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Barco 6 months ended - 30 June 2015

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 2015

The undersigned declare that:

- » the report 6 months ended 30 June 2015, 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 2015 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 2015	1st half 2014
	Continuing business	
Net sales	506,167	434,073
Gross Profit	179,304	144,457
EBIT	7,453	12,717
EBITDA	40,509	46,752
Capitalized development	0	24,482
Adjusted EBITDA¹	40,509	22,270
Profit before taxes	7,587	11,730
<i>Net income from continuing operations</i>	<i>5,388</i>	<i>9,648</i>
<i>Net income from discontinued operations</i>	<i>46,295</i>	<i>1,359</i>
Net income	51,683	11,007
Net income attributable to non-controlling interest	5,247	2,520
Net income attributable to the equityholder of parent	46,436	8,487
<i>Net income (continuing) attributable to the equityholder of parent</i>	<i>141</i>	<i>7,128</i>
<i>Net income (discontinued) attributable to the equityholder of parent</i>	<i>46,295</i>	<i>1,359</i>
Earnings per share (in euro)	3.86	0.69
Diluted earnings per share (in euro)	3.76	0.68
Earnings (continuing) per share (in euro)	0.01	0.58
Diluted earnings (continuing) per share (in euro)	0.01	0.57

¹ Adjusted EBITDA (EBITDA minus capitalized development costs) is defined as earnings before taxes, interest expense, depreciations and amortizations less capitalized development expenses for both the current and prior periods.

NUMBER OF EMPLOYEES

	30 June 2015	30 June 2014
Total (full-time equivalents)	3,305	3,919

CAPITAL & OWNERSHIP OF THE COMPANY'S SHARES

On 30 June 2015, the capital amounted to euro 55,635,165.76 represented by 13,012,477 shares.

Ownership of the company's shares was as follows:

Michel Van de Wiele NV	12.76%	(1,660,049 shares)
ACF IV Investment S.à.r.l.	5.07%	(658,915 shares)
Templeton Investment Counsel, LLC	4.89%	(636,239 shares)
3D NV	3.38%	(439,785 shares)
GO Investment Partners LLP	3.06%	(397,419 shares)
Barco	7.56%	(984,784 shares)
Public	63.28%	(8,235,286 shares)
Total	100%	(13,012,477 shares)

Fully diluted

Michel Van de Wiele NV	12.64%	(1,660,049 shares)
ACF IV Investment S.à.r.l.	5.02%	(658,915 shares)
Templeton Investment Counsel, LLC	4.84%	(636,239 shares)
GO Investment Partners LLP	3.03%	(397,419 shares)
3D NV	3.35%	(439,785 shares)
Barco	7.49%	(984,784 shares)
Public	63.63%	(8,359,316 shares)
Total	100%	(13,136,507 shares)

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

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MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS

FIRST HALF 2015 FINANCIAL HIGHLIGHTS

- » Incoming orders at 522.5 million euro (+ 15.9%)
- » Sales at 506.2 million euro (+ 16.6%)
- » Gross profit margin of 35.4% (+ 2.1 ppts)
- » Adjusted EBITDA¹ of 40.5 million euro (+ 18.2 million euro)
- » Adjusted EBITDA margin of 8.0% (+ 2.9 ppts)²
- » EBIT of 7.5 million euro or 1.5% of sales, under the new capitalization methodology³
- » Net income was 51.7 million euro including net income from discontinued operations of 46.3 million euro
- » Free cash flow of 14.5 million euro (versus minus 14.5 million euro for 1H14)
- » Net financial cash position of 187.7 million euro

MANAGEMENT DISCUSSION

Building on a strong first quarter and helped by favourable currency translations, Barco's first semester marks a return to robust sales growth and encouraging profitability. Successful growth initiatives in networking and collaboration, particularly ClickShare, and increased digital cinema sales in China, fueled the sales gains over last year.

Each of the divisions delivered increases in sales and in adjusted EBITDA margins. The Entertainment division sustained its leadership position in digital cinema while the Healthcare division continued to drive growth from IP-based operating room solutions. The Enterprise division continued to generate strong growth in the corporate segment with ClickShare,

while control rooms sales stabilized and with profitability improvements under consideration.

OUTLOOK FOR 2H15

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

Assuming foreign exchange rates remain at current levels, management expects to grow sales for the year in the high single digit range. Adjusted EBITDA, including planned growth initiatives for the second half, will improve moderately year-on-year.

REMARKS ON REPORTING METHODOLOGY

I. Capitalization methodology of development expenses

In light of shortened product life cycles and rapidly evolving technologies, the Board of Directors of Barco has decided to adopt a more conservative capitalization methodology. The Board believes that this decision will better align the Company's financial statements with its business realities and enhance transparency of its reported results.

Therefore, effective 1 January, 2015, Barco will no longer capitalize product development expenses. Outstanding capitalized product development expenses will be amortized in accordance with the Company's current amortization policies.

Beginning with this 1H15 report, management will present "Adjusted EBITDA" defined as earnings before taxes, interest expense, depreciations and amortizations less capitalized product development expenses for prior periods.

Please see the comments in the financial report detailing the rationale behind the modification of capitalization methodology of development expenses.

¹ Adjusted EBITDA is EBITDA minus capitalized development costs and before restructuring. See remarks on reporting methodology on page 2.

² EBITDA: Had the company continued to capitalize product development expenses, EBITDA margin for 1H15 would have been approximately 12.8% compared to 10.1% for 1H14.

³ EBIT: Had the company continued to capitalize product development expenses, EBIT margin would have been approximately 6.2% compared to 2.9% for 1H14. See remarks on reporting methodology on page 2.

II. Barco Organizational structure 2015 and Results from Continuing operations

Barco completed the divestiture of its Defense & Aerospace business on 31 January 2015.

To facilitate year-on-year trend analysis, the financial highlights reported above and the consolidated results show financials for the first half of 2014 and 2015 on a continuing basis and exclude the Defense and Aerospace contributions.

Following the divestiture of D&A and effective 1 January 2015, Barco streamlined its organization into three divisions: Entertainment, Enterprise, and Healthcare:

- » **Entertainment:** The Entertainment division is the combination of the Cinema and Venues & Hospitality activities of the Entertainment and Corporate division 2014 including the LiveDots venture.
- » **Enterprise:** The Enterprise division is the combination of the Industrial & Government division 2014 and the Corporate activities of the E&C division including ClickShare. The ventures X20 and Silex have been added to this division.
- » **Healthcare:** The Healthcare division has not changed. As of the second semester of 2015 the ADVAN business, acquired in June 2015, will be added to the Healthcare division.

CONSOLIDATED RESULTS FOR THE FIRST HALF - CONTINUING BUSINESS

ORDER INTAKE AND ORDER BOOK

Order intake was 522.5 million euro, an increase of 15.9% compared to last year driven by increases in each division and each region. The order book at the end of the first semester of 2015 was 333.7 million

euro, down from 356.0 million euro a year earlier and up from 302.2 million euro at the end of 2014.

IN MILLIONS OF EURO	1H15	2H14	1H14 ⁴	2H13	1H13
Order book	333.1	302.2	356.2	334.5	330.7
Order intake	522.5	418.3	451.0	496.7	497.0

Order intake by region

IN MILLIONS OF EURO	1H15	1H14	Change 1H
The Americas	37%	33%	+28%
EMEA	33%	35%	+8%
APAC	31%	32%	+12%

SALES

First semester sales were strong on group level and for each division. Growth was driven by good uptakes in the American and APAC regions.

IN MILLIONS OF EURO	1H15	2H14	1H14	2H13	1H13
Sales	506.2	474.3	434.1	481.6	526.9

Sales per region

IN MILLIONS OF EURO	1H15	1H14	Change 1H
The Americas	37%	37%	+16%
EMEA	31%	36%	-0%
APAC	32%	27%	+40%

⁴ Order Book 1H14 still includes Orthogon-order book for 13.1 million euro.

PROFITABILITY

Gross profit

Gross profit margin increased to 35.4% for the first half of 2015 compared to 33.3% for the first half of 2014.

Indirect expenses

Driven in part by currency translations, total operational cash expenses were 147.6 million euro compared to 131.9 million euro a year earlier. As a percentage of sales, total indirect cash expenses were 29.2% compared to 30.4% for the first half of 2014.

- » On a cash basis, Research & Development expenses increased to 47.1 million euro from 44.3 million euro last year. Compared to sales, cash R&D expenses amounted to 9.3% of sales compared to 10.2% a year earlier.
- » As a result of the modified capitalization methodology, development expenses for the first semester of 2015 were not capitalized. Including the amortization of outstanding capitalized development expenses of 23.3 million euro, reported R&D expenses amounted to 70.4 million euro or 13.9% of sales.
- » Sales & Marketing expenses increased to 77.1 million euro, compared to 66.2 million euro. As a percent of sales, Sales & Marketing expenses remained flat at 15.2%.
- » General & administration expenses were 23.4 million euro, compared to 21.4 million euro last year or 4.6% of sales versus 4.9% last year.
- » Other operating results amounted to a negative 1.0 million euro, compared to a positive 0.1 million euro last year.

EBITDA & EBIT

Adjusted EBITDA was 40.5 million euro, compared to 22.3 million euro for the prior year first semester.

Adjusted EBITDA margin was 8.0% versus 5.1% for the first half of 2014. By division, adjusted EBITDA and Adjusted EBITDA margin is as follows:

	Sales	Adjusted EBITDA	Adjusted EBITDA %
Entertainment	264.4	27.5	10.4%
Enterprise	138.9	2.7	1.9%
Healthcare	104.7	10.3	9.9%
Intra-group eliminations	-1.8		
Group	506.2	40.5	8.0%

EBIT on the continuing basis – and impacted by the cessation of capitalization of development expenses – was 7.5 million euro or 1.5 % of sales reflecting amortization of outstanding capitalized product development expenses. For the first half of last year EBIT was 12.7 million euro or 2.9% of sales.

Income taxes

In the first half of 2015 taxes were 1.5 million euro for an effective tax rate of 20.0%, compared to 2.1 million euro in the first half of 2014, or an effective tax rate of 18.0%.

Net income

Net income from continuing operations was 5.4 million euro or 1.1% of sales compared to 9.6 million euro for the first half of 2014 or 2.2% of sales.

Net income attributable to the equityholders was 46.4 million euro, including net income from discontinued operations of 46.3 million euro, booked in connection with divestiture of Defense and Aerospace, compared to 8.5 million euro for the first half in 2014.

Net earnings per ordinary share (EPS) for the first semester were 3.86 euro, compared to 0.69 euro in 1H14. Fully diluted net earnings per share were 3.76 euro, compared to 0.68 euro last year.

CASH FLOW & BALANCE SHEET

Cash position

Barco had a net financial cash position of 187.7 million euro, compared to 41.0 million euro on 30 June 2014 and 63.4 million euro on 31 December 2014.

The increase reflects inflow from a positive free cash flow and the proceeds from the divestiture of the Defense & Aerospace business, partially offset by uses of cash including dividend payments of 19.4 million euro and an investment of 12.1 million euro for the acquisition of ADVAN.

Free Cash Flow and Working Capital

Free cash flow for the first half of 2015 was 14.5 million euro compared to a negative 14.5 million euro for the first half of 2014.

Barco generated 38.2 million euro in gross operating cash flow versus 46.8 million euro for the same period in 2014 while working capital increased with 10.2 million euro due to higher trade receivables and lower trade payables. Inventory levels decreased.

Net working capital balance was 5.1% of sales on an annualized base versus 4.9% of sales for 2014.

- » Changes in trade receivables and trade payables were 15.6 and 6.5 million euro negative, respectively, while changes in inventory were a positive 12.5 million euro.
- » Trade receivables were 194.3 million euro versus 170.5 million euro at 31 December 2014. DSO's stood at 65 days, compared to 63 days as of 31 December 2014 and 54 days at the end of the first half in 2014.
- » At 179.3 million euro, inventory was 6.3 million euro lower than at the end of 2014. Inventory turns were at 3.1, compared to 2.9 turns at the end of December 2014 and 3 turns at the end of the first half in 2014.
- » Trade payables stood at 111.4 million euro compared to 109.1 at the end of 2014.

Capital Expenditure

Capital expenditure, excluding capitalized development, was 18.1 million euro, compared to 10.7 million euro for the same period last year. Capitalized expenditure for 2015 will increase mainly driven by the investment in the One Campus program.

The One Campus program is an investment in new headquarters for Barco, bringing together nearly the entire Belgian Barco community on one campus. Total capital expenditure is expected to be approximately 50 million euro over 2014, 2015 and 2016. This investment will be partially offset by the sale of premises in Kortrijk to Esterline, in connection with the divestiture of the Defense & Aerospace business, and by the sale of the site in Kuurne. Depreciation on the investment will begin 1 January 2016 and continue for 20 years.

Capitalized Development

Capitalized Research & Development expenses were at 49.2 million euro down from 71.4 million euro at the end of 2014.

Due to the Board's decision regarding Barco's capitalization methodology, future development expenses will no longer be capitalized and the outstanding capitalized development asset will be further amortized over 2015 and 2016.

DIVISIONAL RESULTS FOR FIRST HALF 2015

ENTERTAINMENT DIVISION

	1H15	2H14	1H14	Change 1H %
Orders	297.0	195.5	235.7	+26.0%
Sales	264.4	232.0	227.7	+16.2%
Adjusted EBITDA	27.5	11.6	22.7	+21.1%
Adjusted EBITDA margin	10.4%	5.0%	10.0%	

The Entertainment division delivered top-line increases in both the Cinema and Venues & Hospitality segments with Cinema accounting for 65% of orders and sales compared to 60% for the same period last year.

Barco generated sales growth for Digital Cinema on the strength of an uptick in wins in China and the deployment of projects in Brazil, resulting in increased market share.

In addition the company completed installations of high-end laser technology solutions, bringing the total to more than 25 installations worldwide; delivered laser-based solutions under the IMAX program; and launched the E-series projector to address customer needs in the lower-end rural and e-cinema end-markets that are converting to digital cinema.

In the Venues and Hospitality segment the growth was fuelled by the launches and increasing sales of new image processing solutions while the projection business held its ground. This activity is investing in expanding its footprint in the fixed install market and is integrating and repositioning the former LiveDots (LED) venture.

The division continued to deliver healthy profitability with both adjusted EBITDA and adjusted EBITDA margin higher than in the first semester of last year.

ENTERPRISE DIVISION

	1H15	2H14	1H14	Change 1H %
Orders	135.2	129.3	126.2	+7.1%
Sales	138.9	144.4	115.4	+20.4%
Adjusted EBITDA	2.7	14.2	-5.5	N/M
Adjusted EBITDA margin	1.9%	9.8%	-4.8%	

The Enterprise division delivered improved results compared to last years' first semester with the Corporate segment contributing strong sales and profitability gains while Control Rooms sales stabilized. Adjusted EBITDA turned positive relative to the same period last year. Based on a thorough assessment of the Control Room segment's business model and market opportunities, Barco is now considering initiatives including rationalizing the product portfolio to improve profitability in line with the standard set for each of the company's business segments.

As a result of continued success of ClickShare, the Corporate segment accounted for approximately 45% of the division's order intake and sales, compared to 38% last year. While sales of corporate projectors remained slow, demand picked up after successfully launching the laser phosphor projector.

The Control Rooms segment continued to expand its portfolio of network-ing and connectivity software solutions while selling a balanced mix of LCD and rear-projection based solutions.

HEALTHCARE DIVISION

	1H15	2H14	1H14	Change 1H %
Orders	90.8	93.2	87.8	+3.4%
Sales	104.7	98.2	88.4	+18.4%
Adjusted EBITDA	10.3	8.4	1.9	+442.0%
Adjusted EBITDA margin	9.9%	8.6%	2.1%	

The Healthcare division sustained its market leadership position in the diagnostic and modality imaging segment while continuing to build its digital operating room business, expanding the network of channel part-ners and deploying systems in Europe and North America, and entering new geographies in the APAC region, including Japan, Australia and China. As of the end of the first semester, Barco had reached an important milestone of installing digital solutions in 500 operating rooms in Europe.

On 15 June 2015 Barco closed the acquisition of ADVAN, which is intended to strengthen the Healthcare division's position in the modality and surgi-cal imaging segment particularly in North America. Barco will consolidate the results of ADVAN as of 1 July 2015.

The division posted improved profitability as a result of higher sales, gross profit margin improvements and cost saving actions taken in 2014. In addition, investments in establishing a distribution network in China have begun to yield results with the division receiving initial orders during the first semester and interest in the newly launched UNITI model has begun to translate into concrete orders from key accounts.

RISK FACTORS

Management refers to the section “Risk Factors” in the Annual Report 2014 (pages 110 to 117), which remain valid for the second year-half of 2015.

Operational risks

New product development & product lifecycle management – Risks related to new products

Shorter life cycles of products, unpredictability of which development projects will become successful together with the volatility of technologies and the markets Barco operates in, made the Board of Directors conclude that Barco’s development expenses no longer fully meet the criteria of IAS38.57. As the criteria of IAS38.57 are no longer fulfilled, our accounting policy, with respect to research and development costs, does no longer allow the capitalization of development expenses.





INCOME STATEMENT

IN THOUSANDS OF EURO	1st half 2015	1st half 2014
Continuing business		
Net sales	506,167	434,073
Cost of goods sold	-326,863	-289,616
Gross profit	179,304	144,457
Research and development expenses	-70,354	-44,169
Sales and marketing expenses	-77,127	-66,164
General and administration expenses	-23,404	-21,372
Other operating income (expense) - net	-967	-35
EBIT	7,453	12,717
Interest income	2,313	765
Interest expense	-2,191	-1,762
Other non-operating income (expense) - net	11	9
Income before taxes	7,587	11,730
Income taxes	-1,517	-2,111
Result after taxes	6,070	9,619
Share in the result of joint ventures and associates	-681	29
Net income from continuing operations	5,388	9,648
Net income from discontinued operations	46,295	1,359
Net income	51,683	11,007
Net income attributable to non-controlling interest	5,247	2,520
Net income attributable to the equity holder of the parent	46,436	8,488
Net income (continuing) attributable to the equity holder of the parent	141	7,129
Net income (discontinued) attributable to the equity holder of the parent	46,295	1,359
Earnings per share (in euro)	3.86	0.69
Diluted earnings per share (in euro)	3.76	0.68
Earnings (continuing) per share (in euro)	0.01	0.58
Diluted earnings (continuing) per share (in euro)	0.01	0.57

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EURO	1st half 2015	1st half 2014
Net income from continuing operations	5,388	9,648
Net income from discontinued operations	46,295	1,359
Net income	51,683	11,007
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Continuing operations		
Exchange differences from continuing operations on translation of foreign operations	15,634	2,041
Net gain/(loss) on cash flow hedges continuing operations	1,181	-644
Income tax	-236	116
Net gain/(loss) on cash flow hedges continuing operations, net of tax	945	-528
Other comprehensive income (loss) for the period (continuing), net of tax	16,579	1,513
Discontinued operations		
Exchange differences from discontinued operations on translation of foreign operations	-	341
Other comprehensive income (loss) for the period (discontinued), net of tax	-	341
Other comprehensive income (loss) for the period, net of tax, attributable to equity holders of the parent	15,990	1,921
Other comprehensive income (loss) for the period, net of tax, non-controlling interest	589	-68
Total comprehensive income (continuing), net of tax, attributable to equity holder of the parent	21,378	11,229
Total comprehensive income (discontinued) for the period, net of tax, attributable to equity holder of the parent	46,295	1,700
Total comprehensive income for the period, net of tax, attributable to equity holder of the parent	67,673	12,929
Total comprehensive income (continuing), net of tax, non-controlling interest	589	-68
Total comprehensive income for the period, net of tax, non-controlling interest	589	-68

BALANCE SHEET

IN THOUSANDS OF EURO	30 June 2015	31 December 2014
ASSETS	Continuing business	
Goodwill	144,375	143,774
Capitalized development cost	49,235	71,351
Other intangible assets	56,417	55,926
Land and buildings	21,073	21,315
Other tangible assets	56,771	44,597
Investments	25,591	14,360
Deferred tax assets	70,449	68,219
Other non-current assets	28,903	15,736
Non-current assets	452,814	435,278
Inventory	179,270	185,631
Trade debtors	193,378	170,486
Other amounts receivable	18,398	18,940
Cash and cash equivalents	263,026	145,340
Prepaid expenses and accrued income	7,717	8,948
Assets from discontinued operations	-	110,761
Current assets	661,789	640,106
Total assets	1,114,603	1,075,384
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	629,300	587,415
Non-controlling interest	9,964	7,146
Equity	639,263	594,561
Long-term debts	82,539	57,737
Deferred tax liabilities	5,794	6,830
Other long-term liabilities	2,842	-
Non-current liabilities	91,175	64,567
Current portion of long-term debts	8,586	7,130
Short-term debts	2,218	19,253
Trade payables	111,005	109,091
Advances received from customers	98,140	107,544
Tax payables	16,843	15,171
Employee benefit liabilities	47,983	44,759
Other current liabilities	18,268	5,204
Accrued charges and deferred income	42,798	33,390
Provisions	38,324	40,148
Liabilities from discontinued operations	-	34,567
Current liabilities	384,165	416,257
Total equity and liabilities	1,114,603	1,075,384

COMMENTS TO THE INTERIM FINANCIAL STATEMENTS

SIGNIFICANT IFRS ACCOUNTING PRINCIPLES

IAS 34 was applied to the half year financial report.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the accounting treatment of development expenses and the adoption of new standards and interpretations effective as of 1 January 2015.

Change in accounting treatment of development expenses
Shorter life cycles, unpredictability of which development projects will become successful together with the volatility of technologies and the markets Barco operates in, made the Board of Directors conclude that Barco's development expenses no longer meet the criteria of IAS38.57. As the criteria of IAS38.57 are no longer fulfilled, our accounting policy,

with respect to research and development costs, does no longer allow the capitalization of development expenses.

The new standards and interpretations effective as of 1 January 2015 include the following:

- » Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- » Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- » Annual Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013), effective 1 January 2015

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

ACQUISITIONS AND DIVESTMENTS

ACQUISITION OF ADVAN

Per 12 June 2015, Barco acquired 100% of the shares of the US-based company ADVAN Int'l Corp, a manufacturer of high-quality LCD displays for medical modality applications. The acquisition fits within Barco's strategy to grow its market share in the modality imaging segment and strengthen its partnerships with leading medical device manufacturers worldwide.

The total transaction cost paid at closing amounts to 13.5 million dollar, of which 3.4 million dollar was put in escrow. The contract further provides for an additional earn-out, which is capped at 5 million dollar over the next three years.

As the effective control is transferred on 1 July, 2015, the Advan figures will be taken up in the figures of the Barco Group from 1 July, 2015 onwards. The 13.5 million dollar paid is shown on the balance sheet per 30 June, 2015 as investments.

DIVESTMENT OF DAT BUSINESS

On September 29th, 2014, Barco reached an agreement with US-based aerospace and defense group Esterline Corporation to sell its Defense & Aerospace division. The sale, which covers both shares of the legal entities Barco Singapore Private Ltd, Barco Texen, Barco Federal Systems LLC and Barco Electronic Systems Ltd and assets of the Defense & Aerospace division in Belgium and the United States, is valued at 150 million euro. Closing of the deal was finalized on January 31st 2015.

According to the requirements of IFRS 5, net income of the Defense & Aerospace division were shown separately on the face of the income statement as 'Net income from discontinued operations' per 31 December 2014 in the annual report of 2014. The same was done for the balance sheet of the Defense & Aerospace division per 31 December 2014, as 'Assets and Liabilities from discontinued operations'. The 'net income

from discontinued operations' per 30 June 2015 includes the result of the month January 2015 of Defense & Aerospace division and the result realized upon closing of the transaction, which has resulted in a (pre-tax) gain of 64 million euro. The net cash flows attributable to the operating, investing and financing of discontinued operations includes the cash flow of the month January 2015 of the Defense & Aerospace division. The income statement and net cash flow per 30 June 2014 have been restated.

Cash flow on divestment	
Cash received	159,500
Net cash sold with the share deal subsidiaries	-8,000
Net cash flow on divestment	151,500

DISCONTINUED INCOME STATEMENT

IN THOUSANDS OF EURO	1st half 2015	1st half 2014
	Discontinued	
Net sales	5,775	63,935
Cost of goods sold	-8,792	-44,298
Gross profit	-3,017	19,637
Research and development expenses	-294	-7,017
Sales and marketing expenses	-2,083	-8,104
General and administration expenses	-587	-3,970
Other operating income (expense) - net	63,847	1,108
EBIT	57,867	1,654
Interest income	-	2
Interest expense	-2	-
Income before taxes	57,866	1,655
Income taxes	-11,571	-296
Result after taxes	46,295	1,359
Share in the result of joint ventures and associates	-	-
Net income from discontinued operations	46,295	1,359

RELATED PARTY TRANSACTIONS

Apart from compensation transactions with the CEO, 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, Senior Vice Presidents and Directors during the first 6 months of 2015 did not significantly differ from the transactions disclosed in the Annual Report of 2014 (pages 106 - 107).

All transactions involving shares or other financial instruments of Barco performed in the first half year of 2015 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 2015 relating to the litigations and commitments which have been disclosed in the 2014 consolidated financial statements.

CHANGES IN EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT

IN THOUSANDS OF EURO	1st half 2015	1st half 2014
Equity attributable to equityholders of the parent December 31	587,415	574,943
Net income (continuing) attributable to the equity holder of the parent	141	7,129
Net income (discontinued) attributable to the equity holder of the parent	46,295	1,359
Net income attributable to equityholders of the parent	46,436	8,487
Dividend	-19,364	-18,410
Other comprehensive income (loss) for the period, net of tax	15,990	1,921
Capital decrease	-262	-741
Purchase (-)/Sale (+) of own shares	-1,570	-1,543
Share-based payment	656	634
Equity attributable to equityholders of the parent June 30	629,300	565,291
Non-controlling interest December 31	7,146	4,423
Dividend distributed to non-controlling interest	-3,019	-1,728
Net income (continuing) attributable to non-controlling interest	5,247	2,520
Net income (discontinued) attributable to non-controlling interest	-	-
Net income attributable to non-controlling interest	5,247	2,520
Other comprehensive income (loss) for the period, net of tax	589	-68
Non-controlling interest June 30	9,964	5,147
Equity June 30	639,263	570,438

CASH FLOW STATEMENT

IN THOUSANDS OF EURO	1st half 2015	1st half 2014
Cash flow from operating activities	Continuing business	
EBIT	7,453	12,717
Gain on sale Orthogon	-1,406	-
Amortization capitalized development cost	23,290	24,356
Depreciation of tangible and intangible fixed assets	9,765	9,679
Gain/(Loss) on tangible fixed assets	-190	21
Share options recognized as cost	656	634
Share in the profit/(loss) of joint ventures and associates	-681	29
Discontinued operations : cash flow from operating activities	-5,260	8,118
Gross operating cash flow	33,628	55,555
Changes in trade receivables	-15,550	9,192
Changes in inventory	12,488	-20,371
Changes in trade payables	-6,515	4,534
Other changes in net working capital	-626	-19,509
Discontinued operations : change in net working capital	13,334	4,549
Change in net working capital	3,131	-21,604
Net operating cash flow	36,759	33,951
Interest received	2,313	765
Interest paid	-2,191	-1,762
Income taxes	-7,913	-3,774
Discontinued operations : income taxes and interest received/(paid)	-7,542	-418
Cash flow from operating activities	21,426	28,762
Cash flow from investing activities		
Expenditure on product development	0	-24,482
Purchases of tangible and intangible fixed assets	-6,052	-9,644
Proceeds on disposals of tangible and intangible fixed assets	295	4,058
Acquisition of Group companies, net of acquired cash ¹	-0	-20,340
Disposal of Group companies, net of disposed cash ²	152,974	-
Other investing activities ³	-23,540	-
Dividend distributed to non-controlling interest	-3,019	-1,728
Discontinued operations : cash flow from investing activities	-887	-6,165
Cash flow from investing activities (including acquisitions and divestments)	119,772	-58,300
Cash flow from financing activities		
Dividends paid	-19,364	-18,410
Capital increase/(decrease)	-262	-741
(Acquisition)/sale of own shares	-1,570	-1,543
Proceeds from (+)/Payments (-) of long-term liabilities	7,618	-88
Proceeds from (+), payments of (-) short-term liabilities	-20,134	-14,160
Cash flow from financing activities	-33,712	-34,943
Net decrease/increase in cash and cash equivalents	107,486	-64,481
Cash and cash equivalents at beginning of period	145,340	156,545
Cash and cash equivalents (CTA)	10,200	374
Cash and cash equivalents at end of period	263,026	92,438

¹ Per 30 June 2014 this relates to the acquisition X20 for an amount of 13.2 million, 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.

² Per 30 June 2015 this relates to the sale of the division DAT finalized per 31 January 2015, net of cash and 1 million euro released of the amount put in escrow on the 2014 sale of Orthogon.

³ Per 30 June 2015 Other investing activities relate to the acquisition of 100% of the shares of Advan, as transfer of control is assumed from 1st July, 2015 onwards, for an amount of € 12.1 million and the investment in One Campus, the new building at headquarters, for an amount of € 11.4m, which is financed with long term liabilities.

FREE CASH FLOW

IN THOUSANDS OF EURO	1st half 2015	1st half 2014
	Continuing business	
EBIT	7,453	12,717
Gain on sale Orthogon	-1,406	-
Amortization capitalized development cost	23,290	24,356
Depreciation of tangible and intangible fixed assets	9,765	9,679
Gain/(Loss) on tangible fixed assets	-190	21
Share in the profit/(loss) of joint ventures and associates	-681	29
Gross operating free cash flow	38,232	46,802
Changes in trade receivables	-15,550	9,192
Changes in inventory	12,488	-20,371
Changes in trade payables	-6,515	4,534
Other changes in net working capital	-626	-19,509
Change in net working capital	-10,203	-26,153
Net operating free cash flow	28,029	20,649
Interest received	2,313	765
Interest paid	-2,191	-1,762
Income taxes	-7,913	-3,774
Cash flow from operating activities	20,238	15,878
Expenditure on product development	0	-24,482
Purchases of tangible & intangible fixed assets	-6,052	-9,644
Proceeds on disposals of tangible & intangible fixed assets	295	4,058
Cash flow from investing activities (excluding acquisitions)	-5,757	-30,068
Free cash flow continued	14,481	-14,190

SEGMENT INFORMATION

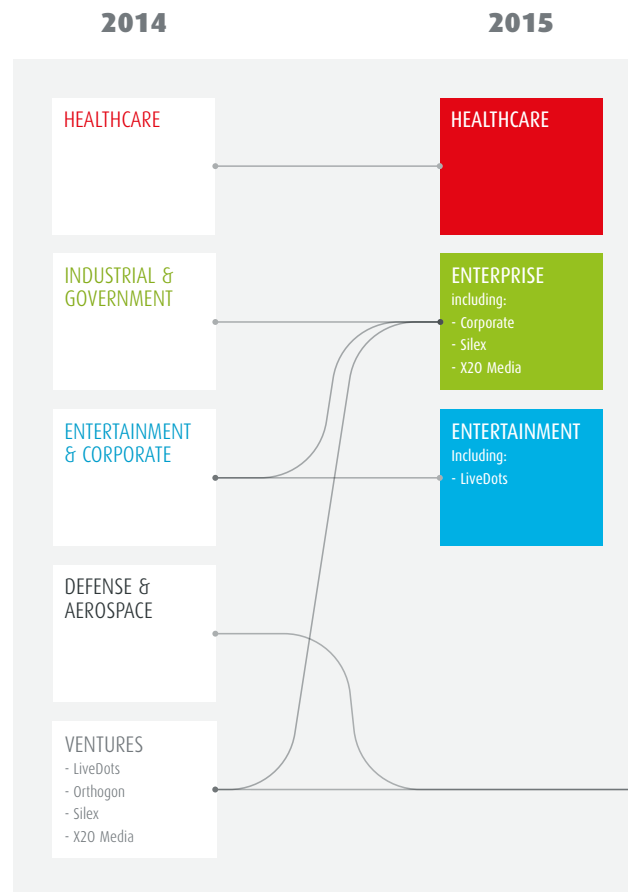
Effective 1 January 2015, and in anticipation of closing the divestiture of the Defense & Aerospace activities, Barco continued the streamlining of its organization. Entertainment, Enterprise and Healthcare are now Barco's divisions:

- » **Entertainment:** The Entertainment division is the combination of the Cinema and Venues & Hospitality activities of the Entertainment & Corporate division in 2014. The LiveDots venture has been grouped with the Entertainment activities. This division delivers projection, lighting, LED and software solutions for professional markets such as cinema, venue and hospitality and the retail and advertising.
- » **Enterprise:** The Enterprise division is the combination of the Industrial & Government division and the Corporate and X20 activities from the Entertainment & Corporate division 2014 (including ClickShare). The venture Silex is also added to this division. The Enterprise division targets both the corporate and the control rooms market and offers a complete portfolio of visualization solutions with videowalls, corporate projectors in combination with collaboration software and advanced networking and connectivity capabilities.
- » **Healthcare:** The Healthcare division remains as is. Barco's Healthcare division delivers high quality displays for the diagnostic and modality imaging market, including segments such as radiology, mammography, surgery and dentistry along with digital networked solutions for the operating room and point-of-care devices.

Management monitors the results of each of the three divisions separately, so as to make decisions about resource allocation and performance assessment. Division performance is evaluated based on EBITDA minus capitalized development. 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 three operating segments.

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



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, 2015 and 2014, respectively. Last year's figures have been restated to the new organization structure.

IN THOUSANDS OF EURO	2015		2014	
	Sales	Adjusted EBITDA ¹	Sales	Adjusted EBITDA ¹
Entertainment	264,419	27,505	227,660	22,654
Healthcare	104,690	10,342	88,421	2,863
Enterprise	138,850	2,662	115,405	-3,345
Other (Orthogon in 2014)	0	0	4,063	97
Intra-group eliminations	-1,791	0	-1,476	0
Group continued	506,167	40,509	434,073	22,270

¹ Adjusted EBITDA: EBIT before restructuring + depreciations on capital expenditure + amortizations on capitalized development cost - capitalized development cost

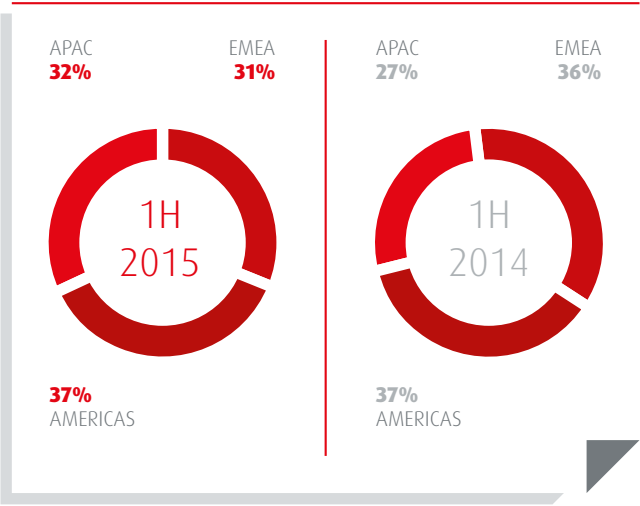
SEGMENT ASSETS

The following table presents segment assets of the Group's operating segments ending June 30, 2015 and December 31, 2014:

IN THOUSANDS OF EURO	2015	2014
	30 June 2015	31 December 2014
Assets		
Segment assets		
Entertainment	327,991	312,084
Healthcare	130,924	131,139
Enterprise	202,307	212,322
Total segment assets	661,222	655,546
Liabilities		
Segment liabilities		
Entertainment	201,823	212,267
Healthcare	56,438	47,040
Enterprise	56,749	53,915
Total segment liabilities	315,011	313,222

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 and Africa (EMEA), Americas (North America and LATAM) and Asia-Pacific (APAC). The pie charts below present the Group's sales over the regions for the 6 month period ended 30 June 2015 and 30 June 2014, respectively.



GROUP	1H 15	% of total	15 - 14	
EMEA	157.2	31.0%	-0.4	-0.3%
AMERICAS	184.8	36.5%	25.5	16.0%
APAC	164.2	32.4%	47.0	40.1%

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 2015.

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 2015 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 2015 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 € 1.114.603 thousand and a net income for the six month period then ended of € 51.683 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 2015, and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34.

Gent, 20 July 2015

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Marnix Van Dooren
Partner*

* Acting on behalf of a BVBA/SPRL

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