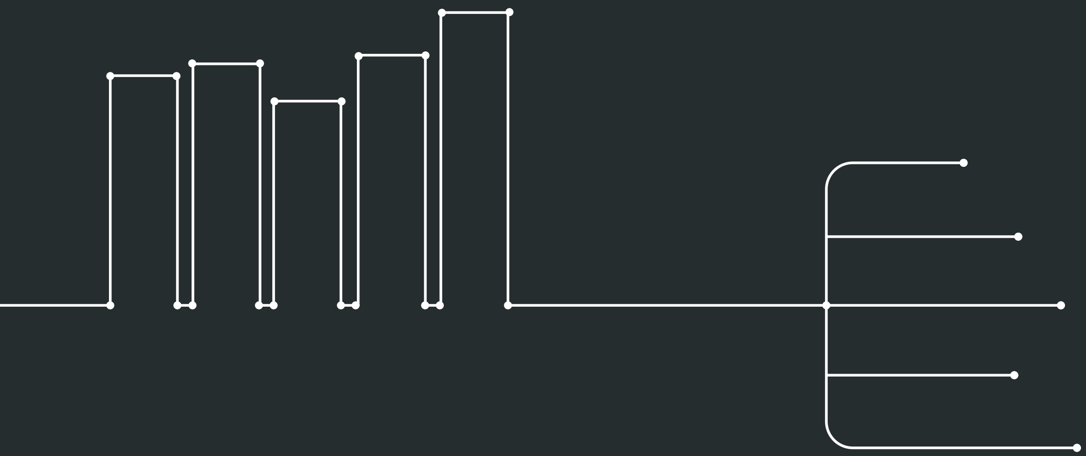
The following statements are forward looking and actual results may differ materially.

Based on Barco's order book as of 30 June 2014 and the sales funnel, management expects to deliver consolidated revenues for the second half of 2014 that are ahead of the second half of 2013. With indirect expenses for the first half of 2014 below last year and additional cost cutting measures to be implemented in the second half of 2014, management expects improved profitability for the second half of 2014. For the full year 2014 Barco expects consolidated revenues and EBITDA contribution to be slightly lower than in 2013.

RISK FACTORS

Management refers to the section "Risk Factors" in the Annual Report 2013 (pages 127 to 133), which remain valid for the second year-half of 2014.





INCOME STATEMENT

IN THOUSANDS OF EURO	1st half 2014	1st half 2013
Net sales	498,008	597,868
Cost of goods sold	-333,914	-401,944
Gross profit	**164,094**	**195,925**
Research and development expenses	-51,186	-46,287
Sales and marketing	-74,268	-82,142
General and administration expenses	-25,342	-26,962
Other operating income (expense) - net	1,073	1,228
EBIT before restructuring	14,371	41,763
Restructuring	0	-4,620
EBIT after restructuring	14,371	37,143
Interest income	886	545
Interest expense	-1,880	-1,765
Other non-operating income (expense) - net	9	0
Income before taxes	13,385	35,923
Income taxes	-2,408	-4,297
Result after taxes	10,978	31,626
Share in the result of joint ventures and associates	29	27
Net income	**11,007**	**31,652**
Net income attributable to non-controlling interest	**2,520**	**770**
Net income attributable to the equityholder of the parent	**8,487**	**30,883**
Earnings per share	0.69	2.54
Diluted earnings per share	0.68	2.45

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EURO	2014	2013
	6 months ending 30 June 2014	6 months ending 30 June 2013
Net income	**11,007**	**31,652**
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	2,449	-4,580
Net gain/(loss) on cash flow hedges	-644	341
Income tax	116	-41
Net gain/(loss) on cash flow hedges, net of tax	-528	300
Other comprehensive income (loss) for the period, net of tax	**1,921**	**-4,281**
Other comprehensive income (loss) for the period, net of tax, attributable to equity holders of the parent	1,989	-4,343
Other comprehensive income (loss) for the period, net of tax, non-controlling interest	-68	62
Total comprehensive income (loss) for the period, net of tax, attributable to equity holder of the parent	**12,996**	**27,310**
Total comprehensive income for the period, net of tax, non-controlling interest	**-68**	**62**

BALANCE SHEET

IN THOUSANDS OF EURO	30 June 2014	31 December 2013
ASSETS		
Goodwill	156,732	145,705
Capitalized development cost	93,641	93,248
Other intangible assets	57,425	55,169
Land and buildings	22,405	27,017
Other tangible assets	41,306	40,120
Investments	11,874	11,824
Deferred tax assets	71,935	62,333
Other non-current assets	14,154	14,286
Non-current assets	**469,472**	**449,702**
Inventory	236,799	211,575
Trade debtors	158,060	177,467
Other amounts receivable	43,344	44,102
Cash and cash equivalents	92,438	156,545
Prepaid expenses and accrued income	6,627	8,431
Current assets	**537,268**	**598,120**
Total assets	**1,006,740**	**1,047,822**
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	565,291	574,943
Non-controlling interest	5,147	4,423
Equity	**570,438**	**579,366**
Long-term debts	38,850	40,410
Deferred tax liabilities	11,620	11,721
Other long-term liabilities	2,991	15,322
Non-current liabilities	**53,461**	**67,453**
Current portion of long-term debts	2,500	3,582
Short-term debts	12,112	11,657
Trade payables	120,032	114,133
Advances received from customers	83,588	93,562
Tax payables	34,021	30,124
Employee benefit liabilities	50,261	57,248
Other current liabilities	4,571	12,115
Accrued charges and deferred income	32,298	31,778
Provisions	43,458	46,804
Current liabilities	**382,841**	**401,003**
Total equity and liabilities	**1,006,740**	**1,047,822**

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 2013, except for the adoption of new Standards and Interpretations effective as of 1 January 2014, noted below:

- IFRS 10 Consolidated Financial Statements, effective 1 January 2014
- IFRS 11 Joint Arrangements, effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014
- IFRS 10-12 - Transition Guidance, effective 1 January 2014
- IFRS 10, IFRS 12 and IAS 27 - Investment Entities, effective 1 January 2014
- IAS 27 Separate Financial Statements, effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures, effective 1 January 2014
- IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014
- IFRIC 21 Levies1, effective 1 January 2014

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

Standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

- IFRS 9 Financial Instruments[1], effective date not yet determined
- IFRS 15 Revenue from Contracts with Customers[1], effective 1 January 2017
- IFRS 14 Regulatory Deferral Accounts[1], effective 1 January 2016
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and
- Amortisation[1], effective 1 January 2016
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations[1], effective 1 January 2016
- IAS 19 Employee Benefits – Defined benefit Plans: Employee Contributions[1], effective 1 July 2014
- Annual Improvements to IFRSs 2010-2012 Cycle (Issued December 2013)[1], effective 1 July 2014
- Annual Improvements to IFRSs 2011-2013 Cycle (Issued December 2013)[1], effective 1 July 2014

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

IFRS 9 Financial Instruments[1]

IFRS 9 as issued reflects the first and the third phase of the IASBs' work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39 (first phase) and hedge accounting (third phase). In subsequent phases, the IASB is addressing impairment of financial assets. The adoption of the first and third phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets and on hedge accounting, but will not have an impact on the classification and measurement of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.]. The standard becomes effective for financial years beginning on or after 1 January 2018. The current version of IFRS 9 does not include an effective date but is available for adoption (subject to local endorsement requirements). An effective date will be added once the standard

[1] Not yet endorsed by the EU as per 19 June 2014

is complete with a new impairment model and finalisation of any limited amendments to classification and measurement.

IFRS 15 Revenue from Contracts with Customers[1]

The International Accounting Standards Board (IASB), issued IFRS 15 Revenue from Contracts with Customers in May 2014. IFRS 15 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. The standard becomes effective for financial years beginning on or after 1 January 2017. The group will analyse the impact on the most important revenue cycles as from January 2016 onwards.

IFRS 14 Regulatory Deferral Accounts[1]

IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, IFRS 14 requires that the effect of rate regulation must be presented separately from other items. The standard will not have an impact on the Group's financial position and performance. The standard becomes effective for financial years beginning on or after 1 January 2016.

IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions[1]

The amendment simplifies the accounting for contributions from employees or third parties to defined benefit plans that are independent of the number of years of employee service. The Group is currently assessing the impact of this standard. The amendment becomes effective for financial years beginning on or after 1 July 2014.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation[1]

IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendment becomes effective for financial years beginning on or after 1 January 2016.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations[1]

IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The published amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The Group is currently assessing the impact of this standard. The amendment becomes effective for financial years beginning on or after 1 January 2016.

Improvements to IFRSs 2010-2012 Cycle (Issued December 2013)[1]

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording.

- IFRS 2 Share-based Payment: The performance condition and service condition definitions were clarified to address several issues.
- IFRS 3 Business Combinations: It was clarified that contingent consideration in a business combination that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 'Financial Instruments'.
- IFRS 8 Operating Segments:
  - It was clarified that if operating segments are combined, the economic characteristics used to assess whether the segments are similar must be disclosed.
  - It was clarified that the reconciliation of segment assets to total assets is only required to be disclosed if this reconciliation is reported to the chief operating decisions maker, similar to the required disclosure for segment liabilities.
- IFRS 13 Fair Value Measurement: It was clarified in the Basis for Conclusions that short-term receivables and payables with no stated interest can be held at invoice amounts when the effect of discounting is immaterial.
- IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets: The revaluation method was clarified: accumulated depreciation or amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value.
- IAS 24 Related Party Disclosures: It was clarified that a management

[1] Not yet endorsed by the EU as per 19 June 2014

entity - an entity that provides key management personnel services - is a related party subject to related party disclosure requirements. An entity that uses a management entity is required to disclose the expenses incurred for management services.

The improvements become effective for financial years beginning on or after 1 July 2014.

Improvements to IFRSs 2011-2013 Cycle (Issued December 2013)[1]
The IASB issued the 2011-2013 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording.

» IFRS 3 Business Combinations: It was clarified that joint arrangements, and not only joint ventures, are outside the scope of IFRS 3. It was further clarified that the scope exemption only applies to the accounting in the financial statements of the joint arrangement itself.
» IFRS 13 fair Value measurement: It was clarified that the portfolio exception can be applied to financial assets, financial liabilities and other contracts.
» IAS 40 Investment Property: The interrelationship between IFRS 3 and IAS 40 was clarified. The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination.

The improvements become effective for financial years beginning on or after 1 July 2014.

ACQUISITIONS

ACQUISITION OF X2O

Per 19 March 2014, Barco acquired 100% of the shares of the Canadian-based company X2O Media Inc. The acquisition reflects Barco's strategy to move beyond display and projection technology and expands Barco's portfolio with a complete solution to deliver enhanced and cross-divisional content distribution and workflow, based on advanced networking and connectivity capabilities.

The effective control was transferred on 1 April 2014. X2O is integrated in the Barco organization as a business venture, allowing it to continue the development of its platform technology, while leveraging its business growth from Barco's worldwide sales and service presence. In addition, the X2O specific capabilities and technology will be integrated gradually in solutions for all Barco's markets.

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). In the first half year of 2014 X2O has contributed three months of turnover and EBITDA: 0.5 million euro to the total turnover of the Group, resulting -0.9 million euro EBITDA. If the acquisition had taken place at the beginning of the year, the total turnover would have been 0.8 million euro and the EBITDA for the period would have been -1.0 million euro.

Transaction costs of € 0.1m have been expensed and are included in administrative expenses in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

[1] Not yet endorsed by the EU as per 19 June 2014

The following table summarizes the consideration paid for X2O and the fair values of the assets acquired and liabilities assumed recognized at the acquisition date.

Assets and Liabilities X2O

IN THOUSANDS OF EURO	01/04/2014
	Fair value
Other intangible assets	3,204
Other tangible assets	26
Total non-current assets	**3,230**
Inventory	0
Trade receivables	580
Other current assets	813
Total current assets	**1,393**
Financial lease loan	-5
Deferred tax liability	-836
Total non-current liabilities	**-840**
Other short term debts	-20
Other current liabilities	-1,501
Total current liabilities	**-1,521**
Cash	**94**
Total net assets acquired	**2,356**
Total acquisition cost	**13,277**
Goodwill	**10,921**

The IFRS restatements on other intangible fixed assets relate to fair value adjustments on the valuation of technology (amortized over 7 years).

The total acquisition cost includes the amount paid at closing of 13.3 million euro, of which 1.9 million euro has been put in escrow, for a period of two years.

The goodwill recognized at acquisition is related to the potential commercial synergy effects and additional value added to the existing Barco portfolio, the strategic control Barco gains through the access to the X2O product offering over its traditional (display and projection) competitors and the assembled workforce.

RELATED PARTY TRANSACTIONS

Apart from compensation transactions with the CEO, Corporate 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, Corporate Senior Vice Presidents and Directors during the first 6 months of 2014 did not significantly differ from the transactions disclosed in the Annual Report of 2013 (pages 124-125).

All transactions involving shares or other financial instruments of Barco performed in the first half year of 2014 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 2014 relating to the litigations and commitments which have been disclosed in the 2013 consolidated financial statements.

CHANGES IN EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT

IN THOUSANDS OF EURO	2014	2013
	6 months ending 30 June 2014	6 months ending 30 June 2013
Equity attributable to equityholders of the parent December 31	**574,943**	**538,050**
Net income attributable to equityholders of the parent	8,487	30,883
Dividend	-18,410	-16,856
Other comprehensive income (loss) for the period, net of tax	1,921	-4,281
Capital increase	-741	7,600
Purchase (-)/Sale (+) of own shares	-1,543	1,354
Share-based payment	634	636
Equity attributable to equityholders of the parent June 30	**565,291**	**557,386**
Non-controlling interest December 31	**4,423**	**-**
Change in consolidation method	0	2,216
Dividend distributed to non-controlling interest	-1,728	0
Net income attributable to non-controlling interest	2,520	770
Other comprehensive income (loss) for the period, net of tax	-68	62
Non-controlling interest June 30	**5,147**	**3,048**
Equity June 30	**570,438**	**560,434**

CASH FLOW STATEMENT

IN THOUSANDS OF EURO	2014	2013
	6 months ending 30 June 2014	6 months ending 30 June 2013
Cash flow from operating activities		
EBIT after restructuring	14,371	37,143
Amortization capitalized development cost	29,220	23,058
Depreciation of tangible and intangible fixed assets	11,266	11,910
Gains and losses on tangible fixed assets	34	-3
Share options recognized as cost	634	636
Share of profit/(loss) of joint ventures	29	27
Gross operating cash flow	**55,555**	**72,771**
Changes in trade receivables	20,796	14,879
Changes in inventory	-24,228	-4,060
Changes in trade payables	5,566	-27,777
Other changes in net working capital	-23,738	-14,939
Change in net working capital	**-21,604**	**-31,898**
Net operating cash flow	**33,951**	**40,873**
Interest income	886	545
Interest expense	-1,880	-1,765
Income taxes	-4,194	-11,471
Other non-operating results	8	0
Cash flow from operating activities	**28,770**	**28,182**
Cash flow from investing activities		
Expenditure on product development	-29,587	-29,160
Purchases of tangible and intangible fixed assets	-10,707	-10,094
Proceeds on disposals of tangible and intangible fixed assets	4,062	95
Acquisition of group companies, net of acquired cash[1]	-20,340	-51,667
Dividend distributed to non-controlling interest	-1,728	0
Cash flow from investing activities	**-58,300**	**-90,827**
Cash flow from financing activities		
Dividends paid	-18,410	-16,856
Share issue	-741	7,600
Acquisition of own shares	-1,543	1,354
Proceeds from (+), payments of (-) long-term liabilities	-88	20,962
Proceeds from (+), payments of (-) short-term liabilities	-14,160	4,190
Cash flow from financing activities	**-34,943**	**17,249**
Net decrease/increase in cash and cash equivalents	**-64,473**	**-45,395**
Cash and cash equivalents at beginning of period	**156,545**	**122,139**
Cash and cash equivalents (CTA)	**366**	**-958**
Cash and cash equivalents at end of period	**92,438**	**75,785**

(1) Per 30 June 2014 this relates to the acquisition X2O for an amount of 13.2 million euro, 2.5 million euro earn-out on Fimi acquisition paid to Philips, 1 million euro deferred consideration paid on JAOTech and 4.2 million euro on Awind. Per 30 June 2013 this relates to the acquisitions Projectiondesign and Awind (see Acquisitions) and earn-out on Fimi acquisition paid to Philips, less cash received upon the change in consolidation method of CFG Barco.

FREE CASH FLOW

IN THOUSANDS OF EURO	2014	2013
	6 months ending 30 June 2014	6 months ending 30 June 2013
EBIT after restructuring	14,371	37,143
Amortization capitalized development cost	29,220	23,058
Depreciation of tangible and intangible fixed assets	11,266	11,910
Gains and losses on tangible fixed assets	34	-3
Share of profit/(loss) of joint ventures	29	27
Gross operating free cash flow	**54,921**	**72,134**
Changes in trade receivables	20,796	14,879
Changes in inventory	-24,228	-4,060
Changes in trade payables	5,566	-27,777
Other changes in net working capital	-23,738	-14,939
Change in net working capital	**-21,604**	**-31,898**
Net operating free cash flow	**33,317**	**40,237**
Interest income	886	545
Interest expense	-1,880	-1,765
Income taxes	-4,194	-11,471
Cash flow from operating activities	**28,128**	**27,546**
Expenditure on product development	-29,587	-29,160
Purchases of tangible & intangible fixed assets	-10,707	-10,094
Proceeds on disposals of tangible & intangible fixed assets	4,062	95
Cash flow from investing activities	**-36,233**	**-39,160**
Free cash flow	**-8,105**	**-11,614**

SEGMENT INFORMATION

Effective 1 January 2014, Barco repositioned and renamed two divisions:

» Barco's Projection division is now called Entertainment & Corporate and integrates High End Systems and Collaboration (ClickShare)
» The Advanced Visualization division is now called Industrial & Government and excludes now the Collaboration activities.

BARCO'S CORE BUSINESS ACTIVITIES IN 2014:

» **Entertainment & Corporate** (former Projection including High End Systems and Collaboration (Clickshare)): designs and manufactures a broad family of projectors, LED displays, image processing, professional entertainment lighting products and dedicated collaboration software for use at events, concerts, open-air festival stages, retail stores, sports stadiums, museums, auditoria, meeting rooms and movie theaters.

» **Industrial & Government** (former Advanced Visualization excluding Collaboration): offers a complete portfolio of high-quality video wall modules in a wide range of sizes and resolutions.

» **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.

» **Defense and 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. The training business, previously included in Control Rooms and Simulation has been added to the Defense and Aerospace division.

BARCO'S VENTURES:

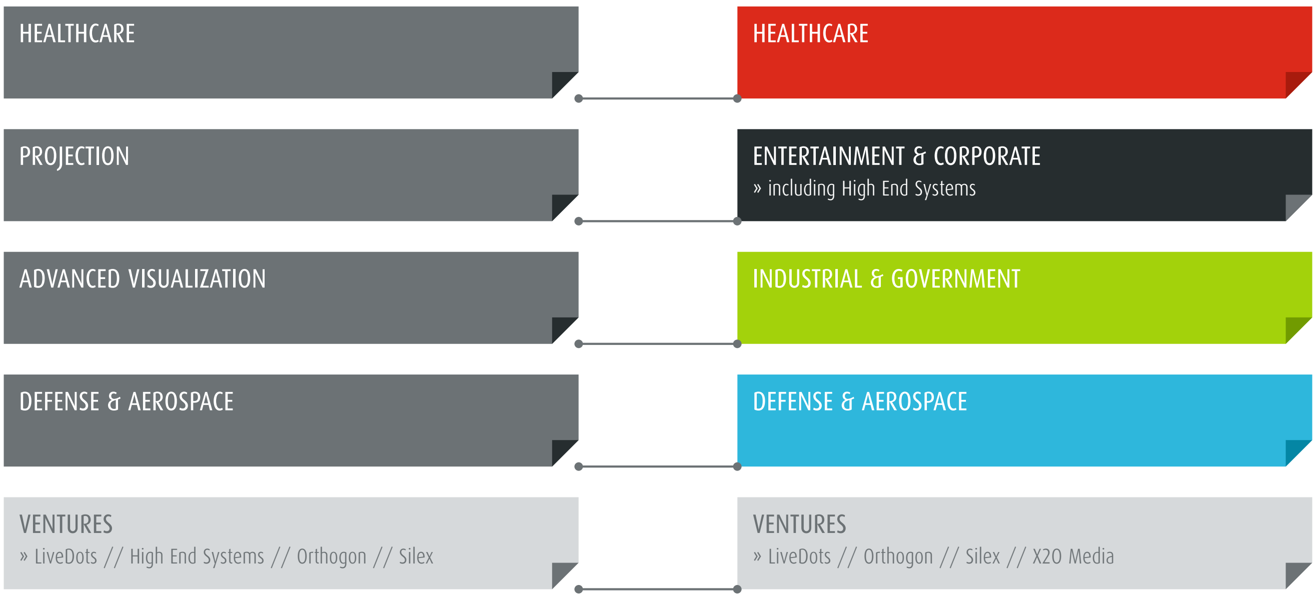
- **BarcoSilex:** active in high level electronic engineering.
- **LiveDots:** offers high-performance LED display solutions for indoor and outdoor installations
- **Orthogon:** develops software components for the Air Traffic Control market.
- **X20 Media Inc:** offers enhanced and cross-divisional content distribution and workflow, based on advanced networking and connectivity capabilities.

Management monitors the results of each of the four divisions and the four 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.

COMPANY STRUCTURE 2013 **COMPANY STRUCTURE 2014**



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, 2014 and 2013, respectively.

IN THOUSANDS OF EURO	2014		2013	
	1st half year			
	Sales	EBITDA[1]	Sales	EBITDA[1]
Entertainment & Corporate	251,873	41,177	306,240	48,064
Healthcare	88,421	9,723	98,636	12,164
Industrial & Government	68,509	-1,406	80,812	5,954
Defense & Aerospace	64,000	8,106	71,058	6,695
Ventures	26,159	-2,742	42,692	3,854
Intra-group eliminations	-955	0	-1,569	0
Total group	**498,008**	**54,857**	**597,868**	**76,730**

(1) EBITDA: EBIT before restructuring + depreciations on capital expenditure + amortizations on capitalized development cost

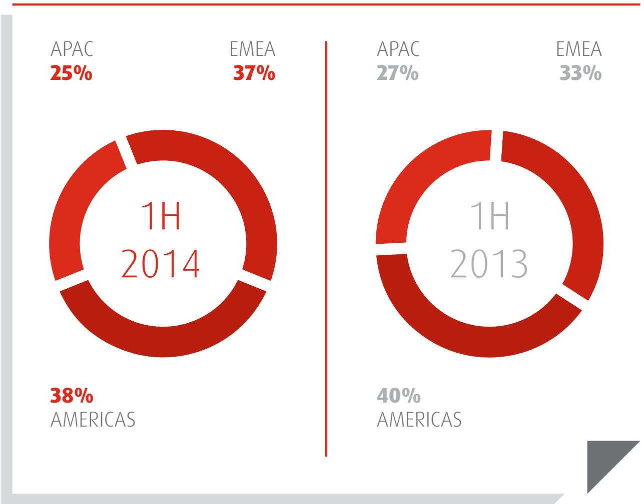
SEGMENT ASSETS

The following table presents segment assets of the Group's operating segments ending June 30, 2014 and December 31, 2013:

IN THOUSANDS OF EURO	2014	2013
	30 June 2014	31 December 2013
Assets		
Segment assets		
Entertainment & Corporate	341,064	331,974
Healthcare	128,839	127,825
Industrial & Government	113,758	120,878
Defense & Aerospace	121,556	129,336
Ventures	50,700	37,884
Total segment assets	**755,916**	**747,897**
Liabilities		
Segment liabilities		
Entertainment & Corporate	186,086	202,672
Healthcare	45,833	44,435
Industrial & Government	49,598	54,100
Defense & Aerospace	35,357	38,353
Ventures	15,012	13,376
Total segment liabilities	**331,885**	**352,936**

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 (EMEA), Latin America and North America (Americas) and Asia-Pacific (APAC). The pie charts below present the Group's sales over the regions for the 6 month period ended 30 June 2014 and 30 June 2013, respectively.



GROUP	1H 14	1H 14	14 - 13	
EMEA	183.3	36.8%	-15.3	-7.7%
AMERICAS	189.2	38.0%	-50.4	-21.0%
APAC	125.6	25.2%	-34.2	-21.4%

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

We refer to the press release of July 11th, 2014, were Barco announced that it is evaluating several expressions of interest for its Defense & Aerospace and some venture businesses, originating from large industrial enterprises that are more focused on such activities.

Barco is evaluating the different proposals and will decide whether or not to pursue such offers before the end of August.

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 2014 AND FOR THE SIX MONTHS PERIOD THEN ENDED

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Barco NV (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2014 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated statement of financial position total of € 1,006,740 thousand and a net income (attributable to the equityholders of the parent) for the six month period then ended of € 8,487 thousand. The directors are 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 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 do not give a true and fair view of the financial position of the Group as at 30 June 2014, and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34.

Gent, 18 July 2014

Ernst & Young Bedrijfsrevisoren BCVBA
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