Moving into a brighter future

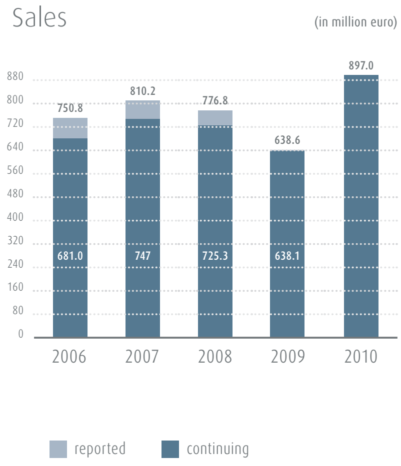
Annual report 2010

BARCO
Visibly yours

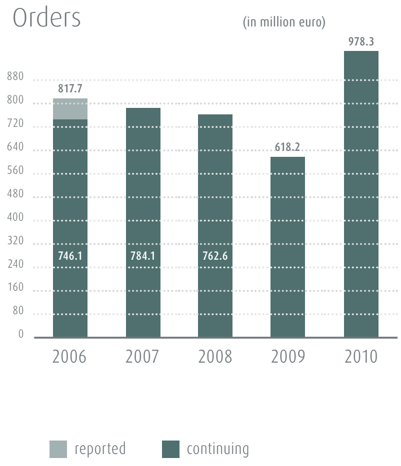
Cover image
On 1 December 2010, Barco achieved a Guinness World Record for 'brightest digital cinema projector', with a light output of 43,000 lumens.

“The decisive measures we took in 2009 helped Barco weather the economic downturn and enjoy a very robust recovery. One of the worst years in the company’s history was followed by one of the best years ever.”

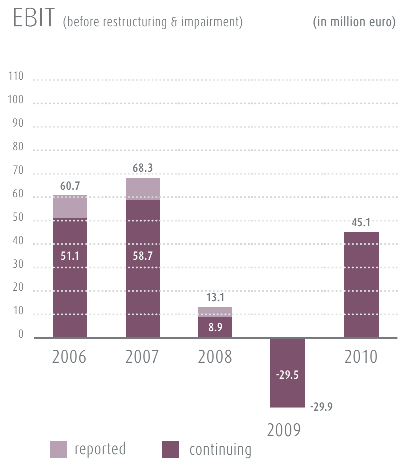
KEY FIGURES



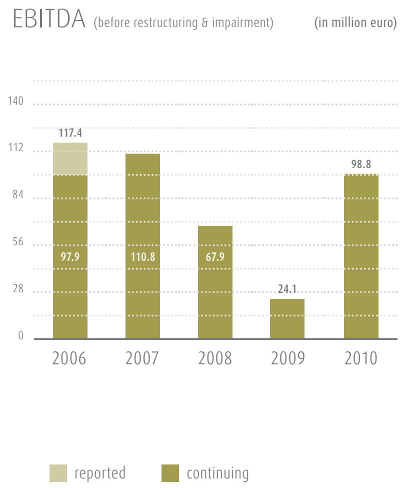
Sales
(in million euro)
750.8
681.0
810.2
747
776.8
725.3
638.6
638.1
897.0
2006
2007
2008
2009
2010
reported
continuing



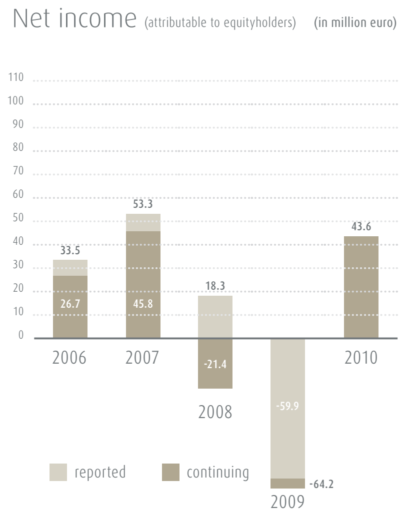
Orders
(in million euro)
817.7
746.1
784.1
762.6
618.2
978.3
2006
2007
2008
2009
2010
reported
continuing



EBIT (before restructuring & impairment)
(in million euro)
60.7
51.1
68.3
58.7
13.1
8.9
-29.5
-29.9
45.1
2006
2007
2008
2009
2010
reported
continuing



EBITDA (before restructuring & impairment)
(in million euro)
117.4
97.9
110.8
67.9
24.1
98.8
2006
2007
2008
2009
2010
reported
continuing



Net income (attributable to equityholders)
(in million euro)
33.5
26.7
53.3
45.8
18.3
-21.4
-59.9
-64.2
43.6
2006
2007
2008
2009
2010
reported
continuing

Orderbook
(in million euro)
291.5
277.6
315.3
351.3
331.4
426.9
2006
2007
2008
2009
2010
reported
continuing

FINANCIAL HIGHLIGHTS

(IN THOUSANDS OF EURO)	2010	2009	2008
Income statement before restructuring & impairment			
Orders	**978,263**	618,192	762,610
Orderbook	**426,900**	331,354	351,296
Net sales	**896,999**	638,066	725,288
Gross Profit	**287,516**	167,951	245,139
EBIT	**45,135**	-29,537	8,903
Profit/(loss) before taxes	**43,625**	-70,593	-21,384
EBITDA (a)	**98,752**	24,076	67,900

Ratios			
EBIT on sales	**5.0%**	-4.6%	1.2%
EBITDA on sales	**11.0%**	3.8%	9.4%
Net financial cash (/debt) on EBITDA	**9.0%**	97.6%	-48.3%
Restructuring & impairment	-	-39,386	-26,696

(IN THOUSANDS OF EURO)	2010	2009	2008
Balance sheet & personnel			
Equity	**395,591**	344,265	403,176
Balance sheet total	**754,699**	572,475	720,727
Net financial cash/(debt) (e)	**8,857**	23,486	-32,802
Operating capital employed (d)	**327,608**	267,700	361,148
Net Working capital (d)	**177,145**	127,055	196,692
Personnel on 31 December	**3,499**	3,217	3,522

Ratios			
DSO (a)	**59**	67	72
Inventory turns (b)	**2.3**	2.7	2.2
DPO (c)	**67**	55	51
ROCE (%) (d)	**9.7%**	-9.0%	2.1%

(a) DSO = ((Trade debtors, net) / (sales past quarter))*90
(b) Inventory turns = 12 / [Inventory / (Average Monthly Sales x Material Cost of Goods Sold %)]
(c) DPO = Trade Payables / (Material cost + Services and other costs) x 365
(d) For calculation see page 73
(e) For calculation see page 121

(IN THOUSANDS OF EURO)	2010	2009	2008
Income statement after restructuring & impairment			
EBIT	**45,135**	-68,923	-17,794
EBITDA (b)	**98,752**	15,833	47,223
Free cash flow (c)	**-7,009**	59,435	20,056
Net income from continuing operations	**43,625**	-64,210	-21,384
Net income from discontinued operations	-	4,289	39,642
Net income attributable to the equityholder	**43,625**	-59,919	18,258

Ratios			
EBIT on sales	**5.0%**	-10.8%	-2.5%
EBITDA on sales	**11.0%**	2.5%	6.5%
Net financial cash (/debt) on EBITDA	**9.0%**	148.3%	-69.5%

(a) EBIT+ depreciation on capital expenditure (PP&E) + amortization on capitalized development cost
(b) = (a) + impairment on capitalized development and goodwill
(c) For calculation see page 72

(IN EURO)	2010	2009	2008
Key figures per share			
Number of shares on 31 December (in thousands)	**12,670**	12,670	12,670
Per share (in euro)			
EPS	**3.66**	-5.02	1.53
Diluted EPS	**3.41**	-5.02	1.44
Yearly return (a)	**69.5%**	59.2%	-61.1%
Price/earnings ratio (b)	**16.2%**	-5.7%	11.7%

Share price (in euro)			
Average closing price	**37.46**	23.40	35.54
Highest closing price	**49.43**	35.56	52.20
Lowest closing price	**28.23**	9.80	13.10
Closing price on 31 Dec	**48.28**	28.49	17.90
Average number of shares traded daily	**30,235**	37,430	55,126
Stock market capitalization on 31 December (in millions)	**611.7**	361.0	226.8

(a) increase/decrease share price + gross dividend, divided by closing share price
(b) share price 31 Dec / net result per share

1 January

- Medical display company FIMI joins Barco

2 February

- Exclusive digital cinema projector supplier for 60th Berlinale

10 March

- Giant LED façade for American Eagle Outfitters on Times Square

11 March

- Bonn University Hospital chooses Barco
- Digital cinema Series II projector launch

March - April

- Major digital cinema deals with Cinemark, Malco, Jinyi, Zhejiang, Rave, Movie Tavern and Starplex

YEAR IN REVIEW

29 April
- Barco on tour with Bon Jovi, Alice in Chains and John Mayer

30 April
- Barco omnipresent at Shanghai World Expo

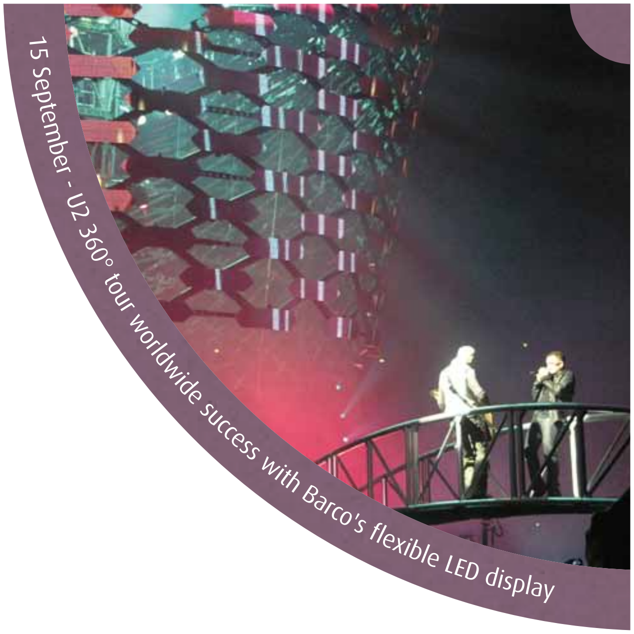
3 May
- Lockheed Martin chooses Barco for US Navy displays

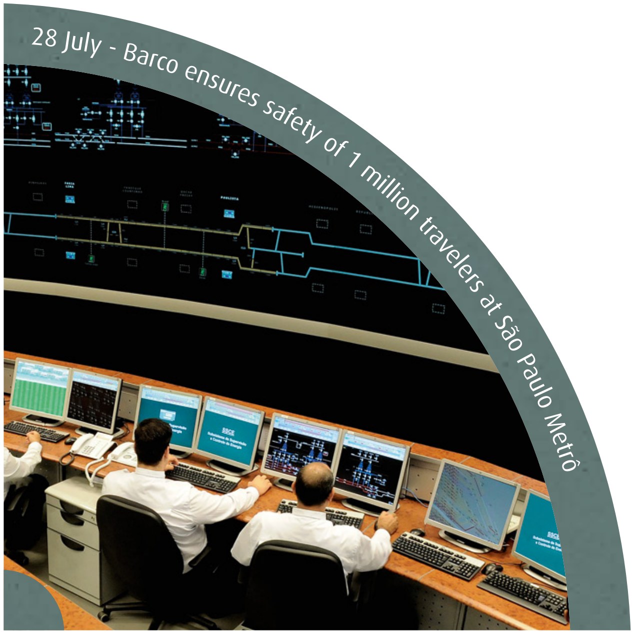
4 May
- Barco collaboration platform for Swedish fire brigades

7 May
- Barco video wall helps keep Shanghai Honqiao Airport safe

1 June
- Biggest video wall in the China telecom industry

June
- Barco medical displays at Rush University Medical Center (US) and Brescia Hospital (Italy)
- Major digital cinema deals in South Korea, Portugal and across the Americas





8 July
- Monitoring Belgium's power grid at Elia

16 July
- Acquisition of digital signage specialist dZine

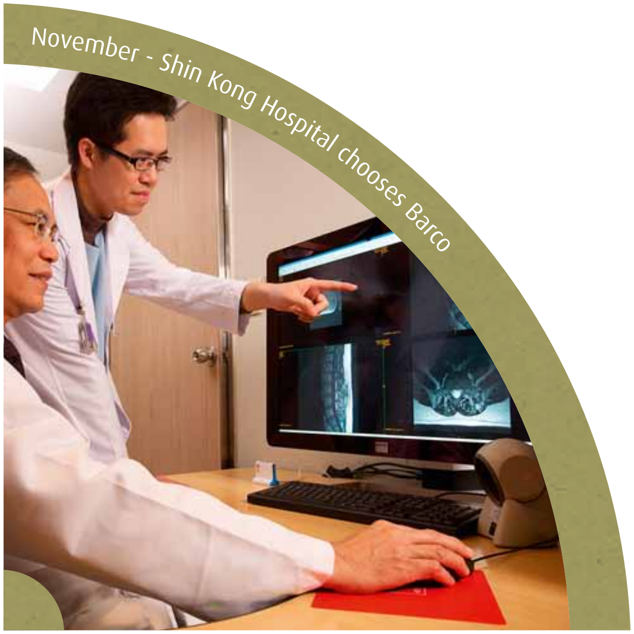
28 July
- Barco ensures safety of 1 million travelers at São Paulo Metrô

10 August
- China's State Grid Corporation chooses Barco video wall to help monitor the country's electricity network.

18 August
- Delhi Police's first C4I surveillance center selects Barco

9 September
- Dutch newscasters choose LED-lit video walls

15 September
- U2 360° tour worldwide success with Barco's flexible LED display



4 October
• Barco projects at Commonwealth Games

6 October
• 1,000 Barco-certified digital cinema engineers

13 October
• Launch of Barco's enhanced 4K digital cinema projector

14 October
• Digital cinema contracts in Australia, New Zealand, Germany and the United Arab Emirates

19 October
• Air traffic control displays at the US Army STARS sites

29 October
• Cinemark chooses Barco for all of its Latin American cinemas

November
• Riverside County Regional Medical Center and Shin Kong Hospital choose Barco

30 November
• Hong Kong International Airport uses Barco's arrival management software

1 December
• Barco achieves Guinness World Record – brightest digital cinema projector

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CORPORATE RESPONSIBILITY

LETTER FROM THE CHAIRMAN & THE CEO

Dear shareholder,

2010 was a good year for Barco. The decisive measures we took in 2009 to reduce the complexity of the company and to right-size the businesses helped Barco weather the economic downturn and enjoy a very robust recovery. Hence, one of the worst years in the company's history was followed by one of the best years ever.

Incoming orders reached an all time high of 978 million euro, up 58% versus 2009, fuelled by unprecedented growth in digital cinema. All regions posted impressive growth numbers but North America topped the ranks with more than 90% growth year-on-year.

Sales on the other hand grew 41% year-on-year to 897 million euro, 529 million euro of which was realized during the second half of the year.

Barco's profitability improved steadily throughout the year with EBIT recovering strongly from -4.6% in 2009 to +5% or 45 million euro in 2010.

Investors returned to Barco and our share price rose from 28.49 euro at the end of 2009 to 48.28 euro on 31 December, 2010.

But 2010 was a record breaker in a more literal sense as well, when Barco entered the Guinness Book of Records with the world's brightest digital cinema projector (43,000 lumens).

BUILDING SOLID FOUNDATIONS FOR PROFITABLE GROWTH

In part thanks to the acquisition of FIMI in Italy, Barco strengthened its global leadership position in the segment of digital visualization systems for radiology and cardiovascular display applications. With 59% growth in sales in 2010 and with EBIT contribution exceeding 10%, Barco's Healthcare Division is solidly positioned at the very core of Barco.

We do anticipate further investments in new technology platforms such as the mobile point of care applications that will extend Barco's reach into new market segments. Barco's Healthcare Division is hence well positioned for future growth as the medical profession and the patient care industry will further adopt digital technologies at a rapid pace.

The introduction of a second generation projector product line in Barco's digital cinema business unit made Barco the supplier of choice to the global movie theater industry, which is rapidly converting from analog to digital projection systems. With more than 300 million euro in orders booked during 2010 and with more than 14.000 digital projectors installed in movie theaters across the globe, Barco is the leading supplier to this rapidly growing industry. For the first time in the company's history, Barco managed to compete effectively and successfully in mid segment volume markets at contribution levels that turned out to be best-in-class despite intense competition and despite rapid increases in working capital needs.

Throughout the year we took further steps to restore or recapture global leadership positions in all of our other divisions. For example, the introduction of a new generation of LED cubes in large displays in the control rooms market met with enthusiastic response from customers. We are quite optimistic about the prospects for future growth in this division. Another example can be found in our simulation business where the launch of full 360° simulation dome capabilities resulted in solid contracts for deliveries in 2011 and beyond. Orders in this division went up 56% year-on-year and Barco is well positioned to again 'lead through technology' in this demanding industry.

Finally, the acquisitions of dZine and former Element Labs have generated new growth platforms for Barco in the entertainment and digital signage markets. Here we have changed our value propositions to become less hardware- and more software-centric. We also learned to approach our customers with more integrated systems rather than simple modular displays.

BARCO: NOT JUST A GREAT ENGINEERING COMPANY

Restoring profitable growth through the introduction of newer and better performing products was one of the dimensions we worked on to build a better company for all our stakeholders. Throughout the year we pushed very hard to strengthen our ability to better serve our customers with services and on-time deliveries and with more robust and more reliable products. In this way, we set new standards not just in terms of performance, but most importantly in terms of reliability and quality. Our corporate initiatives on operational excellence and customer intimacy have fuelled important gains in productivity and in customer satisfaction.

Our ability to serve our customers has been greatly improved, making Barco a better partner for the future despite the fact that Barco cut its indirect costs by as much as 10 percentage points over the past two years.

PREPARING BARCO FOR THE NEXT DECADE

How sustainable is the progress we made in 2010? And how can Barco achieve its long term objectives of generating double digit growth, double digit operating income, 20% return on capital employed, our famous 10-10-20 ambition?

To answer these questions, we took a hard look at our business portfolio both in terms of market attractiveness as well as in terms of our ability to 'win' in these markets.

In close collaboration with the Board, we analyzed and studied several strategic options and decided to lock in on just four major core businesses which we believe can meet our long term objectives of growth and profitability. In an effort to align strategy with structure, we regrouped our activities into four core divisions and moved all of our other activities into a ventures group. The four core divisions are: Healthcare, Control Rooms & Simulation, Entertainment and Defense & Aerospace. The ventures group includes our Lighting and LED activities as well as dZine, Silex and Orthogon activities. Ventures will benefit from a higher degree of autonomy and increased focus on aggressively pursuing growth for Barco and on realizing our corporate objectives within a three year horizon.

A BETTER COMPANY EMERGES

Barco can thus look at the future with great confidence. The company is well positioned in all of its four core divisions while five emerging ventures still hold a lot of promise for future growth.

Barco will continue to lead through technology as it has historically done, but will also excel in terms of customer intimacy and operational excellence. Several initiatives around key account management, customer services, first time right, etc. are energizing the company into new levels of excellence.

Furthermore in 2010, the company has made good progress in terms of gaining market share in the emerging and rapidly growing BRIC countries, China in particular. These markets still offer tremendous potential for future growth.

Finally we have created a strong 'Team Barco' culture and a lot of internal talent is being groomed and positioned for 'homegrown leadership' in years to come.

In 2010 the traditional engineering company has successfully embraced customer-centricity and operational excellence and is now well positioned for a brighter future.

Being debt free, the company also has the financial strength to continue to invest in growth while creating sustainable shareholder value.

THANK YOU

We hope that the drastic measures we took to reposition the company in 2009 and the record breaking results of new Barco in 2010 have restored your trust and confidence in the company.

We would like to thank our customers and shareholders, for their continued support during these challenging times of change. We especially thank our employees, who went the extra mile and should be proud of the results we achieved.

Eric Van Zele	Herman Daems
President & CEO	Chairman of the Board

COMPANY PROFILE

Barco is a global technology company that designs and develops visualization solutions for a variety of selected professional markets.

Barco offers user-friendly imaging products that optimize productivity and business efficiency, and encompass the entire visualization spectrum.

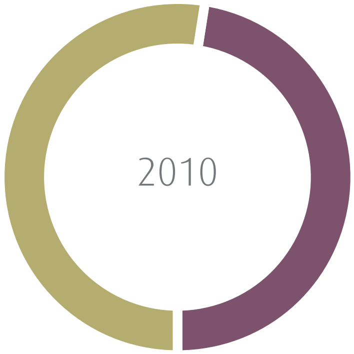
Barco has its own facilities for Sales & Marketing, Customer Support, R&D and Manufacturing in Europe, America and Asia-Pacific. The company (NYSE, Euronext Brussels: BAR) is active in more than 90 countries with about 3,500 employees worldwide. In 2010, Barco posted sales of 897 million euro.

GUIDING PRINCIPLES

- We delight our customers
- We deal openly and ethically
- We keep our commitments
- We are accountable
- We trust each other
- We avoid surprises
- We encourage team play
- We care about our people
- We deal with facts

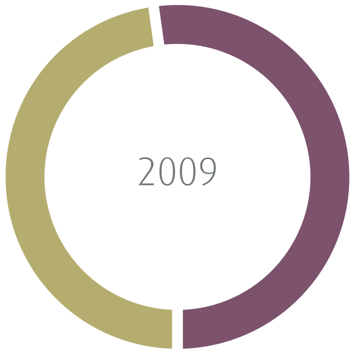
Sales per division

Media, Entertainment & Simulation
52.5%



47.5%
Monitoring, Control Rooms & Medical Imaging

Media, Entertainment & Simulation
47.8%



52.2%
Monitoring, Control Rooms & Medical Imaging

OUR COMPANY

Employees per functional group

= 10 employees

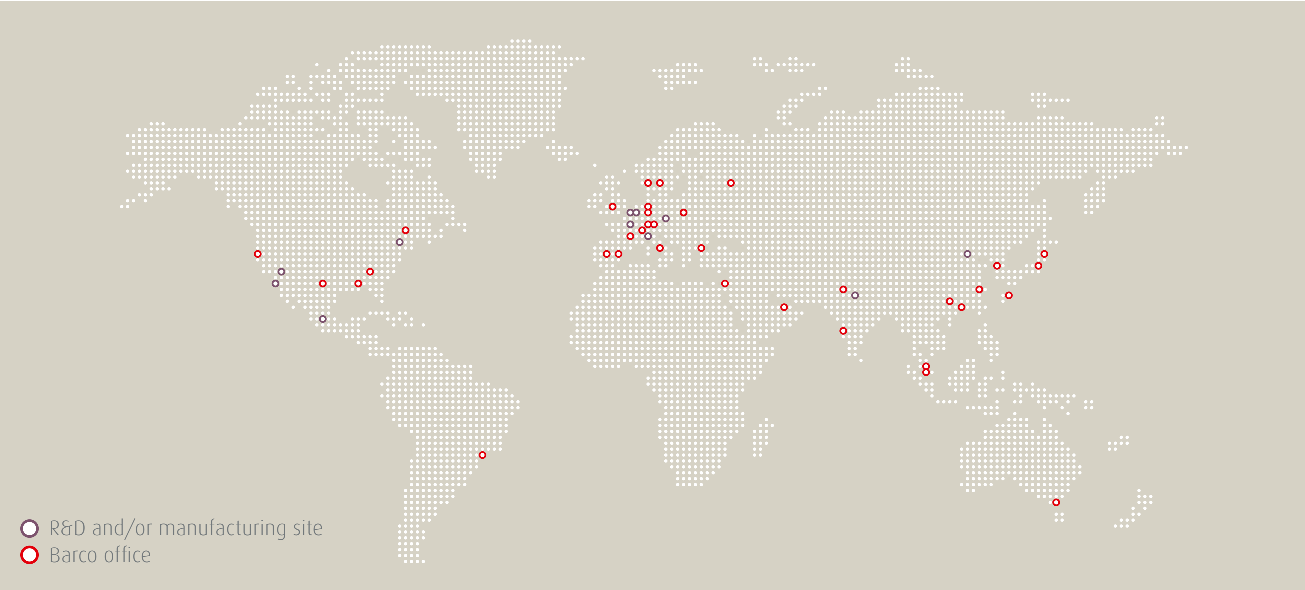
3499*

Manufacturing & Logistics **1,265** // Research & Development **652** // Customer Projects **253** // Customer Service **322**
Marketing **124** // Procurement **122** // Quality, Supply Chain & Support **64** // Sales **420** // Administration **278**

*number of full-time equivalents (FTEs), excluding temporary workforce

Database Corporate Associates per 31/12/2010

Geographical footprint



Sites

Europe & Middle East

- Belgium
- Denmark
- France
- Germany
- Israel
- Italy
- Poland
- Russia
- Spain
- Sweden
- Switzerland
- Turkey
- United Arab Emirates
- United Kingdom

Asia - Pacific

- Australia
- China
- India
- Japan
- Malaysia
- Singapore
- South Korea
- Taiwan

Americas

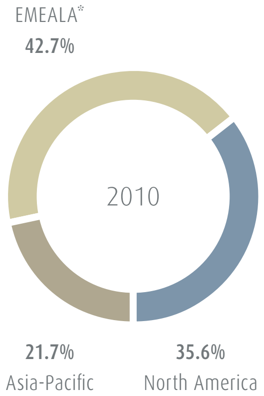
- Brazil
- Canada
- Mexico
- United States

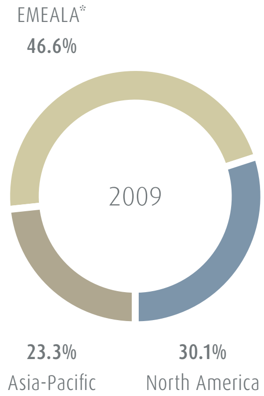
R&D and/or manufacturing facilities

- Belgium
- China
- France
- Germany
- India
- Italy
- United States

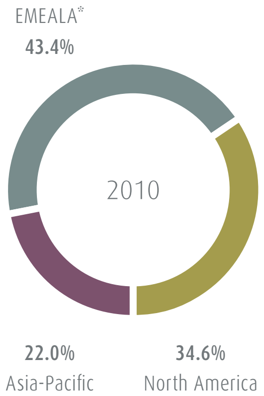
OUR COMPANY

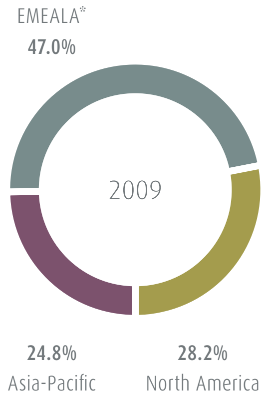
Geographical breakdown of sales





Geographical breakdown of orders





* Europe, Middle East, Africa and Latin America

STRATEGIC ACQUISITIONS

Acquisition of FIMI

On 1 January 2010, FIMI, based in Saronno, Italy, joined the Barco group. FIMI used to be a fully owned subsidiary of Royal Philips Electronics' Healthcare business, with an annual sales volume of close to 40 million euro.

Acquisition of Element Labs' intellectual property

On 17 March 2010, Barco announced the acquisition of all intellectual property, products and know-how of Element Labs. Element Labs, based in Santa Clara, California, was an LED display company mainly focused on the middle segment of the video display market. Its offering greatly expanded Barco's LED portfolio for indoor, outdoor, rental as well as fixed video installations.

Acquisition of dZine

On 16 July 2010, Barco closed the acquisition of Belgium-based digital signage company dZine. Through this acquisition, Barco significantly broadened its offering of digital visualization with the addition of advanced software tools for content creation and management that have an installed base covering over 55 countries.

43,000 lumens

Barco's digital cinema projection achieves Guinness World Record

80

Customer loyalty 12 points above industry benchmark

80,000 hours

LED lifetime in Barco's new video walls

200,000

medical displays installed worldwide

1,000+

certified digital cinema engineers

OUR STRENGHTS

TECHNOLOGICAL LEADERSHIP

- Continuous investment in new technologies to anticipate future customer needs
- Considerable investment in innovation
- Broad patent portfolio

GLOBAL PRESENCE

- Worldwide R&D and manufacturing centers
- Strong presence in emerging economies
- Global accounts in key markets
- Regionally focused sales and service teams

DEDICATED PEOPLE

- 3,500 skilled employees
- Multi-national, multi-disciplinary teams
- One out of five employees is an engineer

INDUSTRIAL PARTNERSHIPS

- Partnerships with industry leaders such as Texas Instruments, Samsung, Hitachi and Dolby
- Partnerships with distributors, VARs and resellers including Dell, HP and Ingram Micro

CUSTOMER AND MARKET FOCUS

- Market-oriented business groups with a strong regional focus
- Customer loyalty consistently above benchmark score
- More than 1,000 Barco-certified digital cinema engineers

FINANCIAL POSITION

- Debt-free company with a strong net cash position
- Determined to create shareholder value

OUR STRATEGY

2009

- Clean the balance sheet
- Reduce working capital
- Focus on cash generation
- Rightsize the operating units

2010-2011

- Improve operational performance
- Capture growth in selected markets
- Focus on healthcare and digital cinema
- Invest in China and India

2011-2012
REPOSITIONING BARCO FOR THE NEXT DECADE

ALIGN ORGANIZATION WITH STRATEGY

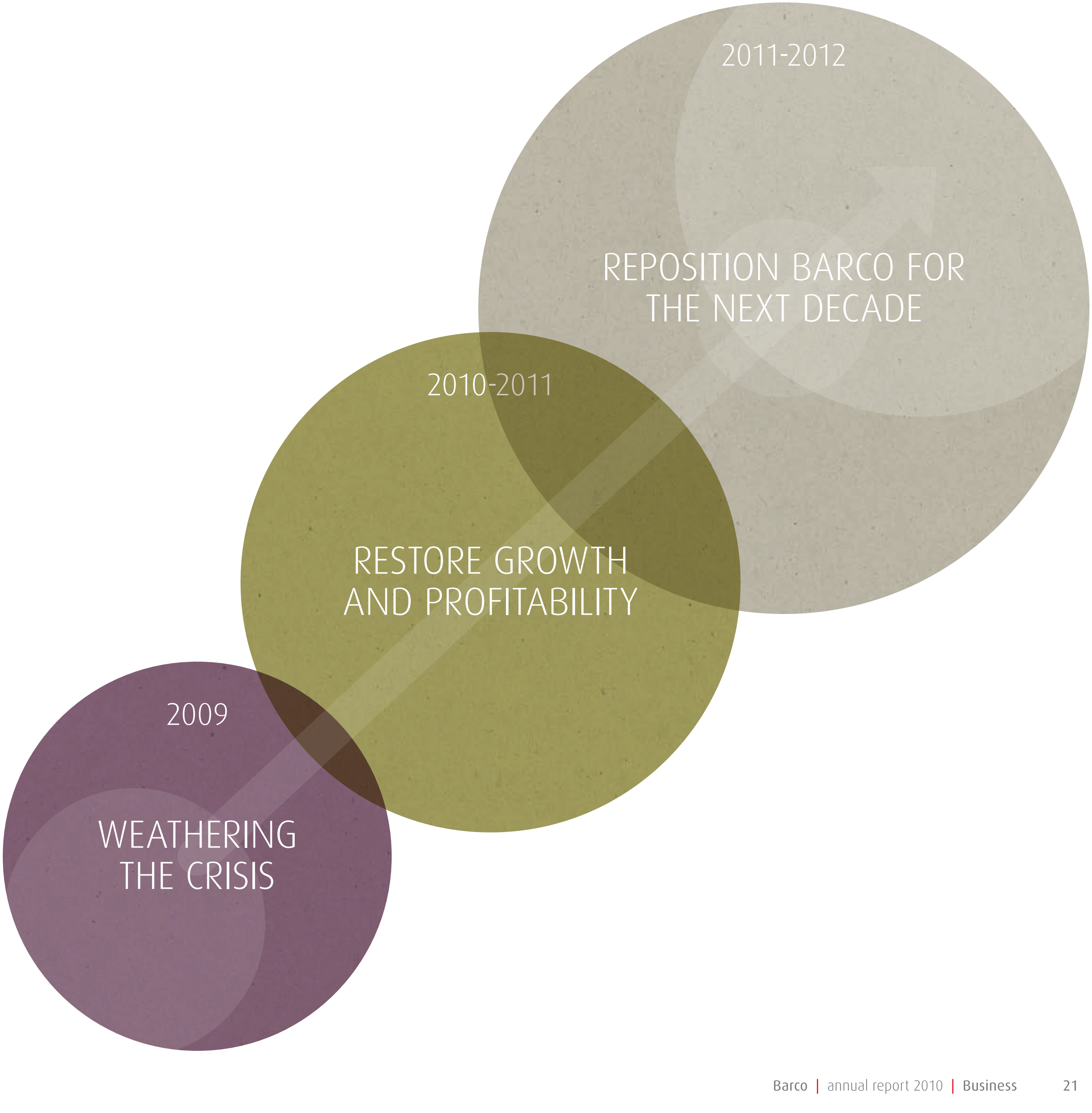
- Invest in and grow the core businesses: Healthcare, Entertainment, Control Rooms & Simulation and Defense & Aerospace
- Enhance performance of LED, lighting, digital signage, air traffic monitoring and Silex businesses through autonomy, focus and entrepreneurship

WORLD CLASS OPERATIONS

- Create a customer-centric organization through key account and channel focus, strategic marketing and improved services.
- Redefine Barco's operations by emphasizing operational excellence and efficiency, reducing complexity and implementing better system and reporting structures.

LEADERSHIP & CULTURE

Change the way we work on a day-to-day basis by focusing on leadership and company culture.


2011-2012
REPOSITION BARCO FOR THE NEXT DECADE
2010-2011
RESTORE GROWTH AND PROFITABILITY
2009
WEATHERING THE CRISIS

OUR OBJECTIVES

INTERNAL TARGETS 2010	RESULTS 2010
Technology leadership	LED-lit video wall and enhanced 4K DLP digital cinema projection
Grow sales	Record sales figure of 897 million euro
Focus on emerging economies (BRIC)	Close to 20% of company's incoming orders in 2010
Strengthen leadership in digital cinema and healthcare markets	Organic growth of 154% in digital cinema, and growth of 59% in medical imaging (organic growth is 18%)
Restore profitability	45 million euro EBIT
Gross profit margin of 32-35%	Gross profit margin of 32%
Operational excellence	Considerably improved
Secure customer loyalty	Customer loyalty 12 points above industry benchmark
Create shareholder value	Share value up 70%

TARGETS 2011

CREATING SHAREHOLDER VALUE THROUGH:

- Focus on healthcare, projection, connectivity and collaboration
- Focus on products and systems
- Manage each business towards 10-10-20*
- Reduce organizational complexity
- Leadership in growth markets (BRIC)

*10% top-line growth, 10% EBIT and 20% ROCE (return on capital employed)

AWARDS

BARCO SNATCHES THREE INFOCOMM/LSA AWARDS

Best staging for a corporate or association event ($50K-$199K range):
Columbia F10 project for the Columbia Sportswear Company
Barco technology used: high-brightness projection, image processing, LED

Best overall staging for a corporate or association Event ($200K+ range):
Freeman at the Millers-Coors Distributers Conference Business Session
Barco technology used: high-brightness projection, image processing

Best use of AV for a trade show booth:
General Motors at the North American International Auto Show
Barco technology used: 325 LED tiles

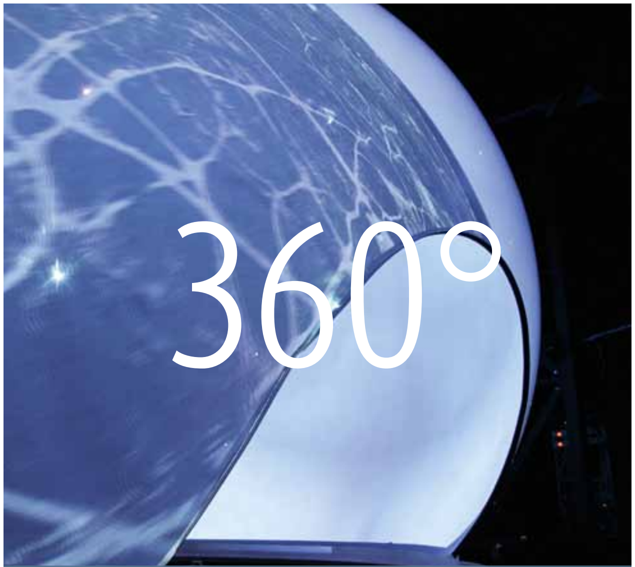
BARCO ACHIEVES GUINNESS WORLD RECORD

Since 1 December 2010, Barco's DP2K-32B digital cinema projector holds the Guinness World Record for "brighest projector", with a staggering light output of 43,000 lumens. This equals the combined light output of about 1,700 regular flashlights.

AND THE WINNER IS...

ARCHI-TECH award for high-brightness projection at the Caroline Herrera Boutique in the United States ··· Two PRO AV Spotlight awards for New York City Hall's situation room and The Block house of worship project ··· For the fourth time in a row, Barco won big at the Frost & Sullivan awards for its constant innovation in medical display technology ··· Supplier performance award from NAV Canada for air traffic control display implementation ··· Society for Environmental Graphic Design merit award for the LED project for American Eagle Outfitter's flagship store on Times Square ··· BIRTV award for the DP2K digital cinema projector ··· League of American Communications Professionals platinum award for Barco's 2009 annual report ··· Six CRTA Science & Technology Innovation Awards for various high-profile projects in China

25% more compact than similar products – Read more on the HDX projector **on page 29**



RP-360 dome – Read more on the fully immersive training dome **on page 28**

4K

Read more about a superior digital cinema experience **on page 30**

The new smooth gray – Read more on the Coronis 10MP display **on page 31**

OUR TECHNOLOGY

FLAGSHIP PRODUCTS

71°C

No other rugged display can withstand a temperature this high

DEFENSE AND AEROSPACE

Our extremely rugged TX displays are fully MIL-STD-461F EMI/EMC compliant for extreme conditions.

10 million to 1

Highest contrast ratio in the world

SIMULATION

The SIM range of projectors was developed especially for training and simulation, with all the necessary features that modern simulators need, to get as close to reality as possible.

∞

Display an unlimited number of sources with Barco's networked visualization concept for control rooms

CONTROL ROOMS

Our OL and OVL series of LED-lit video walls ensure long-term reliability and accurate, display-wide image uniformity.

1,000

RLM-W6 units sold since its introduction in 2010

VIDEO AND LIGHTING

Barco's event projectors comprise a total portfolio, ranging from the most silent, cost-conscious units available up to the brightest event projectors on the market.

DIGITAL CINEMA

Spearheaded by the world-record winning DP2K-32B projector, Barco offers the most complete range of digital cinema projectors in the world.

14,000

Installed base of Barco's digital cinema projectors

HEALTHCARE

The new Coronis Fusion 10MP display system offers 10 million pixels of grayscale perfection to medical professionals.

10 million

Pixels of grayscale perfection

BREAKTHROUGHS

360° OF SIMULATION

Good training and preparation are essential for any job. But when lives are at stake, preparation is crucial. Such is the case for pilots, whether civilian or military.

"Simulators help pilots train for routine take-off, landing, airborne navigation and refueling scenarios as well as for difficult missions or emergencies in complex environments," explains Kurt Doornaert, Business Development Manager for Barco's simulation team, "so it is evident that for this training to be successful, a pilot's simulated experience needs to be as close to reality as possible."

Front to back

"To achieve a sense of realism in terms of what the pilot in training is seeing, an uninterrupted, immersive image of extremely high resolution is needed. Flight simulation, therefore, has been using domed setups and high-resolution projection for many years," continues Mr. Doornaert. One of its limiting factors, however, was the fact that the images were still front projected (i.e. from behind the pilot). Rear projection (from the outside) would require too many projectors to achieve the same total screen resolution.

Industry firsts

This limitation is no more: due to the development of a native 10 megapixel projector that comes equipped with the right features to create seamless composite images together with other projectors, rear projection is a reality for simulation. Barco has designed and manufactured a number of industry firsts for this project, including screens, mirrors and the system's mechanical structure.

Quadruple contrast

The new liquid crystal on silicon (LCoS) based projector at the heart of the simulation display is the star of the show, however. "To give you an idea," Mr. Doornaert says, "Current off-the-shelf high-definition projectors have a 2.1 megapixel resolution, while our simulation projector has a 10 megapixel resolution. Thanks to advances in contrast, it also quadruples the contrast ratio of today's best systems."

Experience is key

"Numerous partners and customers in the simulation industry have visited our fully operational demo unit at our headquarters in Belgium," says Mr. Doornaert, "and we can say that their response was unanimously positive. But, it is really something that needs to be seen and experienced to understand it."

STREET SMARTS AND CLEVER DESIGN

For many years, Barco's SLM-R12+ projector was the mainstay of numerous events and fixed installations all over the world. The HDX projector is the successor to this legacy. It offers active 3D, wireless control and on-board image processing.

Barco's HDX combines active 3D as found in digital cinema with the robust, efficient build that is the result of extensive experiences in the events market. In addition, internal image processing based on Barco's successful Image-PRO automatically scales input sources.

Lightning-fast control and service

The HDX features a color LCD interface, including a preview mode. The HDX also allows for easy, wireless control with tablet computers and smartphones and the unit makes use of only five, quickly serviceable and replaceable modular components. SLM and even FLM projector lenses are fully compatible with those of the HDX, and its design is 25% smaller than comparable products. It fits into into standard flight cases, so it is always ready to go at a moment's notice.

HDX-W14

The first member of the HDX family, the HDX-W14, comes with a 14,000 lumens light output and a WUXGA (1920x1200) resolution, which is flexible enough to light up any medium-to-large sized venue and can easily accommodate HD content.

4K RESOLUTION FOR THE BIG SCREEN

In the highly competitive cinema business, theater owners are constantly aiming to make the difference by creating the best possible cinema experience for their audience. One of the elements that plays a role in creating this “premium experience” is 4K resolution.

Four times more

But what is this 4K resolution exactly? Wim Buyens, General Manager Entertainment Division, clarifies: “Today, digital cinemas are using 2K as the standard resolution. In practice, this corresponds with an image size of 2048 x 1080 pixels. When we talk about 4K, we refer to a resolution of 4,096 x 2,160 wide, i.e. four times more.”

More choice

It goes without saying that the arrival of 4K cinema has impact on a manufacturer’s product offering. “Barco’s portfolio of digital cinema projectors was known to contain the most complete range of 2K projectors on the market. With the addition of DLP Cinema® Enhanced 4K models, we have extended this offering even further. This way, we can offer our customers even more options to choose from,” Mr. Buyens says.

Premium screens

“The new 4K cinema projectors act as the flagship of the range, mainly focusing on premium cinema screens and venues”, Mr. Buyens likes to add. “For moviegoers, this extra resolution will result in razor-sharp movie images combined with consistent color uniformity, rich contrast and vibrant, accurate colors, even on the largest cinema screens.”

Superior 3D

But there’s more. The new 4K projector also benefits from its superior lamp efficiency and highly efficient optical design. This will result in a record light output and a superior visual 3D experience.

Barco DP4K-32B – Ensuring a razor-sharp and ultra-bright movie experience in 2D and 3D.

MORE GRAYSCALES, GREATER CONFIDENCE

Over the years, medical display manufacturers have developed various techniques to increase the number of visible grayscales on medical-grade monitors. Most of these techniques, however, introduce unwanted image artifacts. With the launch of its new "SmoothGray" technology, Barco has realized a major breakthrough.

Better detection of subtle details

SmoothGray made its debut inside Barco's state-of-the-art Coronis Fusion 10MP display system. According to Geert Carrein, Market Director at Barco, the system's main benefit lies in the fact that it enables grayscale values to be shown with more precision and in better correspondence with the sensitivity of the human visual system. For radiologists, this makes it easier to detect subtle but meaningful details, such as pulmonary nodules or pneumothoraces.

Umbrella term

When asked how SmoothGray actually achieves this, Mr. Carrein responds: "In fact, SmoothGray is an umbrella term for a number of diverse technical improvements, which mutually reinforce each other. The system unites advanced high-bit computation hardware, a unique dithering algorithm and optimized display drivers to send the analog video signal to the LCD panel. By applying a high precision control of the frame switching, SmoothGray generates grayscale steps so fine that it is difficult to measure the difference from one shade to the next."

Conclusive results

Clinical tests with SmoothGray have produced conclusive evidence in favor of this new technique. When measuring multiple grayscale values on a display without SmoothGray, errors can be as high as 0.9 Just Noticeable Differences (JNDs). On a display equipped with SmoothGray, this JND error is significantly smaller: every sequential luminance step on the screen (JND error) is always < 0.3.

80,000 HOURS OF LED EFFICIENCY

With LED being the illumination source of the future, Barco embraced LED projection and combined it with brand-new technologies, establishing a significant performance increase for video walls in terms of image quality, maintainability and cost of ownership.

"Barco's new line of rear-projection video walls with LED-based illumination, i.e. the OL and OVL series, combines the typical benefits of LED-lit systems with unique technologies. Taking full responsibility for the entire development, we have succeeded in creating a first-class product series that is truly efficient and ready for use in 24/7 applications," comments Mathieu Massart, Director Product Management Displays at Barco.

Keeping it cool

Last year, Barco launched its first LED-lit rear-projection video walls, equipped with an advanced heat management system. As LEDs typically generate high temperatures on a very small surface, the heat can significantly affect the video wall's performance, in that it will emit lower light output, show color shift and eventually have a reduced lifetime. That's why efficient heat management is crucial for LED-based systems. Mr. Massart explains: "Barco developed a novel liquid cooling technique which, unlike air-cooled systems, brings the LED temperature down to an optimal level. By cooling the LEDs directly by a jet stream of coolant, our LED video walls manage to be 20% brighter than any other video wall on the market. Liquid cooling also prolongs the lifetime of the LEDs inside the video walls to an exceptional 80,000 hours."

The best fit

Barco's first LED-lit rear-projected video walls were available in a widescreen 16:9 aspect ratio. With the new series, Barco has made its novel liquid-cooled LED technology available for traditional 4:3 environments, with screen sizes up to 80 inch, offering a valid alternative for new installations in 4:3 environments or for upgrades of legacy lamp-based video walls. "Upgrading from a lamp-based system

to Barco's LED-lit solution is simple, time-efficient and requires no training or expertise. This means that the downtime of the system will be reduced to a strict minimum," adds Mr. Massart.

A sense of perfection

Whereas the typical advantages of LED include low maintenance and saturated colors, Barco managed to add numerous benefits. Mr. Massart explains: "Barco's new LED video walls are basically intervention-free for more than 5 years, while showing a crisp image with saturated colors, which is of utmost importance in control room environments. Moreover, next to liquid cooling, Barco's LED video walls are equipped with Sense^6 auto-calibration technology, which reduces the power of the LED drivers. This allows the video walls to produce the most uniform and vibrant colors on the display, while saving up to 30% power without sacrificing contrast ratio."

Expertise in LED

"Barco has profound expertise in LED as we have been manufacturing LED signage since the nineties," Mr. Massart continues. "Today, Barco processes more than 2 million LEDs every week. We know LED inside out, which makes our LED-lit rear-projection video walls the most mature and robust on the market. And uniquely, we have been able to develop LED-lit video walls that are a perfect fit for a wide range of control room applications. The result is an integrated control room visualization solution that provides the coolest engine, the warmest colors and the brightest picture."

1 BILLION

barrels of oil refined with Barco visualization – Read more **on page 38**

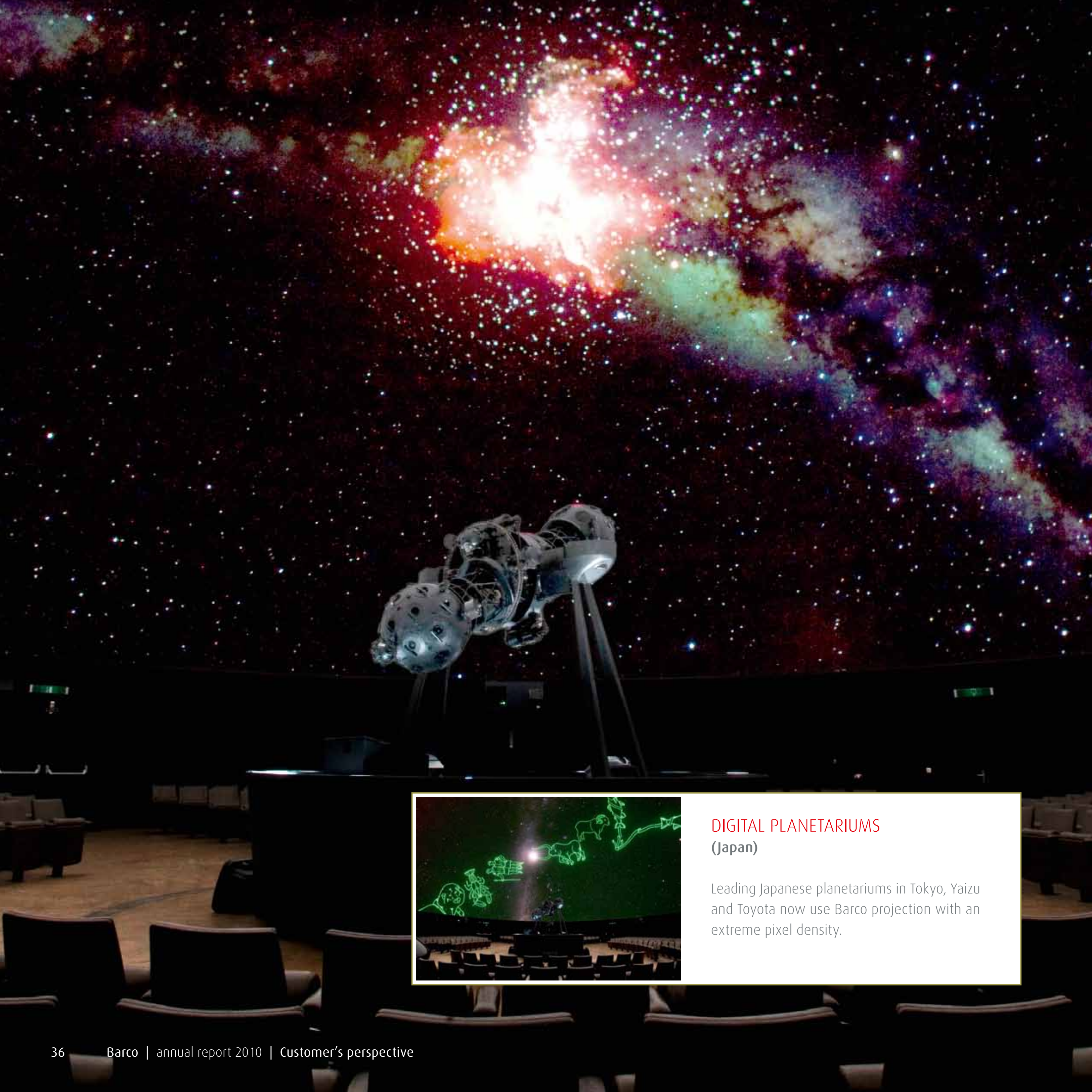
80

Customer loyalty
12 points above benchmark
Read more **on page 40**

24/7 diagnostic confidence at **Bergmannstrost AG Hospital** – Read more **on page 46**

Hammersmith Apollo HMV Theatre converts to digital projection – Read more **on page 44**

CUSTOMER'S PERSPECTIVE



DIGITAL PLANETARIUMS
(Japan)

Leading Japanese planetariums in Tokyo, Yaizu and Toyota now use Barco projection with an extreme pixel density.

PICCADILLY CIRCUS – TDK SIGN
(London, United Kingdom)

A high-brightness, energy-efficient LED display covering nearly 100m².

"Over 150 million pixels of KPIs displayed in smooth, clean graphics."

RELIANCE PETROLEUM
(Jamnagar, India)

Reliance Petroleum uses Barco video walls to monitor the refinery of 1 billion barrels of oil per day.

HSBC BANK BRASIL
(Curitba, Brazil)

"Within the first months already, HSBC Bank Brasil raised its operating efficiency by 20 to 30%."

Gunther Lamers,
Head of the Data Center

20 rear-projection display cubes help ensure 24/7 uptime of HSBC's financial services.

DEUTSCHE POST DHL

(Bonn, Germany)

"In 2008, we set a quantifiable climate protection goal. So for the new video wall we wanted LED technology for its low energy consumption and worry-free operation."

Rainer Henss, Vice-President Corporate Security Service Branch

E-2D ADVANCED HAWKEYE

(US Navy)

Barco provided the customized Multi-purpose Control Display Units (MCDU) and its MOSArt Open System development platform to Northrop Grumman (NG) for deployment into both cockpit and rear operator systems of the Hawkeye aircraft. The MOSART system enables Northrop Grumman application developers to use the unit's advanced 3D graphics (OpenGL) and video capability.

Monitoring 107,000 square meters of operations while reducing carbon footprint.

Collaborative Flow Management system:
how to save 16 million euro in two years.

AIRWAYS NEW ZEALAND
(New Zealand)

"The Barco system enables us to be proactive in managing our network and assigning priorities to better manage the needs of our passengers connecting to other flights."

Bob Fletcher,
Head of Operations Support

80

CUSTOMER LOYALTY 12 POINTS ABOVE INDUSTRY BENCHMARK

Each year, an independent research firm polls Barco's customer base on their satisfaction with our solutions and services. Crucially, the results also indicate how likely our customers are to do business with us again, and in what areas we can improve.

The industry loyalty benchmark for business-to-business companies is 68. Barco consistently scores well above that grade, and 2010 saw a slight increase to 80 or a score that is 12 points above the industry benchmark. Satisfaction improved across nearly all market segments, with the most marked increase in Europe.

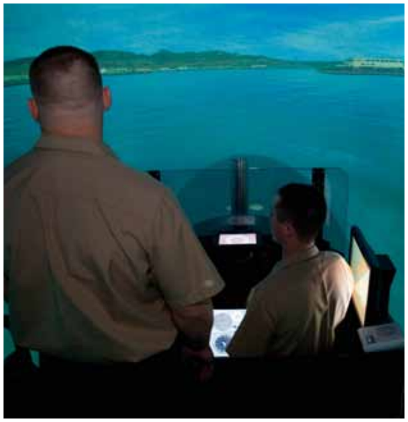
AMERICAN EAGLE OUTFITTERS
(New York City, USA)

15,000 square feet of LEDs, including a 25-story LED tower and an indoor bank of 21 Barco video walls.

"American Eagle's Times Square display represents yet another standard in technical and artistic achievement in outdoor LED displays."

US NAVY SUBMARINE BRIDGE TRAINER

(Newport, Rhode Island, USA)



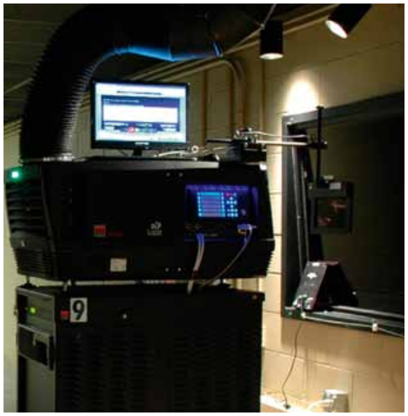
An array of projectors provides trainees with a "wraparound" immersive training environment.

PALLADIO 16 CINEMAS

(Folsom, California, USA)

"Once we saw the pictures on screen, we realized that this was the best way to go. The picture quality is amazing, and the install couldn't have been simpler."

Nate Alchesky,
General Manager Palladio 16 Cinemas



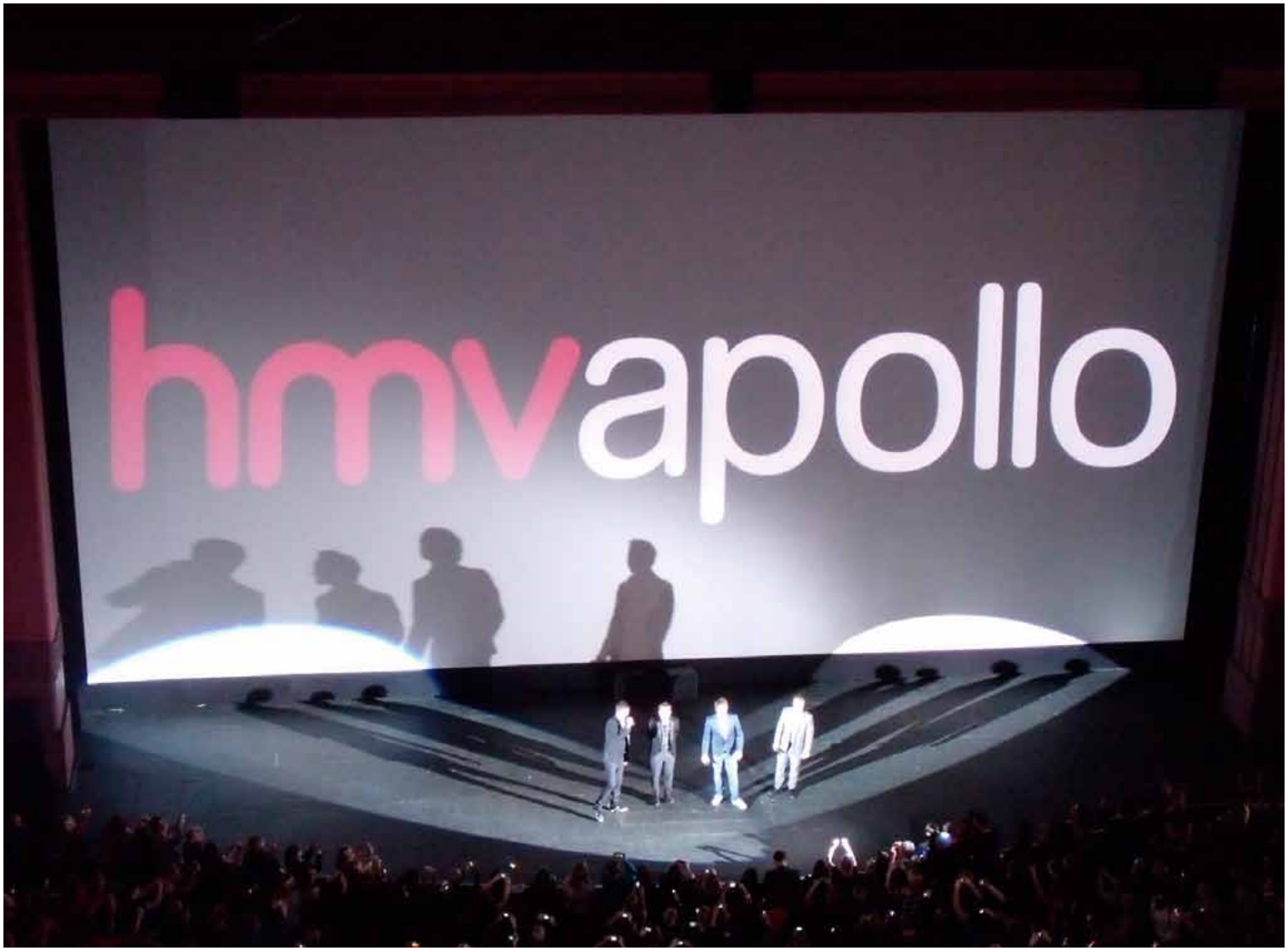
Starring in the largest single-site 3D cinema multiplex in California.

> "16 pavilions used Barco to best represent their country or company on the world's stage."

2010 WORLD EXPO

(Shanghai, China)

No less than 250 Barco visualization products, distributed over 16 pavilions, visualized the current and future concepts of corporations and countries to an audience of over 70 million people.



HMV HAMMERSMITH APOLLO
(London, United Kingdom)

Creating the best and biggest film premières in London's West End.

"Barco and Future Projections were contracted in view of their dedication to high-quality, reliable projectors and their high service commitment."

Peter Hall,
Future Projections

J&JPRD, A DIVISION OF JANSSEN PHARMACEUTICA
(Beerse, Belgium)

"Compared to other displays, Barco is superior in terms of color homogeneity, color intensity and brightness."

Erio Barale-Thomas,
Pathologist, J&JPRD, Beerse, Belgium

Providing ultimate slide-to-eye confidence to one of the most innovative pharmaceutical companies in the world.

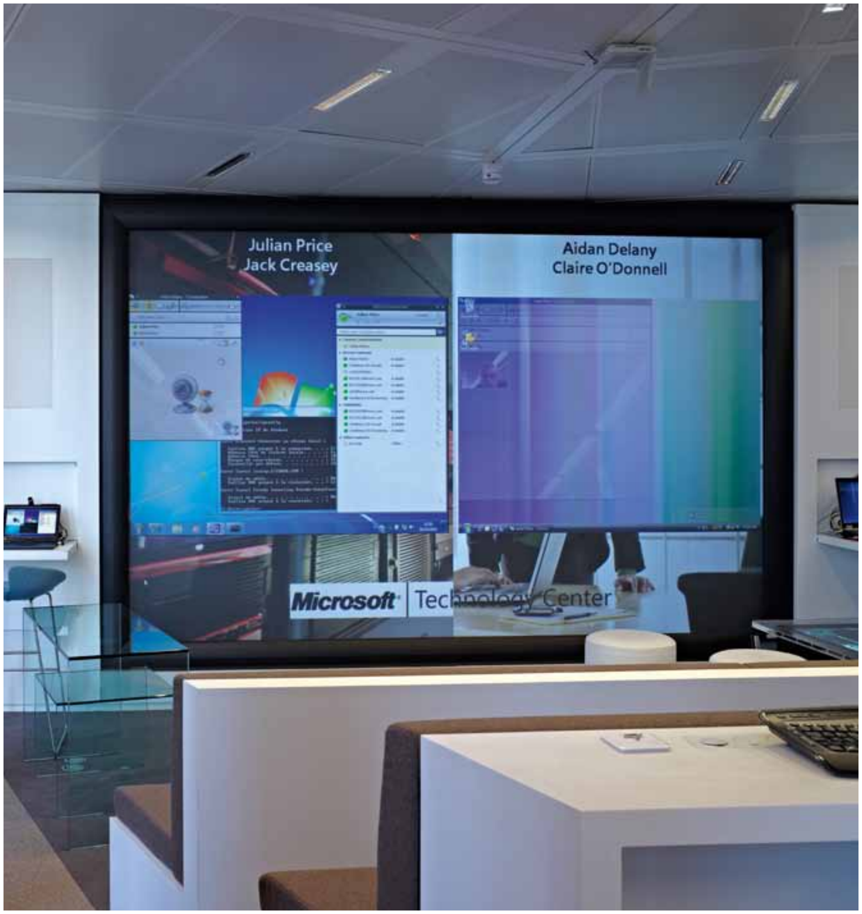
Helping save precious time while guaranteeing 24/7 diagnostic confidence.

BG BERGMANNSTROST

(Halle, Germany)

"I am so glad to work with Barco. It really is the most experienced player in the field of medical display devices, worldwide."

Dr. Rainer Braunschweig, Head Radiologist, Bergmannstrost



High-resolution Barco projection and collaboration software create an unparalleled user experience.

MICROSOFT TECHNOLOGY CENTER

(Paris, France)

“This allows us to present our customers with a full technology solution for their collaboration needs.“

Frederic Aatz, Director, Microsoft Technology Center

FIFA WORLD CUP 2010

(South Africa)

All across South Africa’s football stadiums, Barco’s LED visualization played a prominent role in lighting up the world’s most widely watched quadrennial sports event.

179

tons of CO^2 reduced
with solar power
Read more **on page 52**

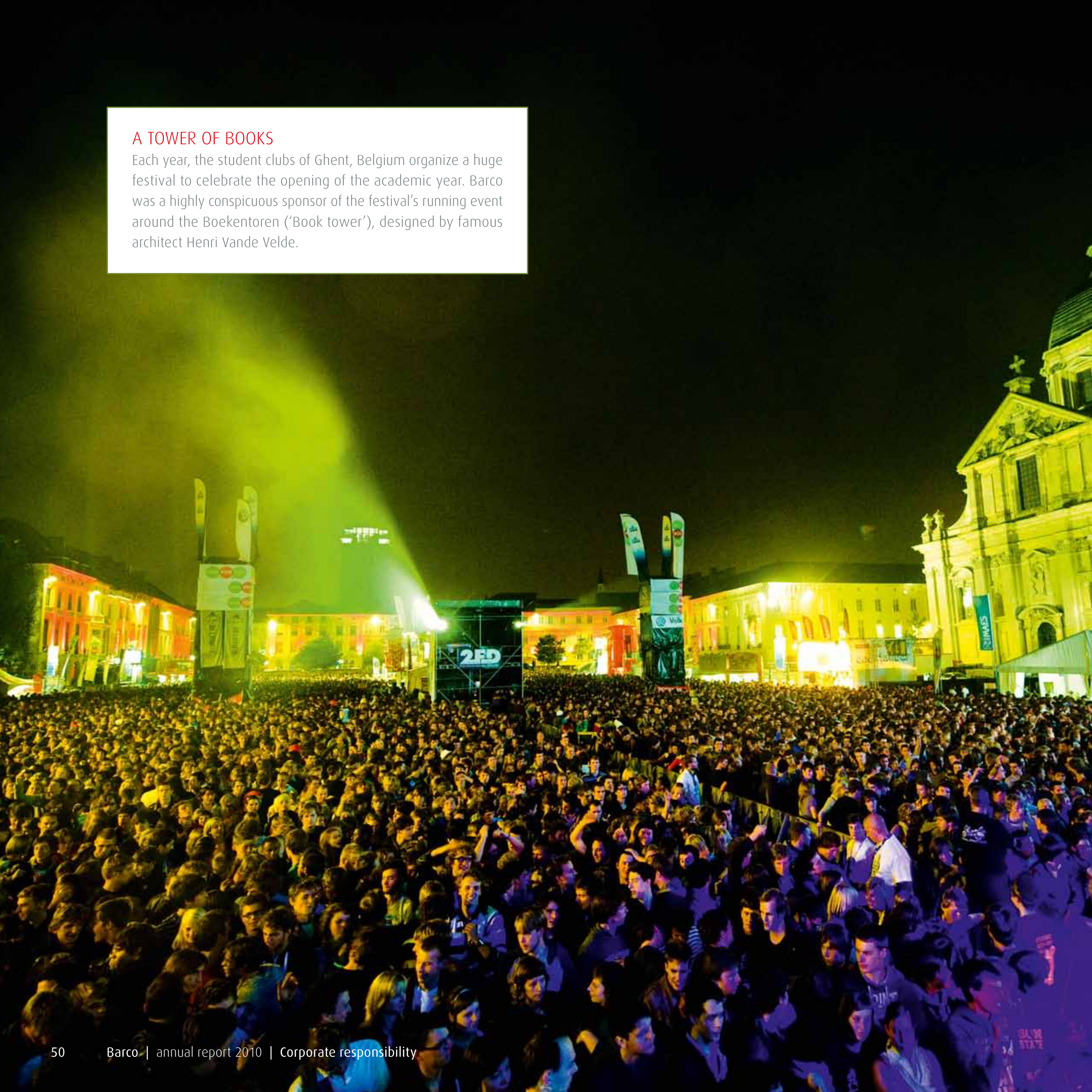
Green design: Over 50% of Barco's new 2010 products is green – Read more **on page 52**

Barco's Ironman made it and crossed over 225km
Read more **on page 52**

60

Barco sponsored the 60^{th} anniversary edition of the Berlinale Film Festival
Read more **on page 51**

CORPORATE RESPONSIBILITY



A TOWER OF BOOKS

Each year, the student clubs of Ghent, Belgium organize a huge festival to celebrate the opening of the academic year. Barco was a highly conspicuous sponsor of the festival's running event around the Boekentoren ('Book tower'), designed by famous architect Henri Vande Velde.

THE BIG SCREEN IN BERLIN

For the 60th edition of the Berlinale movie festival, Barco once again rolled out an impressive visualization fleet as the festival's exclusive projection supplier.

"We are glad to be working with Barco's digital cinema projectors for our anniversary edition. We have worked with them on the four previous editions and know we can trust the projectors to perform flawlessly for the festival's entire duration."

Dieter Kosslick, Berlinale Director

FIGHT ON MALARIA

"Music for Life" is an annual, country-wide and week-long charity event by Belgian radio station Studio Brussel. 2010's good cause of choice was the fight on malaria. Barco employees in Belgium collected nearly 3,000 euro.

GHENT FILM FESTIVAL

The Ghent Film Festival is Belgium's biggest in this category, and is tied to the World Soundtrack Awards. Barco has been one of the festival's key sponsors for a very long time, and contributed to the 2010 edition with its full range of digital cinema projectors.

PROMOTING TALENT

The annual Barco High Tech Awards in Belgium reward engineering projects of undergrad students with exceptional merit. Because of Barco's long-standing sponsorship and belief in nurturing future research, the Award was named after Barco.

BARCO'S VERY OWN IRONMAN

Glenn De Vos, Service and installation Manager, participated in the 2010 World Championship Ironman in Kona, Hawaii, also known as "the mother of all triathlons", with sponsoring from Barco. Glenn swam 3.8 km, cycled 180 km and finished with running a 42 km marathon, in extreme weather conditions. Truly a man of steel.

GREEN DESIGN

2010 was the year of greener products. Barco designed a new medical display with only green products and a complete absence of potentially hazardous materials, while energy-conscious projectors and LED displays with anti-light pollution technologies hit the media market.

179 TONS CO^2 REDUCTION

In last year's annual report, we wrote about the successful installation of solar panels in Barco's Kuurne and Kortrijk facilities in Belgium. Having been operational for almost a year, they have generated nearly 330,000 kWh and, according to data from DEFRA, cut back carbon dioxide emissions for the company by 179 tons.

PIXELS ON THE MOVE

Early 2011, New York's Museum of the Moving Image used seventeen Barco projectors in a remarkable, immersive 3D exhibition centered on the reality of virtuality. Barco was proud to sponsor both the art collectives and the museum in this exhibition.

"The opening was a big hit! This is the most successful project we have realized so far and we are very happy with the projectors. Visitors are amazed when they leave the installation."

Thomas Soetens, Workspace Unlimited

Read the Chairman & CEO letter
on page 10

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

SITUATION ON 10 MARCH 2011

Chairman	**Herman Daems** (1)	Chairman of the Board of Directors	
		Gimv and BNP Paribas Fortis	2012*
President & CEO	**Eric Van Zele** (3)		2014*
Directors	**Praksis BVBA** (represented by Bruno Holthof, CEO of the Antwerp Hospital Network) (2)		2014*
	Lumis BVBA (represented by Luc Missorten, CEO of Corelio and board member of LMS and Bank Degroof) (2)		2014*
	Marc Ooms BVBA (represented by Marc Ooms, non-executive director of several companies) (1)		2012*
	Jan P. Oosterveld (2)	Member of various Boards	
		Professor at IESE Business School Barcelona, Spain	2011*
	Dr ir Vandeurzen Management Firm NV (represented by Urbain Vandeurzen, Chairman and CEO of LMS) (2)		2011*
	Marc Vercruysse (1)	Chief Financial Officer Gimv	2012*
	Christina von Wackerbarth (2)	Member of the Board of Mobistar	
		Leadership development coach at Insead	2012*
Secretary	**Walter Bracke**	**General Counsel**	

(1) non-executive directors (2) non-executive independent directors (3) executive director
* Date on which the term of office expires: end of the annual meeting

Herman Daems is chairman of the Board of Gimv (a private equity firm listed on NYSE/Euronext), chairman of the Board of BNP Paribas Fortis and chairman of the Board of Barco nv. In 2004 and 2005, he was chairman of the European Private Equity and Venture Capital Association. Today, he is also chairman of the Belgian Corporate Governance Commission and chairman of IPEV, the international Private Equity Valuation Guidelines board which sets guidelines for assessing values in private equity funds. Herman Daems is a member of the executive committee of the Belgian employers association and holds several board positions. Professor Daems was on the faculty of the Harvard Business School. Today he is on the faculty of K.U. Leuven. Daems studied theoretical physics and economics and holds a PhD in economics.

Eric Van Zele is serving as President & CEO of Barco nv since January of 2009. He also serves as Chairman of the Board of Reynaers Aluminium nv in Duffel, Belgium. Prior to 2009, he was a Director on the Management Board of the Indian Avantha Group and served as President & CEO of Pauwels International from 2004 through 2008. Prior to that, he was President & CEO of Telindus nv (2000-2003) and Vice President of Raychem Corporation (Menlo Park, CA, 1972-1999). Eric Van Zele holds a Master's degree in mechanical engineering (K.U. Leuven 1972) and post graduate degrees in management from Stanford University (1992).

Bruno Holthof is Chief Executive Officer (CEO) of the Antwerp Hospital Network, a Belgian hospital group employing 7,000 healthcare professionals. Before becoming CEO, Bruno Holthof was a partner at McKinsey & Company. During this period, he served a wide range of healthcare clients in Europe and the United States and gained significant expertise in the areas of strategy, organization and operations. Bruno Holthof holds an MBA from the Harvard Business School and an MD/PhD from the K.U. Leuven.

Luc Missorten is Chief Executive Officer of Corelio, a leading Belgian multimedia company. He also serves on the board of LMS and Bank Degroof. Before joining Corelio, he was Chief Financial Officer at Inbev (1995-2003) and UCB (2004-2007). He started his career at Linklaters (formerly De Bandt & Van Hecke) and also worked at Citibank for 10 years. Luc Missorten holds a law degree from K.U. Leuven, Belgium and completed educational programs at the College of Europe in Bruges (Certificat de Hautes Etudes Européennes) and the University of California - Berkeley (LL.M "Master of Laws").

Marc Ooms is non-executive director of several companies: Sea-Invest Corporation, European Bulk Terminals, I.V.C., BMT, PinguinLutosa and Food Invest International.

Jan P. Oosterveld retired in 2004 as a member of the Group Management Committee of Royal Philips Electronics, in charge of corporate strategy, corporate alliances, corporate redesign and restructuring, CEO of Philips Asia and Chairman of the Board of Directors of LG.Philips LCD, the joint venture with LGE in Seoul, Korea. He holds a Master's degree in mechanical engineering from the Technical University Eindhoven, the Netherlands and in business administration from the IESE Business School, Barcelona, Spain. He is a professor at IESE and owns a consultancy company. He is the Chairman of the Supervisory Board of Crucell NV, the Netherlands and a member of the Board of Directors of Candover Plc. UK, and of Cookson Plc, UK.

Herman Daems

Eric Van Zele

Bruno Holfhof

Luc Missorten

Marc Ooms

Jan P. Oosterveld

Urbain Vandeurzen

Marc Vercruysse

Christina von Wackerbarth

Dr Urbain Vandeurzen is a Civil Engineer in Mechanical Engineering (K.U. Leuven, 1978) and attained a PhD in Applied Sciences in 1982. He started his career as an assistant at the K.U. Leuven, and as a scientific researcher at the IWONL (1978 - 1980). In 1980, Urbain Vandeurzen became Chairman and CEO of LMS, a position he has held ever since. Under his leadership, LMS grew to a company of 900 people, with 30 offices worldwide. Over a period of 30 years, the company evolved from a niche company into a world leader in simulation- and test software and in consultancy services for the mechanical industry. During his career, Dr Vandeurzen has been widely involved in various employers' organizations (including as Chairman of Voka – Flanders' Chamber of Commerce and Industry) and as Chairman or Member of the Board of various business companies and research organizations. At present, he is a member of the Senate of the K.U. Leuven, a member of the Board of Directors of the Prince Albert Fund and a member of the Board of Directors of the Research Foundation – Flanders (FWO).

Marc Vercruysse has been CFO and member of the Management Committee of Gimv since 1998. Before becoming CFO, he was internal auditor with Gimv, senior investment manager and head of Structured Finance. He is also on the board of directors of several unlisted companies.

After several assignments as magazine Editor-in-Chief, **Christina von Wackerbarth** became VNU Belgium's publishing director in 1994. She took over the operational group management of VNU Magazines International in January 1998. From 1999 to 2003, she was General Manager Television and COO of VRT, the Belgian public broadcasting company. Since then, Christina has been active as Media Consultant and Executive Coach, among others for the Leadership Development Centre at Insead. She also serves on the Board of Directors of Mobistar, the second largest Belgian mobile telecom operator. Christina von Wackerbarth holds a degree in Romance philology and linguistics, completed an Advanced Management Program at Insead and holds a Master's degree in Consulting and Clinical Coaching from HEC Versailles/Insead.

Walter Bracke is General Counsel for Barco. He has more than 35 years of experience as an in-house legal counsel in large corporations. Walter worked in real estate and building before joining Union Carbide, one of the world's leading petrochemical companies, where he was responsible for legal and governmental affairs in Europe, Middle East and Africa. After the merger between Union Carbide and Dow Chemical, he joined Barco. Walter has been Secretary of the Board of Directors since June 2008. He graduated Juris Doctor from the Ghent University in 1970.

EXECUTIVE MANAGEMENT TEAM

SITUATION ON 10 MARCH 2011

Eric Van Zele	President & Chief Executive Officer
Senior Vice Presidents Barco nv	
Filip Pintelon	Chief Operating Officer and General Manager Control Rooms & Simulation Division a.i.
Carl Peeters	Chief Financial Officer
Jan Van Acoleyen	Chief Human Resources Officer
Jacques Bertrand	Chief Sales Officer
Dave Scott	General Manager Defense & Aerospace Division
Piet Candeel	General Manager Healthcare Division
Wim Buyens	General Manager Entertainment Division
Luc Vandenbroucke	Senior Vice President Barco, responsible for Barco's wholly owned ventures
JP Tanghe	Senior Vice President Barco, responsible for Corporate Communication, Investor Relations and Corporate Marketing Compliance Officer

A Core Leadership Team (CLT) was set up in line with 'Barco redefined', as presented on the company's Analyst & Investor Day on 18 February 2011. It consists of Eric Van Zele, Filip Pintelon, Carl Peeters, Jan Van Acoleyen, Jacques Bertrand, Dave Scott, Piet Candeel and Wim Buyens.

Filip Pintelon joined Barco in December 2008 and held the positions of President of Avionics & Simulation and President of Media, Entertainment & Simulation before assuming the role of COO. Prior to joining Barco, he was Corporate Vice President of the Testing Systems Division at LMS, Belgium. Before his time with LMS, Filip held several management positions at Andersen Consulting (Accenture) and The Boston Consulting Group, with assignments across Europe and the USA. He obtained an MBA from the Vlerick Leuven Gent Management School, following his graduation in 1986 as a Master's degree in Mathematics/Informatics at the K.U. Leuven.

Carl Peeters is Chief Financial Officer of Barco nv. He started with Barco in 1987 and held positions of Marketing Manager and Division Manager in the former Graphics division of Barco until 1996. Later he was responsible for Mergers & Acquisitions for the Barco Group. He was appointed CFO of BarcoNet when this division was spun off from Barco as a separate public company in 2000. He rejoined Barco after the delisting of BarcoNet in 2002. Until 2010, Carl held the position of the business group Monitoring, Control & Medical and was appointed CFO of Barco by end of 2010. Carl holds a degree in Applied Economics and a post graduate degree in Business Administration.

Jan Van Acoleyen, Senior Vice President & Chief Human Resources Officer, holds a Master's degree in Educational Sciences from the K.U. Leuven and an executive MBA from the University of Antwerp. Prior to joining Barco, Jan held senior international HR positions in high tech companies such as Alcatel and Agfa-Gevaert.

Jacques Bertrand joined Barco in 1986 after obtaining a degree in Electronic Engineering. He acquired his first experience in sales and product management in the former Graphics division of Barco and moved to Singapore in 1993 to become responsible for the start up and expansion of Barco Graphics in Asia-Pacific. In 2000, Jacques moved to Tokyo and was appointed President Barco Japan. In January 2005, he was promoted to President Barco Asia-Pacific and resided in Hong Kong. As from 1 February 2011, Jacques is Chief Sales Officer of Barco and resides in Belgium.

Dave Scott is General Manager of the Defense & Aerospace Division. He holds a degree in Electrical Engineering (BSEE) from Virginia Polytechnic Institute and State University. Prior to his career with Barco, he was an architect/designer of color graphics display technology, holding positions from research engineer to vice president of Engineering at former companies. He was co-founder of Chromatics Inc. in 1976, which was acquired by Barco in 1990. In 1994, he was appointed as Executive Vice President/General Manager of Barco Display Systems division (renamed BarcoView in 1998), responsible for BarcoView US activities. In 2001, Dave became Chief Operating Officer for BarcoView, responsible for the worldwide Command and Control business unit. In January 2004, he assumed the position of President Barco North America, with responsibility with regional management. In November 2010, Mr. Scott assumed his present position while maintaining legal responsibility for managing the North American region as the head of Barco, Inc.

Piet Candeel is General Manager of the Healthcare Division. Prior to his present position, Piet occupied several positions in marketing, sales and general management over the past 25 years in a variety of business units

Filip
Pintelon

Carl
Peeters

Jan
Van Acoleyen

Jacques
Bertrand

Dave
Scott

Piet
Candeel

Wim
Buyens

Luc
Vandenbroucke

JP
Tanghe

in Barco. He was one of the early associates of the medical activities in Barco in 1995 and has since lined up with the continued growth of the division. He had an assignment in Edinburgh, Scotland when Barco acquired Voxar in 2004. Piet holds an Officer Degree in Nautical Electronics, a post-graduate in Marketing from EHSAL Brussels and an MBA from the University of Antwerp (UFSIA).

Wim Buyens is General Manager of the Entertainment Division. He started at Barco in November 2007 as Vice President Digital Cinema within the Media & Entertainment Division. Prior to joining Barco, Wim worked at the high end technology company Bruel & Kjaer in Denmark for over 10 years where he held several management positions as Marketing Director, European Sales Director and Division Director Aerospace and Defense. Wim holds a degree in Engineering and obtained his executive management experience at Stanford University and IMD in Lausanne.

Luc Vandenbroucke presently is Senior Vice President Barco. He oversees five businesses in order to make them grow in an entrepreneurial and profitable way. Before this, as President Europe, Middle East, Africa and Latin America, he was responsible for building the customer front end, including the first level customer service. Prior to this, he was President of the division BarcoView. He took up several positions in Marketing & Sales after joining Barco in 1975 and was also actively involved in the start up of new ventures. Luc holds a Commercial Engineer degree from the K.U. Leuven and a degree of Expert in International Trade from the International Trade Invest Institute of Antwerp. He was a member of the Board of Metris N.V. until it was acquired by Nikon, and a guest lecturer at the K.U. Leuven, dept. of Economics. He is an Honorary Fellow of the Hogenheuvel College of the K.U. Leuven where he was co-founder of the chair for entrepreneurship. Next to this he is an independent member of the Flemish Foreign Affairs Council, advisor to the Flemish Government.

As Senior Vice President of Barco, **JP Tanghe** is responsible for Corporate Communication, Investor Relations and Corporate Marketing. He is also the Compliance Officer of Barco. In 1991, he started with the company as Manager Human Resources and General Affairs of one of Barco's divisions. Soon after that, he was put in charge of International Human Resources for the Barco Group. Prior to his career in Barco he was a consultant in marketing and human resources management and was appointed Director Human Resources of LVD n.v., an international Belgium-based company. JP Tanghe holds a Master's degree in philosophy and literature (1973) from the K.U. Leuven. He is an Honorary Fellow of the Hogenheuvel College at the same university. JP is also a member of the board of the Belgian Investor Relations Association (BIRA) and of the boards of the Flanders-China Chamber of Commerce (FCCC) and the Chamber of Commerce Canada-Belgium-Luxembourg (CCCBL).

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS ANNUAL REPORT 2010

The undersigned declare that:

- the annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies;
- the annual report 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

CORPORATE GOVERNANCE STATEMENT

Reference is made to the Belgian Corporate Governance Code 2009, http://www.corporategovernancecommittee.be/en/2009_code/latest_edition/default.aspx and Barco's Corporate Governance Charter, which is available for download at www.barco.com/investors/en/corporategovernance.

ACTIVITY REPORT ON BOARD AND BOARD COMMITTEES' MEETINGS

BOARD OF DIRECTORS

Reference is made to Title 1 of the Corporate Governance Charter on www.barco.com for an overview of the responsibilities of the Board of Directors and for a survey of topics discussed at board meetings. On 10 March 2011, the board consisted of nine directors. All non-executive directors hold or have held senior positions in leading international companies or organizations. In 2010, the board of directors met 11 times. One of the meetings was held in San Francisco, US.

Overview of the number of meetings attended by all directors in 2010:

	Meetings attended
Executive director and Chief Executive Officer	
• Eric Van Zele	11
Non-executive directors	
• Herman Daems, Chairman	10
• Marc Ooms	11
• Marc Vercruysse	7
Independent, non-executive directors	
• Bruno Holthof	11
• Luc Missorten	11
• Jan P. Oosterveld	11
• Urbain Vandeurzen	9
• Christina von Wackerbarth	11

BOARD COMMITTEES

Audit committee

The audit committee is composed of three members, Jan P. Oosterveld (Chairman until the Annual Shareholders Meeting of 29 April 2010), Marc Vercruysse and Luc Missorten (Chairman appointed at the Annual Shareholders Meeting of 29 April 2010), all of whom are non-executive directors. Mr. Oosterveld and Mr. Missorten are independent directors.

The Board of Directors sees to it that the audit committee possesses sufficient relevant expertise, particularly regarding financial, accounting and legal matters, to be able to carry out its function effectively. Reference is made to the short biographies of the above mentioned members of the Audit Committee to testify to their competence in accounting and auditing, as required by the Companies Code, Art. 119, 6°. These biographies can be found on pages 56 and 57 of this annual report.

The members of the audit committee are appointed for a period that does not exceed the duration of a director's mandate. Title 2 (2.2) of the Corporate Governance Charter on www.barco.com gives an overview of the responsibilities of the audit committee. The tasks assigned to the audit committee are carried out for the entire group. The audit committee meets at least four times per year. Each year, the audit committee assesses its composition and its operation, evaluates its own effectiveness, and makes the necessary recommendations regarding these matters to the board of directors.

Both the statutory auditor and the head of the internal audit have direct and unlimited access both to the chairman of the audit committee and the chairman of the Board of Directors. In 2010, the audit Committee met seven times.

Overview of the number of meetings attended by the members of the Audit Committee:

	Meetings attended
• Jan P. Oosterveld	7
• Marc vercruysse	6
• Luc Missorten	7

Remuneration & nomination committee

The remuneration & nomination committee consists of three non-executive directors: Herman Daems (Chairman), Marc Ooms and Christina von Wackerbarth.

The board of directors has made use of the possibility to combine the remuneration committee and the nomination committee into a single committee. In line with the Corporate Governance Charter of the company, either the chairman of the Board of Directors or a non-executive director chairs this committee. The chairman of the board of directors does not chair the remuneration and nomination committee when it is dealing with the remuneration of the chairman.

The remuneration and nomination committee meets at least two times per year, as well as any time changes are necessary in the composition of the Board of Directors, be it appointments or reappointments. The CEO participates in the meetings when the remuneration and nomination plan proposed by the CEO for members of the executive management team is discussed, but not when his own remuneration is being decided. In fulfilling its responsibilities, the remuneration and nomination committee has access to all resources that it deems appropriate, including external advice.

Title 2 (2.3) of the Corporate Governance Charter on www.barco.com gives an overview of the responsibilities of the Remuneration & Nomination Committee. In 2010, the remuneration & nomination committee met three times.

Overview of the number of meetings attended by the members of the remuneration & nomination committee:

	Meetings attended
• Herman Daems	3
• Marc Ooms	3
• Christina von Wackerbarth	3

Strategic committee

The members of this committee are Herman Daems (chairman), Bruno Holthof, Eric Van Zele, Jan P. Oosterveld and Urbain Vandeurzen.

The Board of Directors has set up a strategic committee including the chairman and the CEO. The chairman presides over this strategic committee. Members of the executive management and other members can be invited to attend meetings of the strategic committee. The committee meets when an issue is introduced by the CEO. The committee meets at least one time per year to evaluate the existing strategy.

Upon the proposal of the CEO, the strategic committee discusses options that could influence the strategic path followed by the company. Possible points that may be discussed in this committee include acquisitions, mergers and the sale of a given activity. Other important strategic choices can also be discussed in the committee, such as investing in new technologies, markets or regions that could have an important impact on the future of the company. This relates to investments running over a number of years that involve a minimum engagement by the company of ten million euro over the entire duration of the project. In 2010, the strategic committee met 3 times.

Overview of the number of meetings attended by the members of the strategic committee:

	Meetings attended
Herman Daems	3
Eric Van Zele	3
Bruno Holthof	3
Jan P. Oosterveld	3
Urbain Vandeurzen	3

EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

In line with Belgian Corporate Governance guidelines, the Board of Directors of Barco regularly carries out a process of self-evaluation. The intention is to evaluate the functioning of the Board as a whole and of its committees. In this respect individual and private interviews are held with each of the directors, leading to a report which is submitted to the full board for review and action. The topics discussed are: the quality of the interaction between management and board, the quality of the information and documents submitted to the board, the preparation of the board meetings, the quality of the discussions and decision-making of the board, the extent to which all relevant strategic, organizational and managerial issues are addressed by the board, and the contribution of all board members to the decision-making process at the board. This process allows for actions to be taken, aiming at the continuous improvement of the governance of the company.

The above is fully in line with the Belgian Code on Corporate Governance. Reference is also made to Title 1 (1.3) of the company's Corporate Governance Charter on www.barco.com

REMUNERATION REPORT

Board of Directors

On 29 April 2010, pursuant to article 17 of the articles of association, the general meeting set the aggregate annual remuneration for the year 2010 at 1,865,000 euro for the entire Board of Directors. This means that this amount also includes the remuneration for the executive director. In this respect it takes into account on target performance. Performance in 2010 however, was above target, leading to a total amount of 1,943,433 million euro in total being paid out to the entire Board of Directors.

In line with internal rules the general meeting grants a fixed remuneration of 20,000 euro to non-executive directors and an additional amount based on attendance at meetings of the board and of the committee(s) a director is a member of. The attendance fee per meeting of the board and the committees is set at 2,500 euro. The chairman of the audit committee receives an attendance fee of 5,000 euro per meeting. These remunerations are charged as general costs.

Directors' remuneration 2010 (in euro)

	fixed remuneration attendance	variable board attendance	variable committee	total 2010
• Herman Daems	200,000*			
• Marc Ooms	20,000	27,500	7,500	55,000
• Marc Vercruysse**	20,000	17,500	15,000	52,500
• Bruno Holthof	20,000	27,500	0	47,500
• Luc Missorten	20,000	27,500	27,500	75,000
• Jan P. Oosterveld	20,000	27,500	32,500	80,000
• Urbain Vandeurzen	20,000	22,500	7,500	50,000
• Christina von Wackerbarth	20,000	27,500	7,500	55,000

* 156,000 euro plus 44,000 euro in retirement benefits

** amount paid to Gimv

Remuneration CEO and Corporate Senior Vice Presidents 2010 (in euro)

For the Executive Director and the Corporate Senior Vice Presidents, the remuneration is determined by the remuneration & nomination committee, in line with the rules described in the company's 'Corporate Governance Charter' under Title 4 ('Remuneration'), available on www.barco.com.

Basic principles of senior executives reward review process

Barco wants to be an attractive company for top talent in the technology market space based on sustainable human resources practices. Competitive reward, together with career and development opportunities, is at the heart of Barco's employee value proposition. Barco strives overall for a position above the market median on the total reward proposition with a substantial variable part based on company, team and individual performance. 2010 variable pay was fully conditional on company profitability.

The reward packages of the senior executive and extended management teams are reviewed by the remuneration and nomination committee on an annual basis. The committee assesses overall market competitiveness (based on bi-annual external market data), individual market positioning and sustained individual performance. This review results in updated individual reward packages and reward policies, as well as the criteria for the annual Barco Bonus plan.

The 2010 variable pay is based on EBIT, free cash flow, orders, sales, quality and individual targets.

Remuneration package 2010 of the CEO

- fixed gross salary of 612,000 euro
- variable remuneration of 592,800 euro
- contribution for retirement benefits of 300,000 euro
- other components of the remuneration: 23,633 euro.

In 2010 20,000 stock options were granted to the CEO. No stock options were exercised and no stock options lapsed.

Total remuneration 2010 for the Corporate Senior Vice Presidents

- fixed salary of 1,811,556 euro
- variable remuneration of 924,710 euro
- contribution for retirement benefits of 171,749 euro
- other components of the remuneration: 179,023 euro (healthcare insurance, personal risk insurance, company car)

In 2010, 15,950 stock options were granted to the Corporate Senior Vice Presidents. Given the recent changes in the management team, the remuneration and nomination committee felt it not appropriate to communicate any part of the individual remuneration of the Corporate Vice Presidents. No stock options were exercised and no stock options lapsed.

Reference is made to page 125 of this Annual Report for an overview of the warrants exercisable under the warrant plans. The group of Corporate Senior Vice Presidents in office on 10 March 2011 is presented on pages 58 and 59 in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

GENERAL FEATURES

Barco's Board of Directors and its executive management are responsible for assessing the company risks and the effectiveness of internal controls.

Barco has set up a risk assessment and internal control framework aligned with the prescriptions as set forward by the Belgian Corporate Governance Code 2009. This framework is built upon the five basic components of internal control and is aligned with the needs and size of the company.

Control environment

Barco has several measures in place in order to create a control environment that is sufficiently supportive to the other control components.

Amongst others;
- Barco has documented its ethical values and business conduct rules in the 'Barco Code of Ethics and Business Conduct' which is applicable to all people employed by Barco world wide;
- Barco's company structure, organization charts and function descriptions are clearly defined and documented;
- Delegations of authority rules for key company decisions are specified and can be consulted by all Barco employees.

Risk analysis

Barco has identified and analyzed all its key corporate risks as disclosed in the 'Risk Factors' section in this annual report. These corporate risks are communicated to the various levels of management. Each manager is also responsible to analyze the risks specifically applicable to their own area of responsibility. On a quarterly basis, a bottom up risk analysis exercise is performed in order to identify and document the current risk factors. Action plans are defined for all key risks.

Control activities

Control measures to mitigate the corporate risks referred to above are described in the 'Risk Factors' section. In addition, control activities are embedded in all key processes and systems in order to assure proper achievement of the company objectives.

Communication and information

Barco recognizes the importance of timely, complete and accurate communication and information both top down as well as bottom up. The company therefore has put several measures in place to assure amongst others:
- security of confidential information;
- clear communication about roles and responsibilities;
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility;
- a communication channel for employees to report any (suspected) violations of laws, regulations, company policies, ethical values....

Monitoring of control mechanisms

The quality of Barco's risk management and internal control framework is assessed by:
- the audit committee. We refer to the 'Board Committees' section in this annual report.
- Internal audit. The tasks and responsibilities assigned to Internal Audit are clarified in the Internal Audit Charter which was approved by the audit committee and the Board of Directors. The key mission of Internal Audit as defined in the Internal Audit Charter is following: "the Internal Audit Department is an independent, objective assurance and advisory function designed to add value to the organization by bringing a systematic, disciplined approach to evaluate the internal control system and provide recommendations to improve it".
- the external auditor in the context of their review of the yearly annual accounts.
- the Compliance Officer within the framework of the company's Corporate Governance Charter.

FINANCIAL REPORTING

The most important features of the risk assessment and internal control framework related to the financial reporting are the following:

- A periodic closing and reporting checklist is in place, assuring:
  - communication of timelines
  - clear assignment of task and responsibilities
  - completeness of tasks
- Finance and Accounting Manuals are available for the key accounting sections.
- The accounting teams are responsible for producing the accounting figures (closing bookings, reconciliations...) whereas the controlling teams check the validity of these figures based on:
  - coherence tests by comparison with historical and budget figures;
  - sample checks of transactions according to their materiality.
- Specific procedures related to financial risks are in place in order to assure completeness of financial accruals.
- Periodic reporting to the Audit Committee on all material areas of the financial statements concerning critical accounting judgments and uncertainties.

POLICIES OF CONDUCT

TRANSPARENCY OF TRANSACTIONS INVOLVING SHARES OR OTHER FINANCIAL INSTRUMENTS OF BARCO

In line with the Royal Decree of 5 March 2006, which came into force on 10 May 2006, members of the board of directors and the executive committee must notify the BFIC (Banking, Finance and Insurance Commission) of any transactions involving shares or other financial instruments of Barco within 5 business days after the transaction. These transactions are made public on the web site of the BFIC http://www.cbfa.be and also on the Barco website (http://www.barco.com/investors/en/tradingdisclosure/default.asp), where by the end of the first month following every quarter, all transactions by "insiders" in financial instruments related to Barco, are made public by the Compliance Officer of Barco.

Reference is also made to Title 7 (1) of the Company's Corporate Governance Charter on www.barco.com

CONFLICTS OF INTEREST

Basic principles

The law provides a means of settling conflicts of interest that arise within the context of a director's mandate. In the interest of the company, the board of directors has decided in this matter that its members must assume a number of additional obligations, which can be summarized as follows:

- Independence: in exercising their mandate, the directors must be totally independent in their judgment.
- Conflicts of interest: any sign of conflicting interests between Barco nv and its directors must be avoided.
- Transparency: any potential conflict of interest must be reported during the board meeting in question of Barco nv.

Interests related to the director's mandate

The legal provisions on conflicts of interest for directors apply to the decisions that fall under the power of the board of directors and that meet the following conditions:

- It must concern an interest relating to property: this means that it must be an interest of financial significance.
- Only a conflicting interest is intended: the 'conflicting interest' relates to the decision to be taken, and not necessarily to the company: in this sense, 'conflicting' means that the position of the director in question differs according to the decision taken.

The direct consequences of the applicability of these provisions are that the directors in question:

- must report their conflicting interest relating to property to the board of directors before a decision is taken;
- shall leave the meeting while this point on the agenda is being dealt with;
- shall not be permitted to participate in the deliberations and decision-making about the topic in question.

Functional conflict of interest

A director who is a director or business manager of a customer or supplier or who is employed by a customer or supplier shall report this fact to the board of directors prior to the deliberations concerning a topic on the agenda relating (whether directly or indirectly) to this customer or supplier. This obligation also applies when a family member of the director has the above-mentioned position. The same rule applies when a director or their family members (whether directly or indirectly) hold more than 5% of the shares with voting rights of a customer or supplier. Subsequently, the director in question:

- shall leave the meeting while this point on the agenda is being dealt with;
- shall not be permitted to participate in the deliberations and decision-making about the topic in question.

These legal provisions are not applicable when the customer or supplier is a listed company and the participation of the director (or their family members) takes place within the framework of assets that have been placed under the management of an asset manager who manages these assets in accordance with his own judgment, without taking the director (or their family members) into account. The directors are conscious of the great importance of the above rules in relation to the good management of Barco nv and they commit themselves to taking the greatest of care to ensure that these rules are observed.

STATUTORY AUDITOR

Ernst & Young Bedrijfsrevisoren CV
De Kleetlaan 2 - 1831 Brussel

Represented by Lieve Cornelis (Partner) & Jan De Luyck (Partner)

In 2010, remuneration paid to the statutory auditor for auditing activities amounted to 375,248 euro. Remuneration paid to the statutory auditor for special assignments was 81,278 euro.

RISK FACTORS

Risk is an inherent factor of any business enterprise. Barco recognizes that a wide variety of risks exists and takes the necessary measures to reduce the potential impact of these risks on all aspects of its global operations. While not exhaustive, Barco specifically recognizes following risks as deserving attention:

RISKS RELATED TO NEW PRODUCTS

Barco is active in very specialized, selected professional markets for visualization. In order to remain or become a market leader in each of its key markets, the company annually invests considerably in research & development. In 2010, this was 71.4 million euro, or 8.0% of sales. The main challenge in this respect is to define the right products to introduce in each of the company's markets. Risks associated with this challenge are:

- being not the first to market a new product, which may lead to a smaller market share than anticipated, or even a discontinuation of the product
- using third party components that that do not meet the expected quality levels, resulting in unusually high or higher than anticipated/ provisioned warranty expenses
- not achieving the expected sales volume or profitability, because of insufficient specifications of the new products, or better or less expensive competitive products
- having no or insufficient access to new basic technology
- introducing new products that are not yet ready enough to be marketed, resulting in unusually high or higher than anticipated/ provisioned warranty expenses

RISKS RELATED TO SHORTAGE OF COMPONENTS

Expected sales volumes may not be achieved due to shortage of components.
This shortage may be a global phenomenon as was the case in 2010, due to the economic crisis. It may however, also be linked to the introduction of new products that require new components, which may not immediately be available in required volumes.

STRATEGY RISKS

Barco's strategy is aimed at long-term growth and security. However, a failure to execute this strategy could negatively impact results and share value. This includes the inability to safeguard intellectual property rights and other ways of improper strategy execution. A similarly negative effect could result from not adapting quickly enough to paradigm shifts within the industry.

As Barco is traditionally active in very specialized, selected professional markets, this implies a strategic risk from technology commoditization and low-cost competition moving up the technology ladder. Counteracting measures initiated by Barco include intensified attention for the market mid-segments to increase its business in these markets by offering a broader product range to its customer base.

LITIGATION RISKS

Barco has sometimes been, and may also be in the future, involved in legal actions, which are a normal aspect of doing business. These legal actions may be related to:

- claims from third parties for patent infringement
- product liability
- warranty issues
- claims from Barco against third-party component suppliers

The above is an incomplete list. If necessary, provisions, which are understood to be sufficient, are made. However, any litigation case may result in unexpected costs.

COMPLIANCE RISKS

Within a company of Barco's size and scope, employees' individual actions could result in a breach of company ethics. This can result in a negative effect on the company image, the business and the share value. This risk is higher in emerging markets as corporate governance systems and the monitoring of ethical standards may still be less developed than in more mature markets.

Through a strict worldwide application of its Corporate Governance Charter and diligent internal control Barco aims at reaching the highest level of compliance with its Corporate Governance Charter and the company ethics an a global scale.

IT RISKS

Since Barco extensively uses IT systems and platforms to support its operations, configuration, hardware and software failures may occur, which could hamper these operations. Proper fail-safe and recovery procedures are in place to mitigate these risks.

In terms of addressing safety risks inherent to any modern IT infrastructure, Barco's facility and IT management is fully compliant with ITAR and C-TPAT guidelines, proactively scans its network for vulnerabilities, strictly regulates access to its networks, and regularly performs disaster recovery exercises.

CURRENCY RISKS

The results of the company are reported in euro. This means that the results of the operations and the financial position of Barco entities that work in other currencies than the euro, need to be translated in euro in the company's consolidation process. As there is an ongoing fluctuation between these foreign currencies and the euro, a negative impact may occur on the company's consolidated results.

The most important currency and risk in this respect is the US dollar. Around 45% of the company's total annual sales are realized in USD or USD-related currencies. The evolution of the exchange rate of the USD versus the euro cannot be predicted, which results in an ongoing risk in forecasting sales volumes for the whole group, also because of the time elapsing between order and actual delivery and invoice. At the same time profit margins may be negatively affected. At least as important however, is the fact that some of Barco's main competitors are USD-based. Because of that decreases in value of the USD against the euro may give these competitors a competitive advantage over Barco.

Barco has made great efforts in recent years to increase its competitive position and its natural hedging against the USD by increasing its operational costs in USD or USD-related currencies and by purchasing more components in these currencies. The company is set to continue on this course.

MACRO-ECONOMIC RISKS

Outside of the immediate business environment Barco is active in, an overall negative economic climate, lack of liquidity in the financial markets or a global stock market collapse may have a negative effect on Barco, its customers and its partners. Customers and partners may either be slowed down by a recession, or unable to secure the cash to make due investments. To mitigate its own risks, in 2009 Barco secured a revolving credit facility of 85 million euro with a banking consortium, as well as adopted a pro-active cash generating strategy. In addition, the fact that Barco is doing business in many markets and geographical regions may reduce the impact of bad economic climates as these may not affect all markets and regions equally.

RISKS OF NOT FINDING OR LOSING TALENT

As Barco's business is introducing new cutting-edge technological applications, finding the right human resources for product management, R&D, business development and operations is a constant challenge. The global distribution of Barco's sales & marketing activities, service organization, R&D and manufacturing reduces this risk to a large extent. This risk is further mitigated by Barco's internal talent and career development and company-wide learning programs. Nevertheless, in today's recovering economy, attracting and retaining talent is a challenge for any company.

RISKS OF ENVIRONMENTAL LIABILITY

In all its operations and in all locations worldwide, Barco strictly adheres to all laws and regulations with regard to environmental safety. Nevertheless, unexpected circumstances or accidents may expose Barco to litigation. Moreover, Barco may be subjected to remediate historical environmental conditions on any of its sites, without being the actual or only cause of the environmental problem. As a good corporate citizen, Barco took its responsibility in this respect in previous cases and the company will keep doing so in the future.

RISKS RELATED TO EXCEPTIONAL EVENTS

Events of an exceptional nature may be related to the company itself, such as a fire, or events on a larger scale, such as flooding or other extreme weather conditions. On a global scale these events can also be terrorist attacks or health epidemics, destabilizing part or all of the world's economy. The list of the abovementioned exceptional events is not complete. Exceptional events may destroy a site of the company or part of it. Particularly in the case of an R&D and/or a manufacturing site, such events may strongly affect the competitive position of the company, as they may slow down or stop deliveries to customers or postpone the introduction of new products. As is the case with the actual damage caused by exceptional events, the competitive or commercial damage is insured as well. However, it is impossible to calculate beforehand what the real competitive negative impact of such events may be.

ACQUISITION RISKS

Part of Barco's long-term growth strategy is based on acquisitions. Despite the fact that Barco has well-defined parameters within which it looks for potential acquisitions and that it carries out the due-diligence processes with utmost care, acquisitions always bring along risks. These risks may be associated with the integration of the acquired company in the group. The growth of the acquired business may be below expectations or the acquired technological know how may not be as valuable as anticipated. The above risks may result in goodwill impairment.

+59.1%

Growth in the medical imaging business

+65.1%

Growth in Russia and the CIS sphere

+33.8%

Growth in Greater China

154.8% growth in digital cinema, thanks to the world's most complete portfolio digital cinema projectors

DIRECTORS' REPORT

RESULTS PER DIVISION CONTINUING OPERATIONS

IN THOUSANDS OF EURO	2010			2009		
	Sales	EBIT	% EBIT	Sales	EBIT	% EBIT
Media, Entertainment & Simulation	471,993	27,042	5.7%	308,427	-41,357	-13.4%
Monitoring, Control & Medical	427,862	18,093	4.2%	335,154	11,815	3.5%
Eliminations	-2,856			-5,515		
Group	**896,999**	**45,135**	**5.0%**	**638,066**	**-29,537**	**-4.6%**

COMMENTS ON THE RESULTS

The measures Barco took in 2009 to weather the crisis and restore profitability have led to robust growth in 2010. The company has clearly delivered on its promises for profitable growth in 2010. Sales realized in 2010 were 897 million euro, a robust growth of 40.6% compared to the 638.1 million of 2009. Organic growth was 32.3%.

Digital cinema grew sales year-on-year by 154.8% to 255.8 million euro. In medical imaging sales grew by 59.1% to 180.7 million euro. With 61.7%, avionics grew strongly as well. The other divisions realized single digit growth rates in sales for the full year, but grew sales by double digits in the second half of the year. With 529 million euro shipped during the last six months of 2010, as much as 59% of the full year shipments was realized during the second semester, an increase of 44% versus semester one.

Sales in Europe, Middle East, Africa and Latin America (EMEALA) represented 42.7% of consolidated sales, while 35.6% of sales were realized in North America and 21.7% in Asia Pacific. Compared to 2009, sales grew by 28.9%, 66.4% and 30.7% respectively. Among the best performing countries or regions for growth were the Benelux, Italy, the Nordic region, Mexico, the US, Canada, Australia, New Zealand, China, South East Asia, illustrating a global positive turn in business.

Order intake in 2010 was 978.3 million euro, an increase of 58.3% against 618.2 million euro in 2009. Organic growth in incoming orders was 49.7%. The regional distribution of order intake figures is about the same as for sales but growth figures compared to 2009 are even higher than for sales. The EMEALA region had a growth of 45.9% year-on-year, North America 94.3% and the APAC region 40.6%. The company realized growth in almost all countries where Barco is active, with outspoken performances in the Benelux, the Nordic region, Mexico, the US, Australia, New Zealand, China and South Korea.

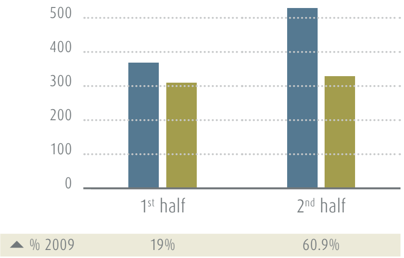
Barco's order book at the end of 2010 stood at 426.9 million euro. At the end of December 2009 the order book was 331.4 million euro.

Gross profit increased by 71.1% to 287.5 million euro or 32.1% of sales. In 2009, gross profit was 168.0 million euro and gross profit margin was 26.3%. Gross profit margin remained at more than 35% in the Monitoring, Control Room & Medical Imaging Division, while it grew strongly from 16.2% to 28.7% in the Media, Entertainment & Simulation Division.

EBITDA was 98.8 million euro, which was 11% of sales, compared to 24.1 million euro or 3.8% of sales the year before. EBIT was 45.1 million euro compared to minus 29.5 million euro (before restructuring and impairment costs) in 2009. EBIT margin in 2010 was 5.0%. Currency

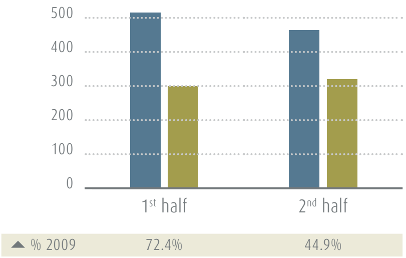
EVOLUTION SALES PER YEAR HALF 2010 VS 2009

(in million euro)



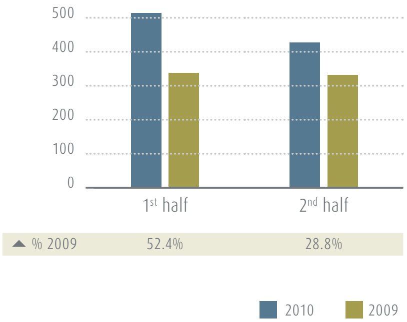
EVOLUTION ORDERS PER YEAR HALF 2010 VS 2009

(in million euro)



EVOLUTION ORDERBOOK PER YEAR HALF 2010 VS 2009

(in million euro)



exchanges had a positive impact on EBIT of 6.8 million euro compared to the year before.

While indirect costs had already been reduced from 41.5% of sales in 2008 to 38.8% in 2009, they were further brought down to below 30% of sales in the second half of 2010.

Research and development expenses increased year-on-year from 69.2 million euro to 71.4 million euro. In percentage of sales however, research and development expenses went down from 10.8% of sales to 8.0% of sales. Sales and marketing expenses increased from 94.3 million euro to 114.6 million euro, but relative to sales they decreased from 14.8% of sales to 12.8% of sales. General and administration expenses increased in absolute numbers but decreased in percentage of sales: from 41.7 million euro or 6.5% of sales to 49.0 million euro or 5.5% of sales.

Other operating result was minus 7.4 million euro. 2009 had an other operating result of 7.7 million euro positive.

Free cash flow over 2010 was slightly negative (minus 7.0 million euro) due to some investments in 3D-related technology licenses and higher working capital needs, resulting from the high increase in orders and sales. Gross operating cash flow was very strong though, driven by the high top line growth and better margins than in 2009.

Capex for 2010 excluding capitalized development was 11.0 million euro, compared to 5.5 million euro the year before.

On 31 December 2010, trade receivables were at 201 million euro, up 66 million from end December 2009. DSO was reduced to 59 days, down 12% from 67 days at the end of 2009. At 230.4 million euro, inventory was 84.2 million euro higher than at end 2009. Inventory turns were at 2.3 compared to 2.7 end of 2009. End June 2010 inventory turns were at 2.1. Trade payables were 125.4 million euro, compared to 67.9 million euro at the end of December 2009. DPO was 67 days end of 2010 compared to 55 days the year before.

At the end of December 2010, Barco had a net cash position of 8.9 million euro, compared to a net cash position of 23.5 million euro on 31 December 2009. No dividend was paid in 2010 and neither were any shares bought back.

FREE CASH FLOW

IN THOUSANDS OF EURO	2010	2009	2008
Cash flow from operating activities			
EBIT after restructuring & impairment	45,135	-68,861	-17,793
Impairment of capitalized development costs and goodwill	1,278	31,144	6,046
Restructuring provision (personnel)	-3,735	-4,598	11,733
Amortization capitalized development cost	39,058	40,849	46,136
Depreciation of tangible and intangible fixed assets	13,282	12,768	12,861
Loss on tangible fixed assets	-	-856	-322
Gross operating free cash flow	95,018	10,446	58,660
Changes in trade receivables	-55,438	34,414	32,772
Changes in inventory	-68,240	43,670	18,302
Changes in trade payables	55,340	-1,995	-23,036
Other changes in net working capital	21,007	11,166	10,153
Change in net working capital	-47,331	87,256	38,191
Net operating free cash flow	47,687	97,702	96,852
Interest income/expense	-1,448	-1,669	-3,726
Income taxes	393	461	-17,222
Cash flow from operating activities	46,632	96,493	75,904
Cash flow from investing activities			
Expenditure on product development	-41,107	-32,801	-47,006
Purchases of tangible and intangible fixed assets	-13,397	-5,486	-9,674
Proceeds on disposals of tangible and intangible fixed assets	863	1,228	832
Cash flow from investing activities (excluding acquisitions)	-53,641	-37,058	-55,848
Free cash flow (continuing business excluding acquisitions)	-7,009	59,435	20,056

The accompanying notes are in integral part of this statement.

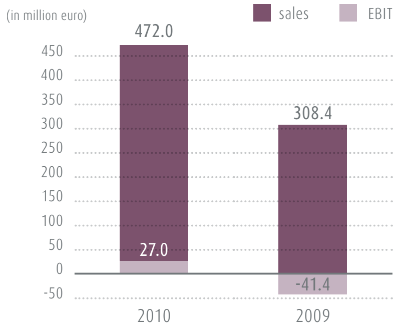
Barco generated a free cash flow of -7.0 million euro in 2010 (2009: +59.4 million euro; 2008: +20.1 million euro). In 2010, Barco realized a full EBIT turnaround compared to 2009, resulting in a gross operating free cash flow of 95.0 million euro (10.4 million euro in 2009), partly offset by 47.3 million euro increase of the net working capital. The net interest expenses further decreased in 2010 compared to 2009 and 2008. During 2010 and 2009, the net tax payments were positive. The expenditure on product development has been reinforced during 2010, leading up to 41.1 million euro investments in product development.

RETURN ON CAPITAL EMPLOYED

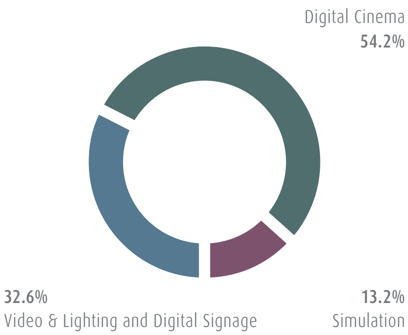
IN THOUSANDS OF EURO	2010	2009	2008
Trade debtors	200.983	134.805	168.325
Inventory	230,421	146,264	189,104
Trade payables	-125,353	-67,852	-67,004
Other working capital	-128,906	-86,163	-93,733
Total working capital	177,145	127,055	196,692
Long term assets & liabilities	150,463	140,645	164,456
Operating capital employed	**327,608**	**267,700**	**361,148**
Goodwill	52,891	32,265	57,265
Operating capital employed (incl goodwill)	380,499	299,965	418,413
EBIT before restructuring & impairment	45,135	-29,537	8,903
ROCE after tax (%)	**9.7%**	**-9.0%**	**2.1%**

Mainly driven by the significant sales increase in 2010 compared to 2009, the Barco group has realized a positive EBIT of 45.1 million euro in 2010 compared to a negative EBIT before restructuring of 29.5 million euro in the previous reporting period. By consequence, the group achieves a positive ROCE in 2010 amounting to 9.7%.

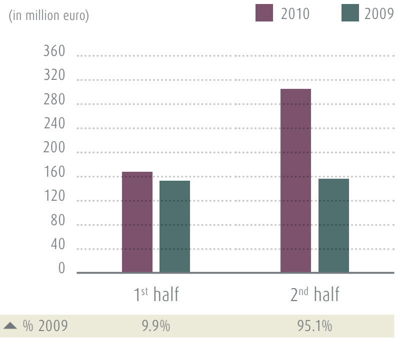
SALES & EBIT, 2010 VS 2009



SALES PER BUSINESS UNIT 2010



EVOLUTION SALES PER YEAR HALF 2010 VS 2009



MEDIA, ENTERTAINMENT & SIMULATION

SALES AND ORDERS

Sales in MES increased by 53.0% to 472.0 million euro in 2010, from 308.4 million euro in 2009. The digital cinema business performed extremely well, with Barco launching a new series of projectors that serves the whole range of the market and put Barco into a global leadership position. Shipments in digital cinema grew by 154.8% to 255.8 million euro, 179 million euro of which was realized in the second half of the year. The Chinese manufacturing site for digital cinema is now fully operational. For digital cinema, North America and the APAC markets were the strongest. VLS/DS (video & lighting solutions and digital signage) realized the highest growth in the North America and EMEALA markets. The projector segment of VLS grew by more than 20%. The repositioning of the out-of-home LED business to digital signage through the acquisition of dZine in July 2010, bringing advanced software tools for content creation and management, will further broaden Barco's offering to the market. Sales in the simulation market were flat year-on-year with a growth in top line in the APAC market compensating for the decrease in North America.

Order intake in MES increased by 96.1% from 283.9 million euro in 2009 to 556.6 million euro in 2010. With an increase of over 200% for digital cinema and almost 60% for simulation, these two markets were the main contributors to the growth in order intake of the MES business group. Order intake in the VLS/DS market increased by almost 20%. Growth in order intake for MES was carried by all three regions, with an outperformance of digital cinema in North America. For VLS/DS the APAC region realized the highest growth, while simulation grew the most in the EMEALA region.

The order book at the end of December 2010 was 177.5 million euro, compared to 87.5 million euro the year before.

GROSS PROFIT AND EBIT

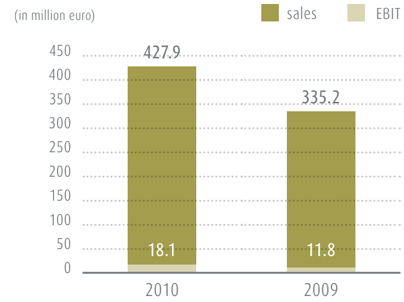
At 135.4 million euro, gross profit for the MES business group was up 170.8% compared to the year before. Gross profit margin was 28.7% compared to 16.2% in 2009.

The projector segment of VLS has healthy margins while simulation also continues to be a high margin business. In VLS/DS operational costs have been right sized and the market is recovering slowly. Extraordinary project costs and warranties however, have continued to negatively impact results.

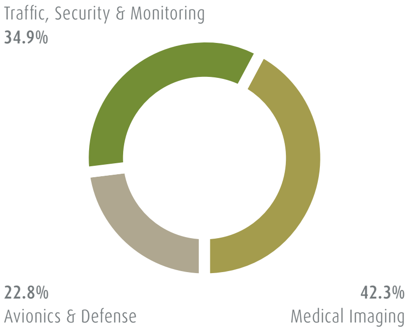
MES EBITDA margin for 2010 was 10.2%. EBIT for 2010 was at 27.0 million euro, a 5.7% margin, compared to minus 41.4 million euro in 2009. EBIT in digital cinema was double digit. In simulation it was single digit, while it was still negative in the VLS/DS market.

Research & development expenses amounted to 28.2 million euro or 6.0% of sales.

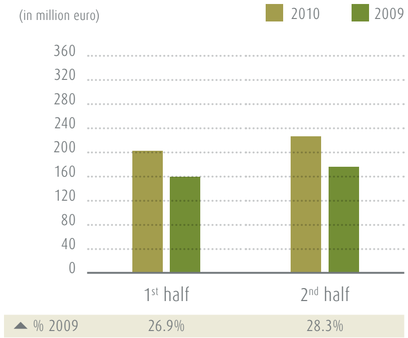
SALES & EBIT, 2010 VS 2009



SALES PER BUSINESS UNIT 2010



EVOLUTION SALES PER YEAR HALF 2010 VS 2009



MONITORING, CONTROL ROOMS & MEDICAL IMAGING

SALES AND ORDERS

Sales in MCM increased by 27.6% (13.8% of which was organic growth) from 335.2 million euro in 2009 to 427.9 million euro in 2010. The main growth driver was medical imaging, with 59.1%, 17% of which was organic. FIMI, which was acquired end December 2009, contributed well to the growth in sales of the division. The medical imaging business is set to continue its solid performance, as it is investing in the expansion of new sales channels and the development of new customer solutions that are widening the product portfolio in the healthcare market. Sales in avionics increased 61.7%, as this division benefits from increased demand for cockpit retrofit systems. The other two business units also contributed, be it with single digit figures. Traffic, surveillance and monitoring (TSM) succeeded in recapturing market share as its newly introduced LED cubes for control rooms met with high demand. Defense experienced some softness in demand. The best growth market for shipments for the MCM group as a whole was North America.

Order intake in MCM increased by 24.5% (10.3 % of which organic) from 339.5 million euro in 2009 to 422.7 million euro in 2010. All divisions within the business group contributed to this growth. The medical business in particular did very well with an increase in incoming orders of 68.7%. Excluding the FIMI acquisition, organic growth in order intake was 21.6%. The avionics business reached double digit growth in order intake. In the TSM units, the introduction of the new LED powered cubes continued to improve the competitive position in the market. A market for retrofitting installed base also started to emerge. All divisions of the MCM group had a growing order intake in North America and the APAC region. In the EMEALA region, only the medical imaging business unit could realize growth in order intake.

The order book at the end of December 2010 was 249.6 million euro, compared to 244.5 million euro the year before.

GROSS PROFIT AND EBIT

At 152.2 million euro, gross profit for the MCM business group increased by 29.1% compared to 2009. Gross profit margin was 35.6% compared to 35.2% the year before. In TSM, price erosion was offset by the move of operations from Karlsruhe (Germany) to Noida (India).

MCM's EBITDA margin for 2010 was 11.8%. EBIT for 2010 was at 18.1 million euro, a 4.2% EBIT margin, compared to 11.8 million euro in 2009, a 3.5% margin. The EBIT margin of the medical imaging business unit was in the double digits.

Research & development expenses amounted to 43.1 million euro or 10.0% of sales.

KEY FIGURES FOR SHAREHOLDERS

IN EURO	2010	2009	2008
Number of shares on 31 Dec (in thousands)	**12,670**	**12,670**	**12,670**
Per share			
Net result (1)	3.44	-5.02	1.53
Gross dividend	1.00	0	0
Net dividend (2)	0.75	0	0
Net dividend (3)	0.85	0	0
Gross dividend yield (%) (4)	2.1	0	0
Yearly return (%) (5)	73.0	59.2	-61.1
Pay-out ratio (%) (6)	29.1	0	0
Price/earnings ratio (%) (7)	13.2	-5.7	11.7
Net equity	30.95	27.17	31.82

(1) net income from continuing operations + net income from discontinued operations
(2) without VVPR-strip (withholding tax of 25%)
(3) with VVPR-strip (withholding tax of 15%)
(4) gross dividend / closing rate on 31 Dec
(5) increase / decrease share price + gross dividend paid out, divided by closing share price
(6) gross dividend / net result
(7) share price 31 Dec / net result per share

IN EURO	2010	2009	2008
Share price			
Per share			
Average closing price	37.67	23.40	35.54
Highest closing price	48.59	35.56	52.20
Lowest closing price	28.23	9.80	13.10
Closing price on 31 Dec	48.28	28.49	17.90
Average number of shares traded daily	35,551	37,430	55,126
Stock market capitalization on 31 Dec (in millions)	611.7	360.97	226.79

INFORMATION FOR THE SHAREHOLDER

INFORMATION ABOUT THE SHARE

Euronext Brussels

Barco share	BAR	ISIN BE0003790079
Barco VVPR-strip	BARS	ISIN BE0005583548
Reuters	BARBt.BR	
Bloomberg	BAR BB	

Market capitalization 31 Dec 2010	611,705,427
Highest capitalization	615,633,113
Lowest capitalization	357,672,830
Share price 31 Dec 2009	28.49 euro
Share price 31 Dec 2010	48.28 euro
Average number of shares traded	
On daily basis (2010)	35,551
Yearly volume (2010)	295.79 million euro
Velocity (2010)	62.66%

OWNERSHIP OF THE COMPANY'S SHARES

On 31 December 2010, the capital amounted to 54,169,171.60 euro, represented by 12,669,955 shares. Ownership of the company's shares was as follows:

VIM	9.87%	(1,249,921 shares)
Franklin Templeton Investments Corp.	4.95%	(627,181 shares)
Templeton Investment Counsel, LLC	5.02%	(636,239 shares)
Barco	5.82%	(737,963 shares)
Public	74.34%	(9,418,651 shares)
Total	100%	(12,669,955 shares)

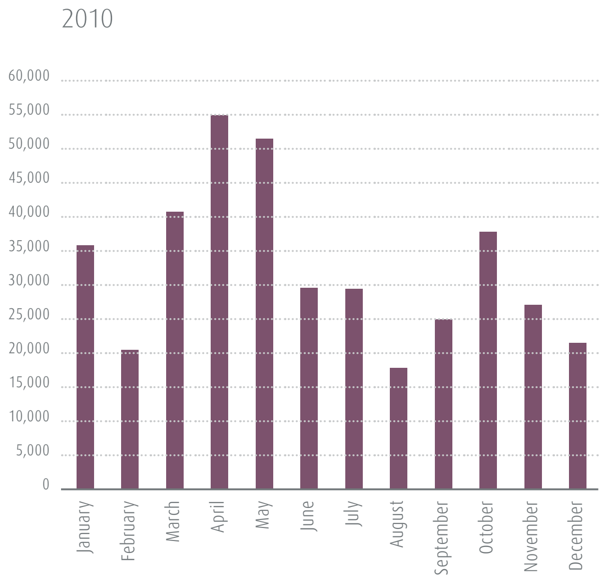
Fully diluted

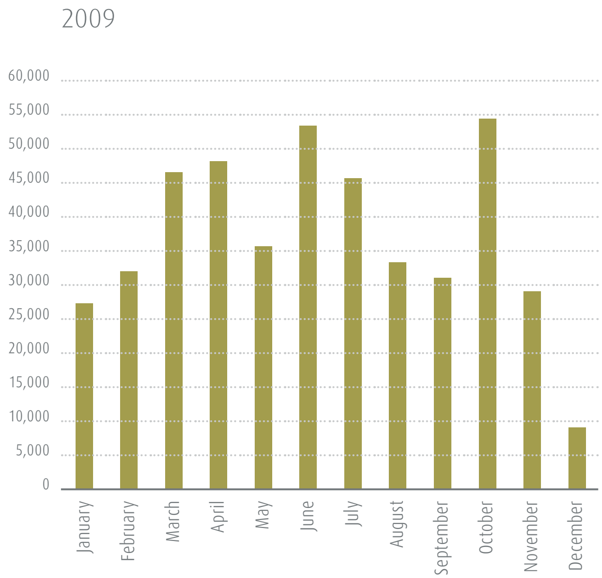
VIM	9.20%	(1,249,921 shares)
Franklin Templeton Investments Corp.	4.62%	(627,181 shares)
Templeton Investment Counsel, LLC	4.68%	(397,984 shares)
Barco	5.43%	(636,239 shares)
Public	76.07%	(10,337,455 shares)
Total	100%	(13,588,759 shares)

DIVIDEND

After two years of not paying a dividend, the Board of Directors decided to recommend to the general assembly to pay a dividend of 1 euro (gross) per share over 2010. This is 0.75 euro net, on withholding tax of 25%, and 0.85 on withholding tax of 15% (with VPPR strip). At 1 euro, the pay-out ratio is 29.06%.

DAILY AVERAGE SHARES TRADED 2010





FINANCIAL CALENDAR

· Communication of results 2H10 and FY10	9 February 2011
· Analyst & Investor Day 2011	18 February 2011
· Trading update 1Q11	22 April 2011
· Annual General Shareholders meeting	28 April 2011
· Communication of results 1H11	20 July 2011
· Trading update 3Q11	26 October 2011

ANALYSTS COVERING BARCO

Bank Degroof	Thibaud Rutsaert
Exane BNP Paribas	Arnaud Goossens
Flemish Federation of Investors and Investor Clubs	Gert De Mesure
Goldman Sachs International	Freddie Neave
ING	Emmanuel Carlier
KBC Securities	Nico Melsens
Leleux Associated Brokers	Frédéric Liefferinckx
Petercam	Stefaan Genoe
Royal Bank of Scotland	Jeroen van Harten Wim Gille
SG Private Banking	Danny Van Quaethem

EVOLUTION OF THE SHARE PRICE

The Barco share closed at 48.28 euro when markets closed on 31 December 2010. With an increase of 69.46% over 2010, the share continued on its growth path started in 2009, when the share price grew 59.16% over the full year. 2009 was the year of rightsizing the company in the wake of the global economic crisis and of creating cash. This was the first stage of a three-step strategy announced at the beginning 2009, to turn around the company.

This announcement was also a promise to the shareholders. And as Barco lived up to its promise, investors' confidence in the company grew towards the end of the year.

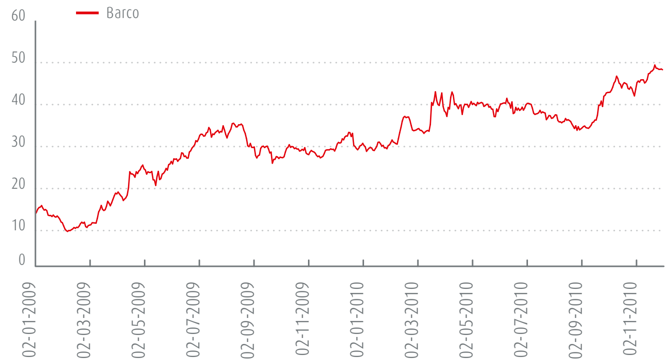
2010 was a year of very important growth for Barco. Sales grew by 258.9 million euro or 40.6% to 897.0 million euro. Order intake even grew by 58.3% to 987.3 million euro. EBIT increased to 45.1 million euro from minus 29.5 million the year before, an EBIT margin of 5.0%. It did not go unnoticed that besides the strong growth in the digital cinema and medical imaging businesses, the other business units of Barco had a combined growth of sales of 19.4% and of 21.5% in incoming orders in the second half of 2010, boding well for 2011.

Barco realized profitable growth in 2010. The second promise to the shareholders was met and over 2010 almost 70% was added to the share price.

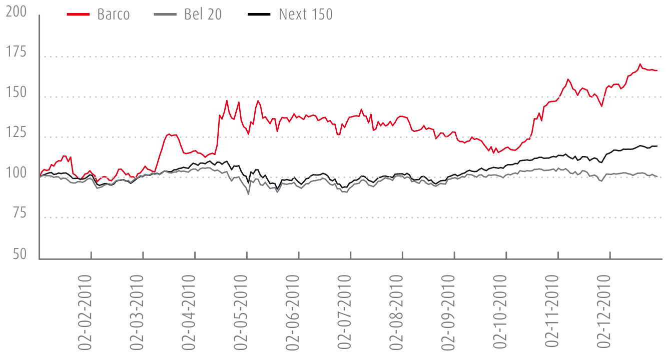
The company was ready for the third phase of its turnaround strategy: preparing itself for continued sustainable growth in the years to come. On 18 February 2011 Barco's management presented 'Barco redefined' to an international public of analysts and investors. In the meantime the share price closed at 56.44 euro on Tuesday 1 March, an increase of 16.90 euro since 31 December 2010.

Barco wishes to thank its shareholders for their ongoing confidence in the company, its board of directors, its management and its employees, on its path to sustainable growth.

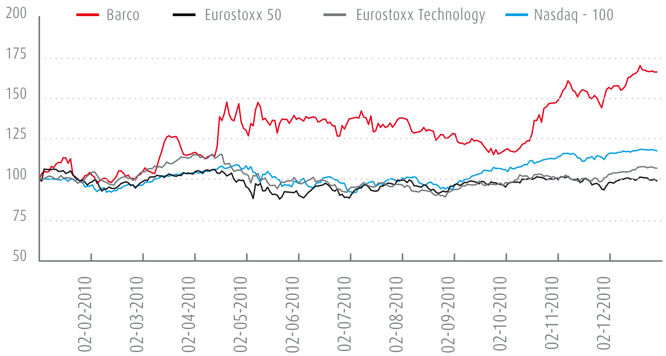
Barco share price 2009 - 2010



Barco / Bel 20 / Next 150



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



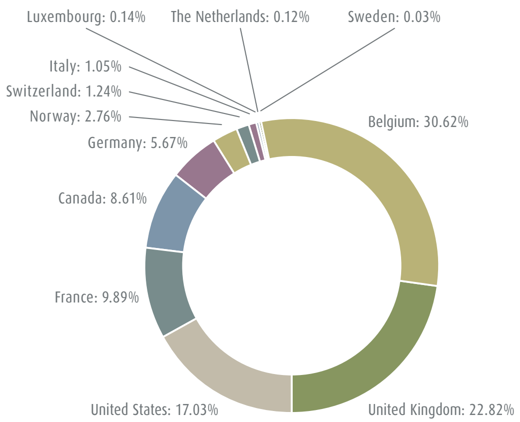
INVESTOR RELATIONS

By continuing its long-standing practice of international road shows to meet investors and inviting them also to Barco's Customer Center at its headquarters in Belgium, the company was able to consolidate the wide international distribution of its shareholders. End June 2010, institutional investors were identified as holding 59.4% of all shares of the company. Of all shares held by identified institutional investors, 30.6% were held in Belgium, 22.8% in the UK, 17.3% in the USA, 9.9% in France, 8.6% in Canada and 5.7% in Germany, to name only the countries with an institutional shareholdership above 3%. Barco holds 5.82% of its own shares. 22.5% of the shares are estimated as held by private investors, leaving 12.3% of the shares whose the ownership was unidentified end June 2010. The five largest shareholders accounted for 24.7% of all shares of Barco while the 10 largest held 38.8% of the shares end June 2010.

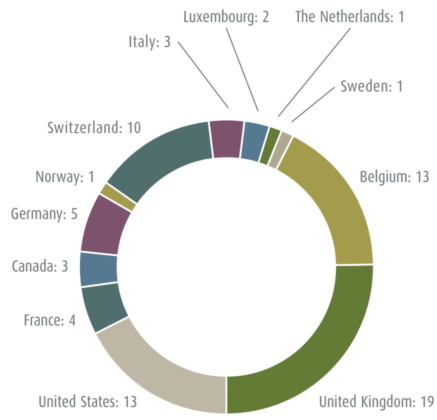
Value-oriented investors continue to dominate Barco's shareholdership with 31% of shares held, although they have been declining since June 2009, when the percentage they held was 33%. This may be due to the fact that Barco endured a tough 2H09 on account of exposure to the video & lighting and out of home media markets, which suffered severely because of the global economic crisis. However, the positive evolution of the company's results in 2010 and particularly in the second half, may bring about a return of value investors in the near future. GARP (growth at reasonable price) investors accounted for 18% of shares held versus 22% the year before. Growth investors kept their holdings at a low 16%. The very strong growth of 2010 order intake of 58.3% to 987 million euro may lead to expectations for ongoing strong growth. This in turn may very well forecast a comeback of growth investors in the near future. Barco traditionally benefits from a large proportion of low turnover investors. These investors have a longer investment horizon and are less sensitive to short-term phenomena, resulting in a natural stabilizing effect on the shareholder base.

In 2010, Barco continued to offer the financial community of analysts, investors and shareholders the highest level of transparency and will keep doing so in 2011. Besides road shows and company visits, calls with analysts and investors are made on a daily basis. The company kicked off 2011 with a well-appreciated Analyst & Investor Day on 18 February 2011, to present 'Barco redefined', Barco's third step in its strategy for continued, sustainable and profitable growth in the years to come.

Geographical distribution of shares held by identified institutional shareholders in number of shares



Geographical distribution of shares held by identified institutional shareholders in number of shareholders

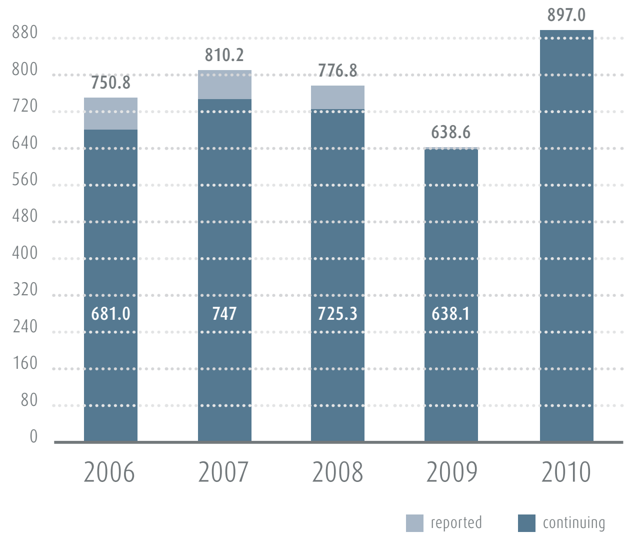


IFRS FINANCIAL STATEMENTS INTRODUCTION

This chapter of the Annual Report contains the IFRS audited consolidated financial statements including the notes thereon prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

The chapter Comments on the results (page 70) provides an analysis of the developments during the financial year 2010 and the results and is based on the IFRS consolidated financial statements and should be read in conjunction with these statements.

SALES



The completely refurbished Customer Center in Kuurne shows customers our wide range of products and systems for various markets

BARCO CONSOLIDATED

INCOME STATEMENT

IN THOUSANDS OF EURO	NOTE	2010	2009	2008
Net sales	2	896,999	638,066	725,288
Cost of goods sold	2	-609,484	-470,115	-480,149
Gross profit	**4**	**287,516**	**167,951**	**245,139**
Research and development expenses	4	-71,371	-69,234	-77,087
Sales and marketing expenses	4	-114,555	-94,251	-116,196
General and administration expenses	4	-49,006	-41,665	-51,119
Other operating income (expense) - net	4	-7,449	7,662	8,166
EBIT before restructuring and impairment		**45,135**	**-29,537**	**8,903**
Restructuring and impairment costs	6	-	-39,386	-26,696
EBIT after restructuring and impairment		**45,135**	**-68,923**	**-17,794**
Interest income		912	3,803	4,435
Interest expense		-2,422	-5,472	-8,161
Other non-operating income (expense) - net		-	-	135
Income before taxes		**43,625**	**-70,593**	**-21,384**
Income taxes	7	-	6,383	-
Net income from continuing operations		**43,625**	**-64,210**	**-21,384**
Net income from discontinued operations	**3**	**-**	**4,289**	**39,642**
Net income		**43,625**	**-59,919**	**18,258**
Non-controlling interest		-	-	-
Net income attributable to the equity holder of the parent		**43,625**	**-59,919**	**18,258**
Earnings per share (in euro)	8	3.66	-5.02	1.53
Diluted earnings per share (in euro)	8	3.41	-5.02	1.44
Earnings (continuing) per share (in euro)	8	3.66	-5.38	-1.79
Diluted earnings (continuing) per share (in euro)	8	3.41	-5.38	-1.79

The accompanying notes are an integral part of this income statement.

STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EURO		2010	2009	2008
Net income		**43,625**	**-59,919**	**18,258**
Exchange differences on translation of foreign operations	(a)	9,000	830	-7,818
Net (loss)/gain on cash flow hedges		-1,949	-229	390
Income tax		361	78	-133
Net (loss)/gain on cash flow hedges, net of tax		-1,589	-151	258
Other comprehensive income (loss) for the period, net of tax		7,411	679	-7,560
Total comprehensive income for the period, net of tax, attributable to equity holder of the parent		**51,036**	**-59,241**	**10,698**

The accompanying notes are an integral part of this cash flow statement

(a) Translation exposure gives rise to non-cash exchange gains/losses. Examples are foreign equity and other long-term investments abroad. These long term investments give rise to periodic translation gains/losses that are non-cash in nature until the investment is finally liquidated. The comprehensive income line commonly shows a positive result in case the foreign currency in countries where investments were made appreciates versus the euro, and a negative result in case the foreign currency depreciates. In 2010, positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Indian Rupee, US Dollar, Singapore dollar and Australian dollar.

BALANCE SHEET

IN THOUSANDS OF EURO	NOTE	2010	2009	2008
ASSETS				
Goodwill	9	52,891	32,265	57,265
Capitalized development cost	10	59,378	54,434	69,038
Other intangible assets	11	8,573	5,204	2,325
Land and buildings	11	30,525	30,988	33,378
Other tangible assets	11	25,657	23,193	29,058
Investments		326	19,327	327
Deferred tax assets	12	41,742	32,125	33,871
Other non-current assets	14	17,339	6,109	5,302
Non-current assets		**236,431**	**203,645**	**230,565**
Inventory	13	230,421	146,264	189,104
Trade debtors	14	200,983	134,805	168,325
Other amounts receivable	14	32,044	25,850	30,172
Cash and cash equivalents	15	46,041	45,901	72,119
Prepaid expenses and accrued income		8,780	9,092	7,484
Assets from discontinued operations	3	-	6,918	22,960
Current assets		**518,269**	**368,831**	**490,162**
Total assets		**754,699**	**572,475**	**720,727**
EQUITY AND LIABILITIES				
Equity attributable to equityholders of the parent	17	395,590	344,264	403,173
Non-controlling interests		1	1	3
Equity		**395,591**	**344,265**	**403,176**
Long-term debts	15	12,674	11,906	13,672
Deferred tax liabilities	12	7,331	5,299	3,215
Other long-term liabilities	16	13,288	5,446	5,813
Non-current liabilities		**33,293**	**22,652**	**22,700**
Current portion of long-term debts	15	2,643	2,393	1,983
Short-term debts	15	24,039	8,116	89,266
Trade payables	18	125,353	67,852	67,004
Advances received on contracts in progress		33,659	27,493	19,180
Tax payables		23,574	12,203	20,989
Employee benefit liabilities		47,598	28,450	38,055
Other current liabilities		6,522	3,997	4,636
Accrued charges and deferred income		14,154	10,801	7,821
Provisions	19	48,273	38,824	40,355
Liabilities from discontinued operations	3	-	5,429	5,562
Current liabilities		**325,815**	**205,558**	**294,851**
Total equity and liabilities		**754,699**	**572,475**	**720,727**

The accompanying notes are an integral part of this balance sheet.

The balance sheet per 31 December 2010 does not contain discontinued operations, resulting in no differences between the reported and the continuing balance sheet. The balance sheet per 31 December 2009 and 2008 include discontinued operations, on which detailed information is included in Note 3. The above mentioned balance sheet relates to the continuing business for the 3 years, whereas the balance sheet from reported business is included in Note 25.

CASH FLOW STATEMENT

IN THOUSANDS OF EURO	NOTE	2010	2009	2008
Cash flow from operating activities				
EBIT after restructuring & impairment	4	45,135	-68,861	-17,793
Impairment of capitalized development costs and goodwill	4	1,278	31,144	6,046
Restructuring provision and charges (personnel)		-3,735	-4,598	11,733
Amortization capitalized development cost	4	39,058	40,849	46,136
Depreciation of tangible and intangible fixed assets	11	13,282	12,768	12,861
Loss on tangible fixed assets		-	-856	-322
Share options recognized as cost	17	290	330	640
Discontinued operations: cash flow from operating activities		-	-97	5,285
Gross operating cash flow		**95,308**	**10,679**	**64,585**
Changes in trade receivables		-55,438	34,414	32,772
Changes in inventory		-68,240	43,670	18,302
Changes in trade payables		55,340	-1,995	-23,036
Other changes in net working capital		21,007	11,166	10,153
Discontinued operations : change in net working capital	3	-	-7,528	1,070
Change in net working capital		**-47,331**	**79,728**	**39,261**
Net operating cash flow		**47,977**	**90,407**	**103,846**
Interest income/expense		-1,448	-1,669	-3,726
Income taxes		393	461	-17,222
Other non-operating results		-7	-	-
Discontinued operations : income taxes	3	-	373	148
Cash flow from operating activities		**46,915**	**89,572**	**83,047**

CASH FLOW STATEMENT

IN THOUSANDS OF EURO	NOTE	2010	2009	2008
Cash flow from investing activities				
Expenditure on product development	4	-41,107	-32,801	-47,006
Purchases of tangible and intangible fixed assets	11	-13,397	-5,486	-9,674
Proceeds on disposals of tangible and intangible fixed assets		863	1,228	832
Acquisition of Group companies, net of acquired cash	24	-9,876	-	-36,423
Disposal of Group companies, net of disposed cash	1.2	1,976	-	-
Other investing activities		1	-19,000	-
Discontinued operations : cash flow from investing activities	3	-	22,774	59,539
Cash flow from investing activities		**-61,541**	**-33,284**	**-32,733**

Cash flow from financing activities				
Dividends paid		-	-	-28,556
Share issue		-	-	8
Acquisition of own shares		-	-	-1,217
Payments of long-term liabilities		-1,406	-1,766	-1,131
Proceeds from (+), payments of (-) short-term liabilities		16,173	-80,739	-20,638
Cash flow from financing activities		**14,766**	**-82,505**	**-51,533**
Net decrease in cash and cash equivalents		**141**	**-26,217**	**-1,219**
Cash and cash equivalents at beginning of period		**45,901**	**72,119**	**73,337**
Cash and cash equivalents at end of period		**46,042**	**45,901**	**72,119**

The accompanying notes are an integral part of this cash flow statement

CHANGES IN EQUITY

IN THOUSANDS OF EURO	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-controlling interest	Equity
Balance on 1 January 2008	**185,311**	**308,759**	**2,218**	**-30,769**	**506**	**-44,421**	**421,605**	**2**	**421,607**
Net income	-	18,258	-	-	-	-	18,258	-	18,258
Dividend	-	-28,556	-	-	-	-	-28,556	-	-28,556
Other comprehensive income (loss) for the period, net of tax	-	-	-	-7,818	258	-	-7,560	-	-7,560
Capital increase	8	-	-	-	-	-	8	-	8
Acquisition of own shares	-	-	-	-	-	-1,220	-1,220	-	-1,220
Share-based payment	-	-	640	-	-	-	640	-	640
Balance on 31 December 2008	**185,319**	**298,461**	**2,858**	**-38,587**	**764**	**-45,641**	**403,174**	**2**	**403,176**
Balance on 1 January 2009	**185,319**	**298,461**	**2,858**	**-38,587**	**764**	**-45,641**	**403,174**	**2**	**403,176**
Net income	-	-59,919	-	-	-	-	-59,919	-	-59,919
Other comprehensive income (loss) for the period, net of tax	-	-	-	830	-151	-	679	-	679
Share-based payment	-	-	330	-	-	-	330	-	330
Balance on 31 December 2009	**185,319**	**238,542**	**3,188**	**-37,757**	**613**	**-45,641**	**344,264**	**1**	**344,265**
Balance on 1 January 2010	**185,319**	**238,542**	**3,188**	**-37,757**	**613**	**-45,641**	**344,264**	**1**	**344,265**
Net income	-	43,625	-	-	-	-	43,625	-	43,625
Other comprehensive income (loss) for the period, net of tax	-	-	-	9,000	-1,589	-	7,411	-	7,411
Share-based payment	-	-	290	-	-	-	290	-	290
Balance on 31 December 2010	**185,319**	**282,166**	**3,478**	**-28,757**	**-975**	**-45,641**	**395,590**	**1**	**395,591**

The accompanying notes are an integral part of this statement.

SIGNIFICANT IFRS ACCOUNTING PRINCIPLES

1. ACCOUNTING PRINCIPLES

1.1. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

The consolidated financial statements of the Barco group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the EU. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2010 and adopted by the European Union are applied by Barco.
The consolidated financial statements are presented in thousands of euro and are prepared under the historical cost convention, except for the measurement at fair value of investments and derivative financial instruments. The financial statements were authorized for issue by the board of directors on 7 February 2011. The chairman has the power to amend the financial statements until the shareholders' meeting of 28 April 2011.

1.2. PRINCIPLES OF CONSOLIDATION

General
The consolidated financial statements comprise the financial statements of the parent company, Barco nv, and its controlled subsidiaries, after the elimination of all intercompany transactions.

Subsidiaries
Subsidiaries are consolidated from the date the parent obtains control until the date control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. Control exists when Barco has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are prepared according to the parent's company reporting schedule, using consistent accounting policies.

Non-controlling interests
Non-controlling interests represent the portion of profit or loss and net assets not held by the group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from shareholder's equity.

Investments in associated companies
Investments in associated companies over which the company has significant influence (typically those that are 20-50% owned) are accounted for under the equity method of accounting and are carried in the balance sheet at the lower of the equity method amount and the recoverable amount, and the pro rata share of income (loss) of associated companies is included in income.

Joint ventures
The company's interest in the jointly controlled entity is accounted for by proportionate consolidation, which involves recognizing a proportionate share of the joint venture's assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis.

2. GOODWILL

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets and contingent liabilities of a subsidiary or associated company at the date of acquisition.
Goodwill is carried at cost less any accumulated impairment losses.

3. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred, except for development costs, which relate to the design and testing of new or improved materials, products or technologies, which are capitalized to the extent that it is expected that such assets will generate future economic benefits and the recognition criteria of IFRS are met. Capitalized development costs are amortized on a systematic basis over their expected useful lives. General estimate of useful life is 2 years, unless a longer or shorter period can be justified. This period is not exceeding 4 years.

4. OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are capitalized at cost.
Intangible assets acquired as part of a business combination are capitalized at fair value separately from goodwill if the fair value can be measured reliably on initial recognition. Other intangible assets are amortized on a straight-line basis not exceeding 5 years.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Generally, depreciation is computed on a straight-line basis over the estimated useful life of the asset. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

Estimated useful life is:

• buildings	20 years
• installations	10 years
• production machinery	5 years
• measurement equipment	4 years
• tools and models	3 years
• furniture	10 years
• office equipment	5 years
• computer equipment	3 years
• vehicles	5 years
• demo material	1 to 3 years

• leasehold improvements and finance leases: cf. underlying asset, limited to outstanding period of lease contract

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognized.

6. LEASES

Finance leases, which effectively transfer to the group substantially all risks and benefits incidental to ownership of the leased item, are capitalized as property, plant and equipment at the fair value of the leased property, or, if lower, at the present value of the minimum lease payments. The corresponding liabilities are recorded as long-term or current liabilities depending on the period in which they are due. Lease interest is charged to the income statement as a financial cost using the effective interest method. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.
Operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term, are classified as operating leases. Operating lease payments are expressed in the income statement on a straight line basis over the lease term.

7. INVESTMENTS

Investments are treated as financial assets available for sale and are initially recognized at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. For investments quoted in an active market, the quoted market price is the best measure of fair value. For investments not quoted in an active market, the carrying amount is the historical cost, if a reliable estimate of the fair value cannot be made. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount.

8. OTHER NON-CURRENT ASSETS

Other non-current assets include long-term interest-bearing receivables and cash guarantees. Such long-term receivables are accounted for as loans and receivables originated by the company and are carried at amortized cost. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount.

9. INVENTORIES

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a first in first out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs of completing the sale.
In addition to the cost of materials and direct labor, the relevant proportion of production overhead is included in the inventory values.

10. REVENUE RECOGNITION

Revenue is recognized when it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.
For product sales, revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed and determinable, and collectability is probable.
For contract revenue, the percentage of completion method is used, provided that the outcome of the contract can be assessed with reasonable certainty.
For sales of services, revenue is recognized by reference to the stage of completion.

11. GOVERNMENT GRANTS

Government grants related to development projects for which costs are capitalized, are classified as deferred income and recognized as income in proportion to the depreciation of the underlying fixed assets. Government grants related to research projects and other forms of government assistance are recognized as income upon irreversible achievement and by reference to the relevant expenses incurred.

12. TRADE DEBTORS AND OTHER AMOUNTS RECEIVABLE

Trade debtors and other amounts receivable are shown on the balance sheet at nominal value (in general, the original amount invoiced) less an allowance for doubtful debts. Such an allowance is recorded in operating income when it is probable that the company will not be able to collect all amounts due. Allowances are calculated on an individual basis, and on a portfolio basis for groups of receivables that are not individually identified as impaired.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks and short-term investments with an original maturity date or notice period of three months or less. It is the group's policy to hold investments to maturity. All investments are initially recognized at fair value, which is the cost at recognition date. Gains and losses are recognized in income when the investments are redeemed or impaired, as well as through the amortization process.

14. PROVISIONS

Provisions are recorded when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

The group recognizes the estimated liability to repair or replace products still under warranty at the balance sheet date. The provision is calculated based on historical experience of the level of repairs and replacements.

A provision for restructuring is only recognized when the group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly before the balance sheet date.

15. EQUITY – COSTS OF AN EQUITY TRANSACTION

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

16. INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the loan/borrowing. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs and any discount or premium on settlement.

17. TRADE AND OTHER PAYABLES

Trade and other payables are stated at fair value, which is the cost at recognition date.

18. EMPLOYEE BENEFITS

Employee benefits are recognized as an expense when the group consumes the economic benefit arising from service provided by an employee in exchange for employee benefits, and as a liability when an employee has provided service in exchange for employee benefits to be paid in the future. General pension plans are defined contribution plans. Obligations for these plans are recognized as an expense in the income statement as incurred. Pension obligations caused by legal requirements and some exceptional cases where the additional pension plan includes defined benefit obligations, are treated as post employment benefits of a defined benefit type.

19. TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of transaction or at the end of the month before the date of the transaction. At the end of the accounting period the unsettled balances on foreign currency receivables and liabilities are valued at the rates of exchange prevailing at the end of the accounting period. Foreign exchange gains and losses are recognized in the income statement in the period in which they arise.

20. FOREIGN GROUP COMPANIES

In the consolidated accounts all items in the profit and loss accounts of foreign subsidiaries are translated into euro at the average exchange rates for the accounting period. The balance sheets of foreign group companies are translated into euro at the rates of exchange ruling at the year-end. The resulting exchange differences are classified in a separate component of 'other comprehensive income', until disposal of the investment.

21. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognized initially at cost, which is the fair value of the consideration given (in the case of an asset) or received (in the case of a liability) for it. Transaction costs are considered in the initial measurement of all financial assets and liabilities. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The fair values of derivative interest contracts are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument. The fair value of forward exchange contracts is their market price at the balance sheet date.

Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value with changes in value included in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized directly in 'other comprehensive income' with the ineffective part recognized directly in profit and loss.

22. INCOME TAXES

Current taxes are based on the results of the group companies and are calculated according to local tax rules.

Deferred tax assets and liabilities are determined, using the liability method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Tax rates used are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

23. IMPAIRMENT OF ASSETS

Goodwill is reviewed for impairment at least annually. For other tangible and intangible assets, at each balance sheet date, an assessment is made as to whether any indication exists that assets may be impaired. If any such indication exists, an impairment test is carried out in order to determine if and to what extent a valuation allowance is necessary to reduce the asset to its value in use (the present value of estimated future cash flows) or, if higher, to its fair value less cost to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs to sell while value in use is the present value of the future cash flows expected to be derived from an asset. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the assets belong. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognized in the income statement. Reversal of impairment losses recognized in prior years is included as income when there is an indication that the impairment losses recognized for the asset are no longer needed or the need has decreased, except for impairment losses on goodwill, which are never reversed.

24. SHARE-BASED PAYMENT

Barco created warrants for staff and non-executive directors as well as for individuals who play an important role for the company. According to the publication of IFRS2, the cost of share-based payment transactions is reflected in the income statement.

The warrants are valued at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates, and interest rates. Warrant cost is taken into result on a straight-line basis from the grant date until the first exercise date.

25. EARNINGS PER SHARE

The group calculates both basic and diluted earnings per share in accordance with IAS 33, Earnings per share. Under IAS 33, a basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares outstanding during the period plus the dilutive effect of warrants outstanding during the period. As diluted earnings per share can not be higher than basic earnings per share, diluted earnings per share are kept equal to basic earnings per share in case of negative net earnings.

26. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

A discontinued operation is a component of the group that either has been disposed of, or is classified as held for sale and represents a separate major line of business and is part of a single coordinated plan to dispose of a separate major line of business or is a subsidiary acquired exclusively with a view to resale. The group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the group measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRSs. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amounts and fair value less costs to sell. Impairment losses are recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell.

IFRS ACCOUNTING STANDARDS ADOPTED AS FROM 2010

The accounting policies adopted are consistent with those of the previous financial year except as follows.

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2010:

- IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Arrangements, effective 1 January 2010
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended), effective 1 July 2009
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items, effective 1 July 2009
- IFRIC 12 Service Concession Arrangements, effective 1 April 2009
- IFRIC 15 Agreements for the Construction of Real Estate, effective 1 January 2010
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation, effective 1 July 2009
- IFRIC 17 Distributions on Non-cash Assets to Owners, effective 1 November 2009
- IFRIC 18 Transfers of Assets from Customers, effective 1 November 2009
- Improvements to IFRSs (Issued May 2008), effective 1 January 2010
- Improvements to IFRSs (Issued April 2009), effective 1 January 2010
- IFRS Practice Statement Management Commentary[1], effective 8 December 2010

The IFRS accounting standards adopted as from 2010 did not have a material impact on the consolidated financial statements of Barco.

IFRS ACCOUNTING STANDARDS EFFECTIVE AS FROM 2011 ONWARDS

Following new standards and interpretations have been issued as of the date of approval of these financial statements but were not yet effective on the balance sheet date:

- IFRS 7 Financial Instruments: Disclosures – Amendment to Disclosures[2], effective 1 July 2011
- IFRS 9 Financial Instruments[2], effective 1 January 2013
- IAS 12 Income Taxes – Recovery of Tax Assets[2], effective 1 January 2012
- IAS 24 Related Party Disclosures (Revised), effective 1 January 2011
- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues, effective 1 February 2010
- IFRIC 14 – Prepayments of a Minimum Funding Requirement, effective 1 January 2011
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, effective 1 July 2010
- Improvements to IFRSs (Issued May 2010)[2], effective 1 January 2011

Barco will apply the new standards and interpretations applicable for the group as soon as these are effective. Barco did not elect for early application of these standards and interpretations. The adoption of these standards, interpretations and amendments to published standards will have no significant impact on the results of Barco.

1 The Practice Statement is not an IFRS. Consequently, an entity need not comply with the Practice Statement to comply with IFRSs.
2 Not yet endorsed by the EU as per 27 December 2010

RECLASSIFICATIONS

Certain items previously reported under specific financial statement captions have been reclassified to conform to the current year presentation.

Prior-period amounts have been revised to reflect changes in the warranty provision as part of the Cost of goods sold instead of as part of Other operating income (expense) - net and depot repair as part of the Cost of goods sold instead of as part of Sales and marketing expenses.

The table below outlines the impact of these restatements on the income statement accounts of 2009 and 2008:

IN THOUSANDS OF EURO	Impact restatement 2009	Impact restatement 2008
Increase cost of goods sold	-8,362	-2,260
Decrease gross profit	-8,362	-2,260
Decrease sales and marketing expenses	2,676	2,260
Increase other operating income (expenses) - net	5,686	-
EBIT before restructuring and impairment	-	-

There is no impact on net income or on retained earnings as of 31 December 2010, 31 December 2009 and 31 December 2008.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

General business risks
We refer to the chapter 'Risk factors' on page 66 for an overview of the risks affecting businesses of the Barco Group.

Key sources of estimation uncertainty

- Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. In making its judgment, management takes into account elements such as long-term business strategy and tax planning opportunities (see note 12 'Deferred tax assets – deferred tax liabilities').

- Impairment of goodwill: the Group tests the goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired (see note 9.'Goodwill').

- Development costs are capitalized in accordance with the accounting policy. Initial capitalization of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

- Impairment of development costs: Barco tests the capitalized development for impairment if there are indications that capitalized development might be impaired (see note 10. 'Capitalized development costs').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED COMPANIES

1.1. LIST OF CONSOLIDATED COMPANIES ON 31 DECEMBER 2010

Europe, Middle-East and Africa			**% Barco WW**
Belgium	Barco Coordination Center NV	President Kennedypark 35, 8500 Kortrijk; BE 0431.157.278, RPR Kortrijk	100%
Belgium	Barco Integrated Solutions NV	President Kennedypark 35, 8500 Kortrijk; BE 0429.790.271, RPR Kortrijk	100%
Belgium	Barco Silex SA	Scientific Parc, rue du Bosquet 7, 1348 Ottignies, Louvain-La-Neuve; BE 0445.977.591, RPR Nivelles	100%
Belgium	dZine NV	t Hoge 49, 8500 Kortrijk; BE 0447.294.615, RPR Kortrijk	100%
Belgium	Innovative Designs NV	President Kennedypark 35, 8500 Kortrijk; BE 0427.422.976, RPR Kortrijk	100%
Czech Republic	Barco Manufacturing s.r.o.	Billundská 2756, 272 01 Kladno	100%
Denmark	Barco A/S	c/o Grant Thornton, Stockholmsgade 45, Postbox 869, 2100 Copenhagen	100%
France	Barco SAS	177 avenue Georges Clémenceau, Immeuble 'Le Plein Ouest', 92000 Nanterre	100%
France	Barco Silex SAS	ZI Rousset-Peynier, Immeuble CCE-CD6, Route de Trets, 13790 Peynier	100%
France	BarcoView Texen SAS	7 rue Roger Camboulives, Parc Technologique de Basso Cambo, 31000 Toulouse	99,98%
Germany	Barco Control Rooms GmbH	An der Rossweid 5, 76229 Karlsruhe	100%
Germany	Barco GmbH	Greschbachstrasse 2-4, 76229 Karlsruhe	100%
Germany	Barco Orthogon GmbH	Hastedter Osterdeich 222, 28207 Bremen	100%
Italy	Barco S.r.l.	Via Monferrato 7, 20094 Corsico-MI	100%
Italy	FIMI S.r.l.	c/o Studio Ciavarella, via Vittor Pisani n. 6, 20124 Milano	100%
Netherlands	Barco B.V.	Schootense Dreef 22, 5708HZ Helmond	100%

Netherlands	Barco Folsom B.V.	Schootense Dreef 22, 5708HZ Helmond	100%
Norway	Barco Norway AS	Bogstadveien 30, 0355 Oslo	100%
Poland	Barco Sp. z o.o.	Marywilska 16, 03-228 Warsaw	100%
Russia	Barco Services OOO	ulitsa Kondratyuka, 3, 129515 Moscow	100%
Spain	Barco Electronic Systems, S.A.	Travesera de las Corts 371, 08029 Barcelona	100%
Sweden	Barco Sverige AB	c/o Grant Thornton, Kungsgatan 15, Box 2230, 403 14 Göteborg	100%
United Kingdom	Barco Ltd.	Farley Hall, London Road, Binfield, RG42 4EU Bracknell, Berkshire	100%
United Kingdom	Voxar	Bonnington Bond, 2 Anderson Place, EH6 5NP Edinburgh, Scotland	100%

Americas

Brazil	Barco Ltda.	Av. Dr Cardoso de Melo, 1855 - 8 Andar - Cj 81, Vila Olimpia, 04548-005 Sao Paulo	100%
Canada	Barco Visual Solutions, Inc.	2000 Mansfield Drive, Suite 1400, Montreal, H3A 3A2 Quebec	100%
Mexico	Barco Visual Solutions S.A. de C.V.	c/o Franco Alanis y Asociados, S.C., Marco Franco, Eje Central Lazaro Cardenas 887 Esq. Eugenia Col. Independencia, 03600 D.F. C.P. Mexico	100%
USA	Barco Federal Systems LLC	1209 Orange Street, 19801 Wilmington-DE	100%
USA	Barco Lighting Systems, Inc.	350 N. St. Paul St., 75201 Dallas-TX	100%
USA	Barco, Inc.	1209 Orange Street, 19801 Wilmington-DE	100%

Asia-Pacific

Australia	Barco Systems Pty. Ltd.	2 Rocklea Drive, Port Melbourne, VIC 3207	100%
China	Barco Trading (Shanghai) Co., Ltd.	Rm501, 180 Hua Shen Road, Wai Gao Qiao Free Trade Zone, Shanghai	100%
China	Barco Visual (Beijing) Electronics Co., Ltd.	No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science and Technology Park, Chang Ping District, 102200 Beijing	100%
China	Barco Visual (Beijing) Trading Co., Ltd.	Floor 3, No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science and Technology Park, Chang Ping District, 102200 Beijing	100%
Hong Kong	Barco China (Holding) Ltd.	Suite 2801, 28/F., Central Plaza, 18 Harbour Road, Wanchai	100%
Hong Kong	Barco Ltd.	Suite 2801, 28/F., Central Plaza, 18 Harbour Road, Wanchai	100%
Hong Kong	Barco Visual Electronics Co., Ltd.	Suite 2801, 28/F., Central Plaza, 18 Harbour Road, Wanchai	100%
India	Barco Electronic Systems Pvt. Ltd.	c/o Perfect Accounting & Shared Services P.Ltd., E-20, 1st & 2nd Floor, Main Market, Hauz Khas, 110016 New Delhi	100%
Israel	Barco Electronic Systems Ltd.	53 Etzel Street, 75706 Rishon Lezion	100%
Japan	Barco Co., Ltd.	Yamato International Bldg 8F, 5-1-1 Heiwajima, Ota-ku, 143-0006 Tokyo	100%
Japan	Barco Toyo Co., Ltd.	Yamato International Bldg 8F, 5-1-1 Heiwajima, Ota-ku, 143-0006 Tokyo	50%
Korea	Barco Ltd.	Sungdo Venture Tower, 165-2, Samsung-dong, Gangnam-gu, 135-881 Seoul	100%
Malaysia	Barco Sdn. Bhd.	No. 13A, Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor	100%
Singapore	Barco Pte Ltd.	No. 10 Changi South Lane, #04-01 Ossia Building, 486162 Singapore	100%
Taiwan	Barco Ltd.	11F., No. 102, Guangfu S. Rd., Da-an Dist., 10694 Taipei City	100%

1.2. ACQUISITIONS AND DIVESTMENTS

2010

Acquisition of FIMI

On 31 December 2009 Barco closed the acquisition of 100% of the shares of the Italy-based display company FIMI Srl, which before was a fully owned subsidiary of Royal Philips Electronics. Through the acquisition Barco reaffirms its growth strategy in the medical market by further expanding its footprint and tapping into new market segments, such as mobile point of care devices. This deal also contains for Barco the starting point to build a client relationship with Philips.

In 2010 FIMI Srl has contributed 47.1 million euro to the total turnover of the group, resulting into 4.1 million euro EBIT contribution. This contribution in the first year was negatively impacted by IFRS restatements recorded in the opening balance sheet. The IFRS restatements related to fair value adjustments on inventory and the valuation of the customer list, which is amortized over 5 years.

The acquisition has been accounted for using the acquisition method conform IFRS 3 Business Combinations (Revised). The following table summarizes the consideration paid for FIMI Srl and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

IN THOUSANDS OF EURO	BEFORE ACQUISITION DATE	1-01-2010
Non-current assets	**4,630**	**9,097**
Intangible assets (customer list)	-	5,000
Capitalized development cost	3,136	2,603
Tangible assets and other intangible assets	1,494	1,494
Current assets	**16,676**	**17,468**
Inventory	9,436	10,277
Trade & other receivables	7,240	7,191
Non-current liabilities	**-2,852**	**-3,434**
Provisions	-3,875	-2,796
Net deferred tax (asset) / liabilities	1,023	-638
Current liabilities	**-10,226**	**-10,526**
Cash	**81**	**81**
Net assets	**8,308**	**12,685**
Goodwill		**15,285**
Total acquisition cost		**27,970**

The total acquisition cost includes the amount paid at closing of 19.2 million euro and includes an earn-out payable of 10 million euro over the next five years. The earn-out equals to 35% of the cumulative net purchase value of the Philips group with the Barco group over the next five years and is limited to 2.5 million euro per year.

The goodwill and the customer list recognized at acquisition is related to the 'surprix' Barco was willing to pay because of access to the Philips and group and complementary technological expertise and talent of the FIMI workforce and the synergies expected to be achieved from integrating FIMI into the medical imaging business unit. The earn-out of 10 million euro is fully considered as additional goodwill at the moment of acquisition as there is a high probability that this amount will be reached over the coming 5 years. For 2010, these earn-out conditions were already realized. The total goodwill of 15.3 million euro is allocated to the business group Monitoring, Control Rooms & Medical Imaging.

Acquisition of dZine

In July 2010 Barco acquired 100% of the shares of the Belgium-based digital signage solutions company dZine NV. Through this acquisition, Barco broadens its offering of digital visualization products with the addition of advanced software tools for content creation and management. This acquisition fits within Barco`s strategy to position itself as a total value-added solutions provider in the digital signage market.

The total acquisition cost paid at closing amounts to 8.3 million euro. The contract further provides for two additional earn-out payments. The first additional earn-out payment of maximum 2 million euro is determined based on the net assets per 31 December 2010 and depends on the 2010 EBITDA minus development capitalization. Per 31 December 2010 the criteria for this additional earn-out have not been fulfilled. The second earn-out payment of maximum 5 million euro depends on the earn-out profit over the 3 year period 1 January 2010 till 31 December 2012. This second earn-out payment, if any, will be accounted for as remuneration.

In 2010 dZine has contributed 5.6 million euro to the total turnover of the group, resulting in 0.8 million euro EBIT contribution. No important IFRS restatements have been accounted for in the opening balance sheet of dZine.

The acquisition has been accounted for using the acquisition method conform IFRS 3 Business Combinations (Revised). The following table summarizes the consideration paid for dZine and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

IN THOUSANDS OF EURO	7-01-2010
Non-current assets	**1,423**
Capitalized development	994
Other non-current assets	429
Current assets	**2,626**
Inventory	1,227
Trade & other receivables	1,399
Non-current liabilities	**-302**
Current liabilities	**-1,089**
Cash	**300**
Net assets	**2,958**
Goodwill	**5,342**
Total acquisition cost	**8,301**

The goodwill recognized at acquisition relates to new sales opportunities resulting from the combining of Barco`s hardware know-how with dZine`s content creation and management software expertise. Benefits are expected to arise from the dZine`s core team which will function as Barco`s center of competence for digital signage technology. The 5.3 million euro goodwill is allocated to the Media, Entertainment & Simulation business segment.

Element Labs

Per 17 March 2010 Barco has acquired the products, intellectual property (IP) rights and know-how of Element Labs, an LED video systems expert based in Santa Clara, California. The total acquisition cost amounts to 1.9 million euro and equals the relative fair value of the acquired assets.

2009

Divestment of Advanced Visualization

On 2 February 2009, Barco closed the divestment of its Advanced Visualization (AVIS) activities to Toshiba Medical Systems Cooperation. Barco Group has received 27 million euro in cash, subject to adjustments, as stipulated in the contract, for which 4 million euro was put in escrow. The escrow has been cashed for 50% in April 2010 and the remaining 50% will be cashed in July 2011. According to IFRS 5, the results and cash flows of the AVIS activities until 31 January 2009 are shown as a separate line 'discontinued operations'.

2008

Acquisition of High End Systems, Inc

In June 2008, Barco acquired in the US the company High End Systems, Inc, (after acquisition changed name to Barco Lighting Systems Inc.), a global technology provider of automated luminaries, digital lighting and lighting controls. The total value of the transaction amounted USD 55 million.

The condensed balance sheet of High End Systems determined in accordance with IFRS immediately before and after acquisition date is presented below:

IN THOUSANDS OF EURO	BEFORE ACQUISITION DATE	AFTER ACQUISITION DATE
Non-current assets	**1,364**	**1,364**
Current assets	**15,595**	**16,175**
Inventory	7,336	7,916
Trade debtors	5,726	5,726
Other current assets	2,533	2,533
Current liabilities	**-8,212**	**-8,492**
Net assets	**8,747**	**9,047**
Goodwill		**24,654**
Total acquisition cost		**33,701**

Other transactions in 2008

On 30 September 2008, the divestiture of BarcoVision to the Italian Itema Group has been closed, after the approval of this transaction by the antitrust commission of the European Union. This divestment includes Loepfe AG, Loepfe SRL, BarcoVision LLC, BarcoVision Ltd, Sedo GmbH and Belgian Monitoring Systems BVBA, which was founded in 2007.

The mechanical assembly activity of the former division Barco Manufacturing Services was divested, effective as of 1 January 2008.
On 1 September 2008 the divestment of Barco's software development unit for maritime safety and surveillance was closed.

On 21 November 2008 the divestment of the Advanced Visualization activities was announced. Barco's Advanced Visualization (AVIS) group is specialized in 3D clinical software solutions, marketed worldwide under the product names 'Voxar 3D' and 'Voxar 3D Enterprise'. The divestment includes all AVIS assets, including its full product portfolio. On 2 February 2009, Barco closed the divestment of its Advanced Visualization (AVIS) activities to Toshiba Medical Systems Corporation.

According to the requirements of IFRS 5, net income of these activities are shown separately on the face of the income statement as 'Net income from discontinued operations' in the 2008 figures. The same was done for the net cash flows attributable to the operating, investing and financing activities of discontinued operations in 2008.

Assets and liabilities of AVIS were presented separately on the face of the balance sheet per 31 December 2008, as 'Assets and liabilities from discontinued operations'. Assets and liabilities of Barco Vision are no longer included per 31 December 2008. Disclosures were represented accordingly.

2. OPERATING SEGMENTS INFORMATION

2.1. BASIS OF OPERATING SEGMENTS INFORMATION

As of 2010, Barco's activities are organized in two business groups, with each business group, Media Entertainment & Simulation and Monitoring, Control Rooms & Medical Imaging being responsible for the management of its business worldwide.

The Media Entertainment & Simulation business group (MES) brings together the former Media & Entertainment Division and the Simulation part of the former Avionics & Simulation Division.

The former Security & Monitoring Division, Medical Imaging Division and the Avionics part of the Avionics & Simulation Division have been integrated in the Monitoring, Control Rooms & Medical Imaging business group (MCM). As a consequence of the aforementioned, prior-year financials have been restated.

Prior period amounts have also been restated to reflect changes in the warranty provision as part of the Cost of goods sold instead of as part of Other operating income (expense) and depot repair expenses on products sold as part of the Cost of goods sold instead of as part of Sales and marketing. (see Significant accounting policies, Reclassifications).

- The **Media, Entertainment & Simulation (MES)** business group covers the markets for digital cinema, events and out of home media, offering a range of projection, image processing and LED solutions, as well as specialized projection solutions for simulation.
- The **Monitoring, Control Rooms & Medical Imaging (MCM)** business group focuses on visualization solutions for traffic & surveillance, utilities & process control, broadcast & telecom, defense & security, covering a wide range of display solutions for medical imaging and offers display solutions for use aboard aircraft.

Management monitors the operating results of its business groups separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

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

2.2 MEDIA, ENTERTAINMENT & SIMULATION

IN THOUSANDS OF EURO	2010		2009		Variance 2010-2009
Net sales	**471,993**	**100.0%**	**308,427**	**100.0%**	**163,566**
external sales	471,096	99.8%	305,244	99.0%	165,852
interdivision sales	897	0.2%	3,183	1.0%	-2,286
Cost of goods sold	-336,432	-71.3%	-258,373	-83.8%	-78,059
Gross profit	**135,561**	**28.7%**	**50,054**	**16.2%**	**85,507**
EBIT before restructuring & impairment	**27,042**	**5.7%**	**-41,357**	**-13.4%**	**68,399**
Restructuring & impairment costs	-	-	-29,567	-	29,567
EBIT after restructuring & impairment	**27,042**	**5.7%**	**-70,924**	**-23.0%**	**97,966**
Amortization capitalized development	16,120	3.4%	18,286	5.9%	-2,167
Depreciation tangible fixed assets and software	4,942	1.0%	5,223	1.7%	-281
EBITDA before restructuring	**48,103**	**10.2%**	**-17,847**	**-5.8%**	**65,950**
EBITDA after restructuring	**48,103**	**10.2%**	**-20,109**	**-6.5%**	**68,212**
Capitalized development	17,483	3.7%	15,105	4.9%	2,378
Capital expenditures tangible fixed assets and software	3,816	0.8%	2,942	1.0%	873
Segment assets	**321,769**		**205,617**		
Segment liabilities	**152,743**		**88,537**		

2.3 MONITORING, CONTROL ROOMS & MEDICAL IMAGING

IN THOUSANDS OF EURO	2010		2009		Variance 2010-2009
Net sales	**427,862**	**100.0%**	**335,154**	**100.0%**	**92,708**
external sales	425,903	99.5%	332,821	99.3%	93,081
interdivision sales	1,960	0.5%	2,333	0.7%	-373
Cost of goods sold	-275,655	-64.4%	-217,258	-64.8%	-58,397
Gross profit	**152,207**	**35.6%**	**117,896**	**35.2%**	**34,311**
EBIT before restructuring & impairment	**18,093**	**4.2%**	**11,815**	**3.5%**	**6,278**
Restructuring & impairment costs	-	-	-9,819	-2.9%	9,819
EBIT after restructuring & impairment	**18,093**	**4.2%**	**1,996**	**0.6%**	**16,097**
Amortization capitalized development	24,216	5.7%	22,562	6.7%	1,654
Depreciation tangible fixed assets and software	8,340	1.9%	7,545	2.3%	795
EBITDA before restructuring	**50,649**	**11.8%**	**41,922**	**12.5%**	**8,727**
EBITDA after restructuring	**50,649**	**11.8%**	**33,183**	**9.9%**	**17,466**
Capitalized development	23,624	5.5%	17,696	5.3%	5,928
Capital expenditures tangible fixed assets and software	7,203	1.7%	2,811	0.8%	4,393
Segment assets	**308,472**		**230,617**		
Segment liabilities	**129,776**		**84,965**		

2.4. RECONCILIATION OF SEGMENT INFORMATION WITH GROUP INFORMATION

IN THOUSANDS OF EURO	2010	2009
External sales		
Media, Entertainment & Simulation	471,096	305,244
Monitoring, Control Rooms & Medical Imaging	425,903	332,821
Total external sales segments	**896,999**	**638,065**
Net Income		
EBIT before restructuring & impairment		
Media, Entertainment & Simulation	27,042	-41,357
Monitoring, Control Rooms & Medical Imaging	18,093	11,815
Restructuring & impairment		
Media, Entertainment & Simulation	-	-29,567
Monitoring, Control Rooms & Medical Imaging	-	-9,819
EBIT after restructuring & impairment		
Media, Entertainment & Simulation	27,042	-70,920
Monitoring, Control Rooms & Medical Imaging	18,093	1,996
Total EBIT after restructuring & impairments	**45,135**	**-68,924**
Interest income (expense) - net	-1,510	-1,669
Income taxes	0	6,383
Net income from continuing operations	**43,625**	**-64,210**
Net income from discontinued operations	-	4,289
Net income	**43,625**	**-59,920**
Net Income attributable to equityholders of the parent	**43,625**	**-59,920**

IN THOUSANDS OF EURO	2010	2009
Segment assets		
Media, Entertainment & Simulation	321,769	205,617
Monitoring, Control Rooms & Medical Imaging	308,472	230,617
Total segment assets	**630,241**	**436,234**
Segment liabilities		
Media, Entertainment & Simulation	152,743	88,537
Monitoring, Control Rooms & Medical Imaging	129,776	84,965
Total segment liabilities	**282,520**	**173,502**

IN NUMBER OF EMPLOYEES		2010	2009
Number of employees at year end			
Media, Entertainment & Simulation		790	875
Monitoring, Control Rooms & Medical Imaging		1,134	1,445
General Services	(a)	1,575	837
Total		**3,499**	**3,157**

(a) General services include functionally organized functions such as:
• Operations, logistics and purchasing functions;
• G&A functions including mainly general and divisional management, finance and accounting, information technology and human resources;
• Regional sales and corporate marketing functions.
During 2010, the employees active in sales and marketing functions have been transferred from the two business groups to general services.

2.5. GEOGRAPHIC INFORMATION

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).

We refer to 'Comments on the results' on page 70 for a split of revenue from external customers based on the geographical location of the customers to whom the invoice is issued.
There is no significant (i.e. representing more than 30% of the Group's revenue) concentration of Barco's revenues with one customer.

Below table gives an overview of the assets per region and the most important capital expenditures in non-current assets per region:

IN THOUSANDS OF EURO	2010		2009		2008	
Total assets						
Europe - Middle East - Africa - Latin America	484,470	64.2%	363,200	63.4%	416,450	57.8%
North America	140,584	18.6%	100,841	17.6%	123,987	17.2%
Asia-Pacific	122,983	16.3%	88,489	15.5%	117,945	16.4%
Group	7,049	0.9%	19,945	3.5%	62,345	8.7%
Total	**755,086**	**100.0%**	**572,475**	**100.0%**	**720,727**	**100.0%**
Capitalized development						
Europe - Middle East - Africa - Latin America	35,545	86.5%	25,721	78.4%	40,175	85.5%
North America	4,027	9.8%	4,880	14.9%	5,212	11.1%
Asia-Pacific	1,535	3.7%	827	2.5%	1,620	3.4%
Group corrections	-	0.0%	1,374	4.2%	-	0.0%
Total	**41,107**	**100.0%**	**32,801**	**100.0%**	**47,006**	**100.0%**
Capital expenditure PP&E and other intangible assets						
Europe - Middle East - Africa - Latin America	8,685	64.8%	6,702	85.3%	7,246	75.9%
North America	667	5.0%	397	5.1%	487	5.1%
Asia-Pacific	4,045	30.2%	756	9.6%	1,812	19.0%
Total	**13,397**	**100.0%**	**7,855**	**100.0%**	**9,545**	**100.0%**

3. DISCONTINUED OPERATIONS

Per 31 December 2010, there are no discontinued operations included in the consolidated income statement, cash flow statement or balance sheet.

In 2009, Barco realized a net gain of 4.3 million euro relating to discontinued operations, mainly consisting to the sale of Barco's Advanced Visualization (AVIS). In 2008, the 39.6 million euro net gain from discontinued operations involved the sale of Barco Vision (37.8 million euro gain) and the sale of Barco's software development unit for maritime safety and surveillance (MSS) (1.9 million euro gain).

The income statement of the discontinued operations in 2009 and 2008 was composed as follows:

IN THOUSANDS OF EURO	2009	2008
Revenues	499	53,180
Expenses	-887	-48,971
Income before taxes	**-387**	**4,209**
Income taxes (a)	-2,883	-958
Non-operating result	7,560	36,390
Net income from discontinued operations	**4,289**	**39,641**
Earnings per share for profit from discontinued operations		
- basic	0.36	3.32
- diluted	0.34	3.13

(a) Income taxes relate to the gain on the sold Advanced Visualization (AVIS) activities.

The cash flow statements of 2009 and 2008 contain respectively 15.5 million euro and 66 million euro positive net cash flows relating to discontinued operations.

The 2009 cash flow statement of discontinued operations shows the cash flow generated by Barco's Advanced Visualization (AVIS) group including the part of the sales price (23 million euro) which has already been received. The remaining part of the sales price, 4 million euro has been put in escrow, whereof 50% has been received in 2010 and the remaining 50% is expected to be cashed during 2011.

The 2008 cash flow statement of discontinued operations includes the cash received upon the sale of Barco Vision and Barco's software development unit for maritime safety and surveillance (MSS) and cash received from the prior divestment of Barco Manufacturing Services. It also shows the cash flow generated by Barco Vision over the year 2008 until the date of divestment.

The cash flow statement relating discontinued operations is composed as follows:

IN THOUSANDS OF EURO	2009	2008
Cash flow from operating activities		
EBIT	-387	4,209
Amortization capitalized development cost	253	5,763
Depreciation of tangible and intangible fixed assets	12	1,375
Gains and losses on tangible fixed assets	26	-9
Gross operating cash flow	**-97**	**11,339**
Changes in trade receivables	1,815	3,012
Changes in inventory	148	-616
Changes in trade payables	-131	1,162
Other changes in net working capital	-9,360	-4,104
Change in net working capital	**-7,528**	**-546**
Net operating cash flow	**-7,625**	**10,793**
Income taxes	373	-975
Cash flow from operating activities	**-7,252**	**9,818**

Cash flow from investing activities		
Expenditure on product development	-179	-5,792
Purchases of tangible and intangible fixed assets	-	-216
Proceeds on disposals of tangible and intangible fixed assets	-	-278
Disposal of Group companies, net of disposed cash	22,953	62,510
Cash flow from investing activities	**22,774**	**56,224**
Cash flow from discontinued operations	**15,522**	**66,042**

The consolidated balance sheet contains per 31 December 2009 assets classified as discontinued operations for an amount of 6.9 million euro and 22.9 million euro per 31 December 2008. The major classes of assets are the following:

IN THOUSANDS OF EURO	2009	2008
Goodwill	-	15,544
Capitalized development cost	-	4,339
Deferred tax assets	1,918	-
Other non-current assets	3,916	-
Land and buildings	-	-
Inventory	-	149
Trade debtors	-	1,816
Other amounts receivable external	1,081	39

The consolidated balance sheet contains per 31 December 2009 liabilities classified as discontinued operations for an amount of 5.4 million euro and 5.6 million euro per 31 December 2008. The major classes of liabilities are the following:

IN THOUSANDS OF EURO	2009	2008
Trade payables & other payables	1	862
Provisions for liabilities and charges	-	5
Accrued charges and deferred income	-	4,696
Deferred tax liabilities	5,428	-

See note 1.2 for further information on divestments.

4. INCOME FROM OPERATIONS (EBIT)

IN THOUSANDS OF EURO	2010	2009	2008
Sales	896,999	638,066	725,288
Cost of goods sold	-609,484	-470,115	-480,149
Gross profit	**287,516**	**167,951**	**245,139**
Gross profit as % of sales	**32.1%**	**26.3%**	**33.8%**
Indirect costs	-234,932	-205,150	-244,402
Other operating income (expenses) - net	-7,449	7,662	8,166
EBIT before restructuring and goodwill impairment	**45,135**	**-29,537**	**8,903**
EBIT before restructuring and goodwill impairment as % of sales	**5.0%**	**-4.6%**	**1.2%**

The gross profit increased with 120 million euro in 2010 compared to 2009, resulting from the increased sales level and the improvement of the gross profit margin from 26.3% in 2009 to 32.1% in 2010.

We refer to sales and EBIT per business group and sales per region in note 2. Segment information. Please also refer to chapter Comments on the results for more explanation on sales and income from operations on page 70.

Indirect costs and other operating income (expenses) - net

IN THOUSANDS OF EURO		2010	2009	2008
Research and development expenses	(a)	-71,371	-69,234	-77,087
Sales and marketing expenses	(b)	-114,555	-94,251	-116,196
General and administration expenses	(c)	-49,006	-41,665	-51,119
Indirect costs		**-234,932**	**-205,150**	**-244,402**
Other operating income (expense) - net	(d)	**-7,449**	**7,662**	**8,166**
Indirect costs and other operating income (expenses) - net		**-242,381**	**-197,488**	**-236,236**

Indirect costs, excluding the impact of net capitalized development expenses represent 26% of sales in 2010, compared to 31% in 2009 and 34% in 2008. The indirect cost increase in 2010 versus 2009 related for an amount of 10.9 million euro to acquisitions.

(a) Research and development expenses

IN THOUSANDS OF EURO	2010	2009	2008
Research & development expenses	**72,142**	**61,186**	**77,957**
Capitalized development expenses	-41,107	-32,801	-47,006
Amortization capitalized development expenses	39,058	40,849	46,136
Impairment of capitalized development expenses	1,278	-	-
Capitalized development, net	**-771**	**8,048**	**-870**
Research and development expenses, net	**71,371**	**69,234**	**77,087**

Research and development cash expenses represent 8.0% of sales in 2010, compared to 9.6% in 2009 and 10.7% in 2008. The ratio of capitalized development expenses versus the research and development cash expenses increased in 2010 to 57% (2009: 54%; 2008: 60%), having a positive impact on EBIT. The capitalization of development expenses is in 2010 in line with the amortization charges.

In 2010, the impairment costs on capitalized development expenses have been presented on the line 'Research and development expenses'. In 2009 and 2008, the impairment losses have been included in 'Restructuring and impairment costs', because the 2009 and 2008 impairment losses related to the overall restructuring program executed within the Barco group. For more explanation on impairment costs on capitalized development we refer to note 10.

Research and development activities are spread over the business groups as follows:

IN THOUSANDS OF EURO	Group	Media, Entertainment & Simulation	Monitoring, Control Rooms & Medical Imaging
Research & development expenses	**72,142**	**29,471**	**42,671**
Capitalized development expenses	-41,107	-17,483	-23,624
Amortization capitalized development expenses	39,058	16,120	22,938
Impairment of capitalized development expenses	1,278	-	1,278
Capitalized development, net	**-771**	**-1,363**	**592**
Research & development expenses, net	**71,371**	**28,108**	**43,263**

Research and development cash expenses, as percentage of sales, amount to 6.2% in the Media, Entertainment & Simulations business group (2009: 7.4%) and 10.0% in the Monitoring, Control Rooms & Medical Imaging business group (2009: 11.5%).

(b) Sales and marketing expenses

IN THOUSANDS OF EURO	2010	% of sales	2009	% of sales	2008	% of sales
Sales and marketing expenses	**114,555**	**12.8%**	**94,251**	**14.8%**	**116,196**	**16.0%**

Sales and marketing expenses include all indirect costs related to the sales and customer service organization which are not billed as part of a product or service to the customer as well as the costs related to regional or divisional marketing activities. In 2009, the cost reductions mainly related to reduced sales costs and marketing expenses. The expenses for customer service activities were kept at the same level as the previous year.

(c) General and administration expenses

IN THOUSANDS OF EURO	2010	% of sales	2009	% of sales	2008	% of sales
General and administration expenses	**49,006**	**5.5%**	**41,665**	**6.5%**	**51,119**	**7.0%**

General and administration expenses include the costs related to general and divisional management, finance and accounting, information technology, human resources and investor relations.

(d) Other operating income (expense) – net

IN THOUSANDS OF EURO	2010	2009	2008
Bank charges	-3,188	-1,151	-1,134
Bad debt provisions (net of write-offs and reversals of write-offs)	-2,358	1,480	-4,869
Other provisions (net of additions and reversals of provisions)	-2,333	2,707	5,846
Cost of share-based payments	-290	-330	-640
Gains on disposal of tangible fixed assets	89	1,082	473
Investment grants	1,978	2,764	3,863
Other (net)	-1,346	1,110	4,627
Total	**-7,449**	**7,662**	**8,166**

In 2010, the bank charges contain credit insurance premiums for an amount of 2.4 million euro.

5. REVENUES AND EXPENSES BY NATURE

The table below provides information on the major items contributing to the EBIT, categorized by nature.

IN THOUSANDS OF EURO	2010	2009	2008
Sales	896,999	638,066	725,288
Material cost	-502,969	-393,611	-386,347
Services and other costs	-70,661	-61,490	-96,072
Personnel cost	-258,276	-199,348	-230,139
Capitalized development cost	41,107	32,801	47,006
Amortization capitalized development	-40,336	-40,849	-46,136
Depreciation property, plant, equipment and software	-13,282	-12,768	-12,861
Other operating income (expense) - net (note 4)	-7,449	7,662	8,166
EBIT before restructuring and impairment	**45,135**	**-29,537**	**8,903**

Personnel cost includes the cost for temporary personnel for an amount of 8.2 million euro (in 2009 5.8 million euro, in 2008 7.6 million euro). Average number of employees in 2010 was 3,296 (versus 3,310 in 2009 and 3,644 in 2008), including 2,345 white-collars (in 2009 2,367; in 2008 2,606) and 951 blue-collars (in 2009 943; in 2008 1,038).

6. RESTRUCTURING AND IMPAIRMENT COSTS

IN THOUSANDS OF EURO		2009	2008
Restructuring costs	(a)	6,086	19,058
Impairment on goodwill (note 9)		25,000	1,592
Impairment on contracts in progress (CIP)	(b)	2,156	-
Impairment on capitalized development (note 10)		6,144	10,338
Government grants on capitalized development		-	-4,292
Total		**39,386**	**26,696**

(a) In order to realign the company to the new economic realities and strategic priorities, Barco took a charge of 6.1 million euro for people related restructuring costs in 2009. Key elements of this are related to footprint reductions in the US and Europe, to centralize functions and offshore production towards Asia.
(b) Similar to the impairment testing on development costs, Barco performed the testing on capitalized customer project costs. Two of these projects in the avionics unit generated the impairment charge of 2.1 million euro in 2009.

In 2010, no restructuring and impairment costs have been booked on the income statement line 'Restructuring and impairment costs'. An impairment loss of 1.3 million euro relating to capitalized development is included in the income statement line 'Research and development expenses' (see note 4 and note 10). For more explanation on the impairment on goodwill we refer to note 9 and on the impairment on capitalized development we refer to note 10.

7. INCOME TAXES

IN THOUSANDS OF EURO		2010	2009	2008
Current versus deferred income taxes				
Current income taxes		6,969	10,216	-10,628
Deferred income taxes		-6,969	-3,833	10,628
Income taxes		**0**	**6,383**	**-**
Income taxes versus income before taxes				
EBIT after restructuring and impairment		45,135	-68,923	-17,794
Interest income (expense) - net		-1,510	-1,669	-3,726
Other non-operating income (expense) - net		-	-	135
Income before taxes		43,625	-70,593	-21,384
Income taxes		0	6,383	-
Effective income tax rate		0.0%	9.0%	-
Income before taxes		43,625	-70,593	-21,384
Theoretical tax rate		34.0%	34.0%	34.0%
Theoretical tax credit/(cost)		-14,832	24,002	7,271
Non-taxable goodwill impairment		-	-8,498	-
Non-deductible items		-1,290	-1,148	-1,856
Special tax status	(a)	6,726	9,763	9,071
Investment allowances	(b)	1,620	2,337	2,683
Set-up of deferred tax assets, not recognised in prior years	(c)	10,841	380	591
Losses available for offsetting against future taxable income		-	-	-
Deferred tax assets, not recognised in current year	(c)	-2,723	-26,747	-25,350
Effect of different tax rates in foreign companies		151	603	7,273
Effect of change in expected tax rate on deferred taxes		-	-	317
Tax adjustments related to prior periods		-493	5,691	-
Reported taxes related to current income before taxes		-	6.383	-

(a) Notional interest deduction and conversion of investment allowances into research and development tax credit

(b) Spread taxation on capital expenditure and research and development costs of prior years

(c) See note 12

8. EARNINGS PER SHARE

IN THOUSANDS OF EURO		2010	2009	2008
Net income from continuing operations		43,625	-64,210	-21,383
Weighted average of shares		11,931,992	11,931,992	11,938,869
Basic earnings per share (in euro)		3.66	-5.38	-1.79
Net income from discontinued operations		-	4,289	39,642
Weighted average of shares		11,931,992	11,931,992	11,938,869
Basic earnings per share (in euro)		-	0.36	3.32
Basic earnings per share (in euro)		**3.66**	**-5.02**	**1.53**
Net income from continuing operations		43,625	-64,210	-21,383
Weighted average of shares (diluted)		12,782,566	12,710,845	12,671,896
Diluted earnings per share (in euro)	(a)	3.41	-5.38	-1.79
Net income from discontinued operations		-	4,289	39,642
Weighted average of shares (diluted)		12,782,566	12,710,845	12,671,896
Diluted earnings per share (in euro)		-	0.34	3.13
Diluted earnings per share	(a)	**3.41**	**-5.02**	**1.44**

(a) The difference between the weighted average of shares and weighted average of shares (diluted) is due to exercisable warrants. As diluted earnings per share can not be higher than basic earnings per share, diluted earnings are kept equal to basic earnings per share in case of net losses instead of net income.

For more detailed information concerning these, please refer to note 17.

9. GOODWILL

IN THOUSANDS OF EURO	2010	2009	2008
At cost			
On 1 January	58,401	58,401	65,287
Acquisitions	20,626	-	24,654
Expenditure	-	-	-
Discontinued operations	-	-	-31,540
On 31 December	79,027	58,401	58,401
Impairment			
On 1 January	26,136	1,136	17,132
Impairment losses	-	25,000	-
Discontinued operations	-	-	-15,996
On 31 December	26,136	26,136	1,136
Net book value			
On 1 January	32,265	57,265	48,155
On 31 December	52,891	32,265	57,265

Acquisitions in 2010 include goodwill related to the acquisition of FIMI for 15.3 million euro and dZine for 5.3 million euro. For more detailed information concerning these acquisitions, please refer to note 1.2.

Acquisitions in 2008 include goodwill related to the acquisition of High End Systems for 24.7 million euro.

The goodwill related to discontinued operations in 2008 (net book value of 15.5 million euro) concerns the carrying amount of goodwill related to the Advanced Visualization business.

In 2009, the impairment tests on goodwill resulted in impairment charges recorded for an amount of 25 million euro, fully related to the business group Media, Entertainment & Simulation. The global recession, which started end of 2008, had a profound impact on the fundamentals of Barco's Media, Entertainment & Simulation business group. Total spending in the events markets dropped to less than half of levels recorded before the crisis and the conversion of analog to digital billboards came to a virtual standstill (-80%). Consequently the value of the acquisitions Barco made in prior years to strengthen its position in these markets dropped very substantially which in turn fuelled the need for impairments on goodwill.

No impairments on goodwill are recognized in 2010. See further for explanations on the impairment testing performed.

GOODWILL BY CASH-GENERATING UNIT

Goodwill acquired in a business combination is allocated on acquisition to the cash-generating units that are expected to benefit from that business combination. These cash-generating units correspond to the division level, which is one level below business group level. Therefore, impairment testing is performed at division level.

The carrying amount of goodwill (after impairment) has been allocated to the divisions within the business groups as follows (in thousands of euro):

IN THOUSANDS OF EURO	2010	2009	2008
Media, Entertainment & Simulation	23,437	18,095	43,095
Monitoring, Control Rooms & Medical Imaging	29,454	14,170	14,170
Total goodwill (net book value)	**52,891**	**32,265**	**57,265**

The goodwill (net book value) of Media, Entertainment & Simulation relates to the business units video & lighting solutions, digital signage and simulation. The goodwill (net book value) in the business group Monitoring, Control Rooms & Medical Imaging relates to the business units medical imaging, traffic, surveillance & monitoring and defense. The business units digital cinema and avionics have no goodwill on the balance sheet.

The group performed its annual impairment test in the fourth quarter of 2010 consistently with prior years. The group considers the relationship between its market capitalization and its book value, amongst other factors, when reviewing the indicators of impairment. At 31 December 2009, the market capitalization of the group was close to the book value of its equity, indicating a potential need for impairment of goodwill and impairment of the assets of the operating segments. This is no longer the case at 31 December 2010 as the market capitalization then exceeded the equity of the group with more than 30%.

The annual impairment tests were performed for each cash-generating unit (typically one level below business group level). The recoverable amount for each of the cash generating units has been determined based on a value-in-use calculation using cash flow projections generated by divisional management covering a five year period. Due to the level of uncertainty around future years, these financial projections have been adjusted to more conservative levels for the purpose of our impairment testing. The pre-tax discount rate applied to projected cash flows is 10% (2009: 10.5%, 2008: 10%) and cash flows beyond the five year period are extrapolated using a conservative growth rate of 0% (2009: 0%, 2008: 0%).

The impairment tests did not reveal the need to recognize impairment losses in 2010.

KEY ASSUMPTIONS USED IN VALUE-IN-USE CALCULATIONS

The calculation of value-in-use for all divisions is most sensitive to the following assumptions:

- Sales growth rate used during the projection period;
- EBIT;
- Growth rate used to extrapolate cash flows beyond the budget period;
- Discount rates;

Sales growth rate used during the projection period – Sales growth used over the projected period has been kept conservatively at zero percent for the cash-generating units within the Monitoring, Control Rooms & Medical Imaging business group, since even then there is no risk for impairment. The Media, Entertainment & Simulation business group (excluding digital cinema) has encountered the highest impact due to the economic crisis. For prudency reasons, in our impairment testing, we did not yet foresee to fully recover from this fall-back in 2010 and 2011, but gradually in the years after. Therefore, a growth of 3% per year is assumed for the five year period.

EBIT as percentage of sales – EBIT as percentage of sales is based on average percentages over the three years preceding the start of the budget period. EBIT levels increase over the projected period for anticipated efficiency improvements. Efficiency improvements can be cost reductions as well as margin improvements. An increase of 1 percentage point per annum was applied for all divisions, except for the medical imaging business unit and the video & lighting system business unit.

For the medical imaging business unit a stable EBIT as percentage of sales is kept conservatively at 10% over the whole budget period, which is below the average over the last three years, since even then there is no risk for impairment.

For the video & lighting system business unit, which had a negative EBIT level in 2009 and despite several improvements also still in 2010, a break-even EBIT for 2011 is forecasted and the 2007 EBIT level (i.e. EBIT margin level before the economical crisis) of 7.5% is forecasted to be reached gradually again in 2014. In 2010 orders and sales increased versus the prior year, gross profit margins increased with more than 10 percentage points back to historic levels and costs were reduced. Further measures have been decided and are currently implemented to fully right-size the cost structures and limit quality costs related to projects.

Growth rate estimates – The long-term rate used to extrapolate the projection has been kept conservatively at zero % for all divisions.

Discount rates – Discount rates reflect the current market assessment of the risks specific to Barco Group. The discount rate was estimated based on a (long-term) pre-tax cost of capital, the risks being implicit in the cash flows.

The long term discount rate was determined on group level and amounted to 10% for the year 2010 and has been applied to all cash-generating units.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

With regard to the assessment of value-in-use of the Monitoring, Control Rooms & Medical Imaging business group, management believes, based on sensitivity analysis performed, that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

For the Media, Entertainment & Simulation business group, the previous year impairment tests resulted in goodwill impairment charges recorded of 25 million euro in 2009. As per 31 December 2010, the estimated recoverable amount, after impairment of goodwill and capitalized development recorded, is still close to its carrying value and, consequently, changes in the key assumption would result in additional impairment losses. The implications of the key assumptions for the recoverable amount are discussed below:

Sales growth rate used during the budget period – Management has considered the possibility of lower than budgeted sales growth during the budget period. For the Media, Entertainment & Simulation business group, a negative sales growth from 2011 until 2015 would result in an additional impairment.

EBIT percentage on sales – Management has considered the possibility of lower than budgeted EBIT percentages on sales. For the Media, Entertainment & Simulation business group, a reduction of 1% of the long-term EBIT percentage on sales would result in an additional impairment. In case management would not be able to realize the turnaround from 2010 to 2011 in the video & lighting system business unit, then a negative EBIT percentage of more than 3% would result in an additional impairment. Based on current management plans and measures being implemented, management assesses this sensitivity risk as remote.

Discount rates – Change in the weighted average cost with 0.5% would result in an additional impairment.

Growth rate estimate – Only a decrease (which would result in a negative sales evolution) in the long-term rate used to extrapolate the projection would result in an additional impairment.

10. CAPITALIZED DEVELOPMENT COSTS

IN THOUSANDS OF EURO	2010	2009	2008
At cost			
On 1 January	268,376	238,308	247,807
Expenditure	41,107	32,801	47,006
Sales and disposals	-	-3,274	-21,056
Acquisition of subsidiary	12,651	-	492
Disposal of subsidiary	-	-	-13,818
Translation (losses)/gains	575	541	-22,122
On 31 December	322,708	268,376	238,308
Impairment			
On 1 January	16,482	10,338	-
Expenditure	1,278	6,144	10,338
On 31 December	17,760	16,482	10,338
Amortization			
On 1 January	197,459	158,932	168,423
Amortization	39,058	40,849	46,136
Sales and disposals	-	-3,274	-21,056
Acquisition of subsidiary	9,054	-	-
Disposal of subsidiary	-	-	-9,479
Translation (losses)/gains	-	953	-25,092
On 31 December	245,570	197,459	158,932
Net book value			
On 1 January	54,434	69,038	79,383
On 31 December	59,378	54,434	69,038

Consistent with the tests performed in the two previous years, Barco performed impairment tests in the fourth quarter of 2010. Based upon these tests, impairment costs have been recognized for an amount of 1.3 million euro. Similar impairment tests revealed the need to recognize impairment losses on capitalized development in 2009 and 2008 for respectively 6.1 million euro and 10.3 million euro (see note 6). The impairment losses recognized represent the write down of certain specific capitalized development projects.

The recognized impairment losses on capitalized development are allocated to the business groups as follows:

IN THOUSANDS OF EURO	2010	2009
Media, Entertainment & Simulation	-	3,276
Monitoring, Control Rooms & Medical Imaging	1,278	2,869
Total	**1,278**	**6,144**

11. OTHER INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

IN THOUSANDS OF EURO	2010										2009	2008
	Other intangible assets	Other intangible assets under contruction	**Total other intangible assets**	**Land and buildings**	Plant, machinery and equipment	Furniture, office equipment and vehicles	Other property, plant and equipment	Assets under construction	**Total other tangible assets**	**Total**	**Total**	**Total**
At cost												
On 1 January	19,225	2,378	21,603	64,644	82,979	42,863	7,191	538	133,570	**219,817**	217,523	199,937
Expenditure	427	-	427	963	5,168	2,854	890	717	9,629	**11,019**	7,864	9,891
Sales and disposals	-	-203	-203	-	-1,119	-1,207	-	-	-2,326	**-2,529**	-6,036	-4,606
Acquisition of subsidiary	5,136	-	5,136	-	8,089	337	461	33	8,920	**14,056**	-	7,567
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	**-**	-	-2,642
Transfers	-	-	-	-	-416	279	164	-27	-	**-**	-	-
Translation (losses)/gains	166	-	166	1,458	957	761	515	1	2,234	**3,858**	467	7,377
On 31 December	**24,954**	**2,175**	**27,129**	**67,065**	**95,658**	**45,887**	**9,221**	**1,262**	**152,028**	**246,222**	**219,817**	**217,523**
Depreciation												
On 1 January	16,399	-	16,399	33,656	67,990	36,827	5,559	-	110,377	**160,432**	152,762	133,055
Depreciation	1,930	-	1,930	2,298	5,874	2,589	591	-	9,054	**13,282**	12,766	12,861
Sales and disposals	-	-	-	-	-545	-977	-	-	-1,522	**-1,522**	-5,461	-5,073
Acquisition of subsidiary	99	-	99		6,414	231	195		6,840	**6,939**	-	6,294
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	**-**	-	-2,391
Transfers	-	-	-	-	-243	83	160	-	-	**-**	-	-
Translation (losses)/gains	128	-	128	586	686	593	344	-	1,623	**2,337**	366	8,015
On 31 December	**18,556**	**-**	**18,556**	**36,540**	**80,176**	**39,346**	**6,849**	**-**	**126,371**	**181,467**	**160,432**	**152,762**
Carrying amount												
On 1 January	**2,826**	**2,378**	**5,204**	**30,988**	**14,989**	**6,036**	**1,632**	**538**	**23,195**	**59,385**	**64,761**	**66,882**
On 31 December	**6,398**	**2,175**	**8,573**	**30,525**	**15,482**	**6,541**	**2,372**	**1,262**	**25,657**	**64,755**	**59,385**	**64,761**

The capital expenditures performed by the Barco group in 2010 amounted 11.0 million euro, compared to 7.8 million euro in the previous year.

The net book value other intangible assets and tangible fixed assets acquired through acquisitions amounts to 7.1 million euro. This amount mainly consists of a 5 million euro customer list of FIMI, included in the other intangible assets. We refer to Note 1.2 on 'Acquisitions and divestments' and Note 24 on 'Cash flow statement: effect of acquisitions and disposals' for more details on these transactions.

12. DEFERRED TAX ASSETS – DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are attributable to the following items:

	Assets			Liabilities			Net assets (liability)		
IN THOUSANDS OF EURO	2010	2009	2008	2010	2009	2008	2010	2009	2008
Capitalized development cost	149	-	-	-7,961	-6,268	-6,393	-7,812	-6,268	-6,393
Patents, licenses, ...	-864	1,282	246	-	-1,123	-	-864	159	246
Tangible fixed assets and software	1,883	1,213	377	-2,914	-2,987	-2,831	-1,031	-1,774	-2,454
Other investments	-	-	-	-	-19	-19	-	-19	-19
Inventory	18,469	13,131	10,113	-804	-1,798	-2,442	17,665	11,333	7,671
Trade debtors	1,861	1,208	601	-3,527	-3,174	-82	-1,666	-1,966	519
Provisions	2,966	578	3,722	-273	-186	-438	2,693	392	3,284
Employee benefits	2,425	2,358	2,347	-	-	-	2,425	2,358	2,347
Deferred revenue	1,135	1,042	1,341	-46	-105	-1,580	1,089	937	-239
Other items	3,292	1,424	2,079	-3,250	-5,480	-2	42	-4,056	2,077
Tax value of loss carry forwards	15,517	13,225	13,177	-	-	-	15,517	13,225	13,177
Tax value of tax credits	6,352	12,504	10,441	-	-	-	6,352	12,504	10,441
Gross tax assets/(liabilities)	**53,185**	**47,965**	**44,443**	**-18,774**	**-21,139**	**-13,787**	**34,411**	**26,825**	**30,657**
Set off of tax	-11,443	-15,840	-10,572	11,443	15,840	10,572	-	-	-
Net tax assets/(liabilities)	**41,742**	**32,125**	**33,871**	**-7,331**	**-5,299**	**-3,215**	**34,411**	**26,825**	**30,657**

Movements in the deferred tax assets / (liabilities) arise from the following:

IN THOUSANDS OF EURO	As at 1 January	Recognized through income statement	Recognized through equity	Acquisitions and disposals	Exchange gains and losses	As at 31 December
Capitalized development cost	-6,268	-1,495	-	136	-185	-7,812
Patents, licenses, ...	159	333	-	-1,375	19	-864
Tangible fixed assets and software	-1,774	591	-	-	152	-1,031
Other investments	-19	19	-	-	-	-
Inventory	11,333	5,073	-	791	468	17,665
Trade debtors	-1,966	173	-	13	113	-1,666
Provisions	392	2,523	-	-297	75	2,693
Employee benefits	2,358	-3	-	-	70	2,425
Deferred revenue	937	84	-	-	68	1,089
Other items	-4,056	3,640	361	41	57	42
Tax value of loss carry forwards	13,225	2,184	-	-	108	15,517
Tax value of tax credits	12,504	-6,152	-	-	-	6,352
Total	**26,825**	**6,969**	**361**	**-691**	**947**	**34,411**

On top of the tax losses and tax credits for which a net deferred tax is recognized (net deferred tax asset of respectively 15.5 million euro and 6.3 million euro), the Group owns tax losses carried forward and other temporary differences on which no deferred tax asset is recognized amounting to 102 million euro as of 31 December 2010 (at 34% tax rate resulting in a non recognized deferred tax asset of rounded 35 million euro). Deferred tax assets have not been recognized on these items because it is not probable that future profit will be available against which the benefits can be utilized. The tax losses carried forward and other temporary differences on which no deferred tax asset is recognized have no expiration date.

Deferred tax assets relate for the major part to the tax value of loss carry forwards and tax credits and almost fully relate to Belgium. In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized within the foreseeable future. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, the group will need to generate future taxable income in the countries where the net operating losses were incurred. Based upon the level of historical taxable income, the usage of loss carry forwards and tax credits in 2010 for an amount of 2.7 million euro (see Note 7) and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes as at 31 December 2010, it is probable that the group will realize all of the recognized benefits of these deductible differences.

13. INVENTORY

IN THOUSANDS OF EURO		2010	2009	2008
Raw materials and consumables		101,801	62,434	65,793
Work in progress		62,452	42,161	43,026
Finished goods		103,924	77,952	102,843
Contracts in progress		31,345	25,889	31,515
Write-off on inventories		-69,101	-62,172	-54,073
Inventory		230,421	146,264	189,104
Inventory turns	(a)	2.3	2.7	2.2

(a) Inventory turns = 12 / [Inventory / (Average Monthly Sales x Material Cost of Goods Sold %)]

The amount of write-offs recognized as expense in 2010 amounts to 9.2 million euro (2009: 20.5 million euro and 2008: 11.1 million euro). During 2010, the acquisitions of subsidiaries resulted in acquired net inventory for an amount of 13.0 million euro.

14. AMOUNTS RECEIVABLE AND OTHER NON-CURRENT ASSETS

IN THOUSANDS OF EURO		2010	2009	2008
Trade debtors - gross		211,128	142,623	173,115
Trade debtors - bad debt reserve	(a)	-10,145	-7,817	-10,790
Trade debtors - net	(b)	**200,983**	**134,805**	**162,325**
V.A.T. receivable		9,809	7,670	6,356
Taxes receivable		17,476	16,218	14,928
Interest rate swap (note 19)		4	14	19
Currency rate swap (note 19)		287	155	-77
Other		4,468	2,873	8,946
Other amounts receivable		**32,044**	**26,931**	**30,172**
Other non-current assets	(c)	**17,339**	**6,109**	**5,302**
Number of days sales outstanding (DSO)	(d)	59	67	72

Per 31 December 2010, the number of days sales outstanding continues to decrease compared to the two previous reporting periods, reaching 59 days at the end of 2010. The bad debt reserve decreased in proportion to the gross amount of trade debtors from 5.48% per 31 December 2009 to 4.80% per 31 December 2010.

(a) Movement in provision for impairment of trade receivables

IN THOUSANDS OF EURO	2010	2009	2008
On 1 January	**-7,817**	**-10,790**	**-6,850**
Acquisition of subsidiaries	-471	-	
Additional provisions	-3,598	-672	-6,034
Amounts used	1,185	2,152	927
Amounts unused	1,283	1,493	1,166
Translation (losses) / gains	-727	-	-
On 31 December	**-10,145**	**-7,817**	**-10,790**

(b) At 31 December 2010, the aging analysis of trade receivables is as follows:

IN THOUSANDS OF EURO	2010	2009	2008
Not due	151,007	106,612	125,746
Overdue less than 30 days	24,790	12,055	25,917
Overdue between 30 and 90 days	16,629	11,039	11,422
Overdue more than 90 days	18,702	12,917	16,029
Total gross	**211,128**	**142,623**	**179,114**
Bad debt reserve	-10,145	-7,817	-10,790
Total	**200,983**	**134,805**	**168,324**

(c) Other non-current assets

The increase in the other non-current assets mainly relates to prepayments performed for 3D related technology licenses and long-term receivables in the frame of vendor financing programs.

(d) Number of days sales outstanding (DSO)

DSO = ((Trade debtors, net) / (sales past quarter)) * 90

15. NET FINANCIAL CASH/DEBT

IN THOUSANDS OF EURO		2010	2009	2008
Deposits	(a)	11,986	10,629	40,733
Cash at bank	(b)	33,983	35,214	31,294
Cash in hand		72	58	92
Cash and cash equivalents		**46,041**	**45,901**	**72,119**
Long-term financial receivable	(c)	2,172	-	-
Long-term debts	(d)	-12,674	-11,906	-13,672
Current portion of long-term debts	(d)	-2,643	-2,393	-1,983
Short-term debts	(e)	-24,039	-8,116	-89,266
Net financial cash / (debt)		**8,857**	**23,486**	**-32,802**

(a) Deposits

Deposits are short-term, highly liquid investments, which are readily convertible to known amounts of cash.
At closing date, deposits include:

IN THOUSANDS OF EURO	2010	2009
• deposits in INR, with an average interest rate of 7.17%	3,675	4,719
• deposits in EUR, with an average interest rate of 0.84%	5,091	4,328
• deposits in USD, with an average interest rate of 0.23%	2,245	-
• deposits in other currencies	975	1,582
Total deposits	**11,986**	**10,629**

(b) Cash at bank

Cash at bank is immediately available. It is denominated in the following currencies:

	2010	2009
• EUR	49.7%	43.5%
• USD	24.2%	33.5%
• CNY	-	5.7%
• INR	9.0%	-
• Others	17.1%	17.3%

(c) Long-term financial receivable

During 2010, Barco entered into a specific vendor financing mechanism, resulting in a long-term financial receivable for an amount of 2.2 million euro per 31 December 2010 and a long-term debt for the same amount. Both neutralize each other in the determination of the net cash position, as all material risks and rewards are transferred upon realization of the sales transaction.

This long-term financial receivable is presented on the face of the balance sheet on line 'Other non-current assets'.

(d) Long-term financial debts

Analysis of long-term financial debts, including the current portion of long-term financial debts, as to currencies:

IN THOUSANDS OF EURO	2010	2009
• EUR	6,079	7,247
• USD	8,237	6,548
• Other	1,001	506
Total	**15,317**	**14,300**

Analysis of long-term financial debts including the current portion of long-term financial debts, as to interest rates:

IN THOUSANDS OF EURO	Effective interest rate	Maturity	2010	2009
• variable, limited by cap-floor agreements	Euribor 3M + 0.70%	2014	1,750	2,250
(as described in **Note 19**)	Euribor 3M + 0.75%	2014	1,625	2,250
	Euribor 3M + 0.80%	2014	1,750	2,250
	Euribor 3M + 0.89%	2014	512	509
• variable, swapped into fixed	3.86%	Later than 2015	6,492	6,508
• variable/fixed (offset by long-term receivable)			2,172	-
• fixed (various)			1,015	533
		Total	**15,316**	**14,300**

In July 2009, the group restructured its portfolio of bank borrowings by stepping into a 85 million euro revolving Credit Facility agreement with a tenor of 2.5 years, thereby securing a very healthy liquidity profile and extending the consolidated average duration of the group debt portfolio. The Revolving Credit Facility is being issued and borrowed by Barco NV and Barco Coordination Center NV and is supported by a number of other significant subsidiaries within the group, acting as co-obligors.

During 2010 and as per 31 December 2010, Barco is meeting all requirements of the loan covenants on the Revolving Credit Facility.

(e) Short-term financial debts

Analysis of the short-term financial debts on 31 December 2010:

IN THOUSANDS OF EURO	2010		2009	
	Effective interest rate	Balance	Effective interest rate	Balance
EUR	0.7%	20,000	0.7%	2,260
USD	3.8%	3,218	3.2%	2,707
CNY	-	-	5.3%	2,241
Other		821		908
Total		**24,039**		**8,116**

As per 31 December 2010, 23.2 million euro of the 85 million euro Credit Facility was drawn by means of short term debt.

The long-term debts, excluding the current portion of the long-term debts, are payable as follows:

IN THOUSANDS OF EURO	2010
Payable in 2012	2,354
Payable in 2013	2,270
Payable in 2014	1,444
Payable in 2015	114
Later	6,492
Total long-term debts	**12,674**

16. OTHER LONG-TERM LIABILITIES

IN THOUSANDS OF EURO	2010	2009	2008
Governmental loans	5,133	5,239	5,527
Earn-out payment	7,500	-	-
Other	655	207	285
Other long-term liabilities	**13,288**	**5,446**	**5,812**

In the agreement with Royal Philips Electronics relating to the acquisition of FIMI Srl in 2010, an additional earn-out of 10 million euro is foreseen, payable by Barco NV over the period 2011 until 2014. The earn-out equals to 35% of the cumulative net purchase value of the Philips Group with FIMI over the next five years and is limited to 2.5 million euro per year. The other long-term liabilities include 7.5 million earn-out expected to be payable as of 2012. The 2.5 million earn-out payable early 2011 is presented on the line 'Other current liabilities'.

The other long-term liabilities, excluding the current portion of the long-term liabilities, are repayable as follows:

IN THOUSANDS OF EURO	2010
Payable in 2012	3,642
Payable in 2013	3,005
Payable in 2014	2,995
Payable in 2015	496
Later	3,150
Total other long-term liabilities	**13,288**

17. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

IN THOUSANDS OF EURO	2010	2009	2008
Share capital	54,169	54,169	54,169
Share premium	131,150	131,150	131,150
Share-based payments	3,478	3,188	2,858
Acquired own shares	-45,641	-45,641	-45,641
Retained earnings	282,166	238,542	298,461
Cumulative translation adjustment	-28,757	-37,757	-38,587
Derivatives	-975	613	764
Equity attributable to equity holders of the parent	**395,590**	**344,264**	**403,174**

1. Share capital

In 2010 no warrants were exercised under the existing plans. As a result thereof the company's share capital remained unchanged at 54.2 million euro on 31 December 2010. Also the total number of shares outstanding remained unchanged at 12,669,955. All shares are fully paid.

2. Share premium

Since no warrants were exercised in 2010 the share premium remained unchanged at 131 million euro on 31 December 2010.

3. Share-based payments

On 1 June 2004 the extraordinary shareholders' meeting approved a new warrant scheme effective for a period of five years and decided that the board of directors could create for the benefit of the staff up to 400,000 warrants, each one entitling subscription to one share. In 2007, 110,000 warrants were granted. In 2008 no warrants were granted. In 2009, 106,470 warrants were granted. On 31 December 2009 no warrants remained available for distribution to employees under the 2004 warrant scheme since the five year term thereof, which commenced on 1 June 2004, expired on 31 May 2009.

On 11 June 2010, 3 new warrant schemes have been approved by the extraordinary shareholders' meeting. These 3 warrant schemes entitle the board of directors to create maximum 100,000 warrants before 31 December 2010; each warrant entitling subscription to one share. In October 2010, 93,100 warrants have been granted to employees and management of the group based upon these warrant schemes. On 31 December 2010, no warrants remained available for distribution under the 2010 warrant schemes given the expire dates of the plans per 31 December 2010.

Warrants exercisable under the warrant plans

The total number of outstanding warrants on 31 December 2010 amounted to 918,804 which can lead to the creation of the same number of shares. These warrants may be exercised under the following conditions:

Allocation date	End term	Exercise price	Balance on 31 Dec 2009	Granted in 2010	Exercised in 2010	Cancelled in 2010	Expired in 2010	Balance on 31 Dec 2010
09/16/99	09/15/09[1]	93.58 euro	121.958				(460)	121.498
07/13/00	07/12/10[1]	91.92 euro	130.259				(912)	129.347
06/18/02	06/17/12[1]	42.01 euro	105.812					105.812
06/24/02[2]	06/23/12	40.55 euro	983				(923)	60
06/24/02	06/23/12[1]	42.70 euro	7.666					7.666
11/04/02	11/03/12[1]	42.40 euro	4.000					4.000
06/23/03	06/22/13	50.75 euro	47.247				(90)	47.157
06/23/03[2]	06/22/13	50.50 euro	880				(500)	380
09/15/03	09/14/13	57.52 euro	950					950
03/29/04	03/28/14	67.00 euro	60.532				(45)	60.487
03/29/04[2]	03/28/14	66.50 euro	915				(330)	585
09/12/05	09/11/15	60.51 euro	55.857			(50)		55.807
09/12/05[2]	09/11/15	63.15 euro	1.540				(330)	1.210
09/12/05[3]	09/11/15	61.35 euro	10.245			(50)		10.195
11/09/06	11/08/16	65.05 euro	65.053			(45)		65.008
11/09/06[2]	11/08/16	66.15 euro	1.575				(360)	1.215
11/12/07	11/11/17	50.68 euro	80.320			(100)		80.220
11/12/07[2]	11/11/17	51.53 euro	3.450			(713)		2.737
12/15/07	12/14/17	50.48 euro	25.000					25.000
05/28/09	05/27/19	19.62 euro	90.800					90.800
05/28/09	05/27/19	24.00 euro	15.070					15.070
05/28/09	05/27/19	23.57 euro	600			(100)		500
10/28/10	10/27/15	35.85 euro		33.450				33.450
10/28/10[2]	10/27/20	35.85 euro		35.500				35.500
10/28/10[3]	10/27/15	41.75 euro		24.150				24.150
TOTAL			**830,712**	**93,100**	**0**	**-1,058**	**-3,950**	**918,804**

(1) For a large number of warrants this last exercise date was extended with three years according to article 407 of the law of 24 December 2002
(2) Deviation of exercise price as a result of the implementation of the UK sub plan
(3) Deviation of exercise price as a result of the implementation of the US sub plan

No warrants were exercised during 2010.

The cost of these warrant plans is included in the income statement. The warrants are valued at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates and interest rates. The warrant cost is taken into result on a straight-line basis from the grant date until the first exercise date. The share-based payment expenses amounted to 0.3 million euro in 2010 (2009: 0.3 million euro; 2008: 0.6 million euro).

4. Acquired own shares
Barco did not acquire own shares in 2010 and 2009. Therefore the number of own shares acquired by Barco NV up to 31 December 2010 remains unchanged at 737,963. During the year 2008, Barco acquired 27,900 own shares for a total amount of 1.2 million euro.

5. Retained earnings
The change in retained earnings is caused by the net income of 2010.

6. Cumulative translation adjustment
In 2010, exchange differences on translation of foreign operations mainly related to the Indian Rupee (3.6 million euro), the American dollar (2.0 million euro), the Singapore dollar (1.4 million euro) and the Australian dollar (1.1 million euro). In 2008 the Indian Rupee became significantly weaker compared to the euro and compared to the year before. In 2010 and 2009 exchange differences on the translation of the Indian operations were marginal compared to 2008.

7. Derivatives
Derivative financial instruments are disclosed in note 20.

18. TRADE PAYABLES

IN THOUSANDS OF EURO		2010	2009	2008
Trade payables		125,353	67,852	67,004
Days payable outstanding (DPO)	(a)	67	55	51

(a) DPO = Trade Payables / (Material cost + Services and other costs) x 365

19. PROVISIONS

IN THOUSANDS OF EURO		Balance sheet 2010	Acquisition of subsidiary	Additional provisions made	Amounts used	Unused amounts reversed	Transfers	Translation (losses) / gains	Balance sheet 2009	Balance sheet 2008
Technical warranty	(a)	26,520	648	18,265	-10,136	-1,307	105	534	18,412	16,820
Risks on contracts in progress	(b)	6,337	-	2,337	-	-	-	-	4,000	237
Pension obligations	(c)	5,972	1,893	703	-927	-26	-	121	4,208	4,887
Restructuring provision	(d)	3,351	-	-	-3,077	-	344	23	6,061	10,433
Social claims and severance payments		466	-	217	-277	-65	-357	44	904	1,238
Patent infringements		-	-	-	-	-	-	-	-	1,290
Other claims and risks		5,627	443	5,826	-4,953	-963	-92	127	5,240	5,450
Provisions		**48,273**	**2,984**	**27,348**	**-19,370**	**-2,361**	**-**	**848**	**38,825**	**40,355**

(a) Technical warranty

Provisions for technical warranty are based on historical experience of the level of repairs and replacements. Additional provisions are set up when a technical problem is detected. There are three different technical warranty provisions: provisions related to 'normal' (mostly 2 years) warranty period, provisions related to extended warranty periods and provisions for specific claims/issues.

(b) Risks on contracts in progress

As soon as Barco considers that it is probable that the contract costs on a contract in progress will exceed the contract revenue, the expected losses are recognized as an expense.

(c) Pension obligations

In general, pension plans at Barco are defined contribution plans. Obligations for these plans are recognized as an expense in the income statements as incurred. Expenses for these plans amount to 7.9 million euro in 2010 (in 2009: 9.2 million euro; in 2008: 11.6 million euro). In some specific cases a pension plan includes a defined benefit obligation. According to IAS 19, provisions are set up in these situations.

As per 31 December 2010, the defined benefit obligations are composed of:

• Early retirement plans in Belgium	1,712
• Local legal requirements (mainly France, Japan, Korea and Italy)	1,535
• A small number of individual plans	2,725
Total	5,972

Early retirement plans are recognized as liability and expense when the company is committed to terminate the employment of the employees affected before the normal retirement date.

(d) Restructuring provision

During 2010, the restructuring plans initiated in the previous year have been further executed; this will continue in the coming year.

20. RISK MANAGEMENT - DERIVATIVE FINANCIAL INSTRUMENTS

General risk factors are described in the director's report 'Risk Factors'.

Derivative financial instruments are used to reduce the exposure to fluctuations in foreign exchange rates and interest rates. These instruments are subject to the risk of market rates changing subsequent to acquisition. These changes are generally offset by opposite effects on the item being hedged.

FOREIGN CURRENCY RISK

Recognized assets and liabilities

Barco incurs foreign currency risk on recognized assets and liabilities when they are denominated in a currency other than the company's local currency. Such risks may be naturally covered when a monetary item at the asset side (such as a trade receivable or cash deposit) in a given currency is matched with a monetary item at the liability side (such as a trade payable or loan) in the same currency.

Forward exchange contracts and selectively option contracts are used to manage the currency risk arising from recognized receivables and payables, which are not naturally hedged. This is particularly the case for the USD (and USD-related currencies), for which receivables are systematically higher than payables. No hedge accounting is applied to these contracts.

The balances on foreign currency monetary items are valued at the rates of exchange prevailing at the end of the accounting period. Derivative financial instruments that are used to reduce the exposure of these balances are rated in the balance sheet at fair value. Both changes in foreign currency balances and in fair value of derivative financial instruments are recognized in the income statement.

Forecasted transactions

Barco selectively designates forward contracts to forecasted sales. Hedge accounting is applied to these contracts. The portion of the gain or loss on the hedging instrument that will be determined as an effective hedge is recognized directly in comprehensive income. On 31 December 2010, there were no forward contracts outstanding under hedge accounting treatment.

Estimated sensitivity to currency fluctuations

Main sensitivity to currency fluctuations is related to the evolution of the USD versus the euro. This sensitivity is caused by following factors:

- The fair value of foreign currency monetary items is impacted by currency fluctuations. In order to eliminate most of these effects in USD and USD-related currencies, Barco uses monetary items and/or derivative financial instruments as described above, which are meant to offset the impact of such results to a major extent. Impact on operating result is currently estimated at 2 million euro when the year-end USD-rate changes with 10% compared to the beginning of a period, exclusive of the mitigating hedge impact.
- As the company has no cash flow hedges in place that aim at hedging forecasted transactions, a similar currency fluctuation in USD rates would not have any effect on the equity position of Barco.
- Profit margins may be negatively affected because an important part of sales are realized in USD or USD-related currencies, while costs are incurred to a smaller part in these currencies. Impact on operating result is currently estimated at 12.5 million euro when the average USD-rate in a year changes with 10%. Barco has done great efforts in recent years to increase its natural hedging against the USD by increasing its operational costs in USD or USD-related currencies and by purchasing more components in these currencies. The natural hedge ratio of Barco over the past year reached a level close to 70%.
- Another impact is the fact that some of Barco's main competitors are USD-based. Whenever the USD decreases in value against the euro, these competitors have a worldwide competitive advantage over Barco. This impact on operating result can not be measured reliably.

INTEREST RATE RISK

Barco uses following hedging instruments to manage its interest rate risk:

Swap on outstanding loan

Barco has an outstanding variable loan of 8.7 million US dollar (6.5 million euro) in place, of which variable interest rate conditions have been swapped into a fixed 3.86%.

The swap is determined as an effective hedge of the loan for a similar portion and meets the hedging requirements of IAS 39. The fair value of the hedging instrument is therefore recognized directly in comprehensive income under hedge accounting treatment.

Cap / Floor on loan agreements

Barco entered in 2004 into a 15 million euro amortizing loan agreement with variable interest rate. Through the cap / floor structure, variability on the interest rate conditions of this loan (currently outstanding at 5.1 million euro) is restricted within a range of 2% and 5%.

The cap / floor loan agreements don't meet the hedging requirements of IAS 39 and are therefore treated as financial instruments held for trading. They are valued at fair value and changes in fair value are recognized in the income statement.

Estimated sensitivity to interest rate fluctuations

Effective base rate on the 5.1 million euro amortizing loan agreement is currently fixed at 2% (due to low EURIBOR rates and included floor agreement), whereby based on forward-looking interest rate view, management doesn't expect the interest rate to rise above this floor level in the immediate foreseeable future.

CREDIT RISK

Credit risk on accounts receivable

Credit evaluations are performed on all customers requiring credit over a certain amount. The credit risk is monitored on a continuous basis. In a number of cases collateral is being requested before a credit risk is accepted. Specific trade finance instruments such as letters of credit and bills of exchange are regularly used in order to minimize the credit risk. In 2010, Barco concluded credit insurances in order to cover credit risks on specific customers with whom Barco entered into vendor financing agreements. Such vendor financing agreements are concluded and monitored on a case by case basis.

Credit risk on liquid securities and short-term investments

A policy defining acceptable counter parties and the maximum risk per counter party is in place. Short-term investments are done in marketable securities or in fixed term deposits with reputable banks.

FAIR VALUES

Set out below is an overview of the carrying amounts of the group's financial instruments that are showing in the financial statements. In general, the carrying amounts are assumed to be a close approximation of the fair value.

IN THOUSANDS OF EURO	2010	2009	2008
	Carrying amount / Fair value (approx.)		
Financial assets			
Trade receivables	200,983	134,805	168,325
Other receivables	32,044	25,850	30,172
Loan and other receivables	31,754	25,681	30,230
Interest rate swap	4	14	19
Currency rate swap	287	155	-77
Other non-current assets	17,339	6,109	5,302
Cash and short-term deposits	46,041	45,901	72,119
Total	**296,407**	**212,665**	**275,918**
Financial liabilities			
Financial debts	15,317	13,791	15,376
Floating rate borrowings	14,302	13,258	14,986
Fixed rate borrowings	1,015	533	390
Other debts	13,288	5,943	6,091
Short-term debts	24,039	8,116	89,266
Trade payables	125,353	67,852	67,004
Dividends payable	2,142	2,222	2,694
Interest rate swap	1,134	92	36
Other liabilities	6,522	1,683	1,905
Total	**187,794**	**99,699**	**182,372**

The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2010, the carrying amounts of such receivables, net of allowances, are assumed not to be materially different from their calculated fair values.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using the effective interest rates currently available for debt on similar terms, credit risk and remaining maturities. As at 31 December 2010, the effective interest rate is not materially different from the nominal interest rate of the financial obligation, hence the carrying amounts of such liabilities are assumed not to be materially different from their calculated fair values.

- The group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate (cap/floor) swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves.

Fair value hierarchy

As at 31 December 2010, the Group held the following financial instruments measured at fair value:

IN THOUSANDS OF EURO	2010	2009
Assets measured at fair value		
Financial assets at fair value through profit or loss		
Foreign exchange contracts - non-hedged	327	25
Interest rate swap	4	14
Financial assets at fair value through equity		
Foreign exchange contracts - hedged	-	690
Interest rate swap	-	
Liabilities measured at fair value		
Financial liabilities at fair value through profit or loss		
Foreign exchange contracts - non-hedged	56	540
Interest rate swap	157	92
Financial liabilities at fair value through equity		
Foreign exchange contracts - hedged	-	20
Interest rate swap	977	20

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All fair values mentioned in the above table relate to Level 2.

During the reporting period ending 31 December 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

CAPITAL MANAGEMENT

Management evaluates its capital needs based on the following data:

IN THOUSANDS OF EURO	2010	2009	2008
Net financial cash / (debt)	8,857	23,486	-32,802
Equity	395,591	344,265	403,176
% Net financial cash (debt) / Equity	2.2%	6.8%	-8.1%

IN THOUSANDS OF EURO	2010	2009	2008
Equity	395,591	344,266	403,176
Total equity and liabilities	754,699	572,475	720,727
% Equity / Total equity and liabilities	52.4%	60.1%	55.9%

Barco reinforced its investment level in 2010 in order to sustainably support its growth, including the acquisition of dZine mid 2010. Although the combined effect resulted in a net cash outflows, the group ended 2010 with a net cash position of 8.9 million euro.
Management considers current ratios as healthy and sufficient for the further development of the group.

21. OPERATING LEASES

IN THOUSANDS OF EURO	2010	2009	2008
Non-cancellable operating leases are payable as follows:			
Less than one year	4,775	5,311	6,273
Between one and five years	8,808	7,788	10,261
More than five years	883	526	416
Total	**14,466**	**13,626**	**16,950**

Non-cancellable operating leases mainly relate to leases of factory facilities, warehouses and sales offices. During the current year, 6.6 million euro was recognized as an expense in the income statement in respect of operating leases of factory facilities, warehouses and sales offices (in 2009: 5.1 million euro; in 2008: 5.5 million euro).

22. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

IN THOUSANDS OF EURO		2010	2009	2008
Guarantees given to third parties	(a)	23,351	22,986	22,145
Mortgage obligations given as security	(b)			
• book value of the relevant assets		203	724	5,584
• total of the mortgage		2,384	2,384	14,626
Buy back obligations	(c)	11,300	6,700	9,800

(a) Guarantees given to third parties mainly relate to guarantees given to customers for ongoing projects, guarantees given to suppliers for investment projects and to authorities for commitments related to VAT, duties, etc.
(b) There are no outstanding debts guaranteed by the mortgage obligations.
(c) Barco appeals on a vendor-lease program with the obligation to take back sold goods, in case of insolvency of the client. No buy-back provision is set up for this risk as all risks and rewards are transferred upon the sale. Total possible value of the obligation to take back sold goods is 11.3 million euro (6.7 million euro in 2009 and 9.8 million euro in 2008). Average remaining duration of these contracts is 7 years.

At the end of 2007, Barco reached agreements for the sale of important parts of the Manufacturing Services division. These agreements stipulate that the buyers will remain Barco's leading suppliers for the mechanical assembly activities. These commitments gradually decrease from 90% in the first year after the sale of the activities (i.e. 2008) to 82% in 2012. In 2008, Barco reached an additional agreement for cable assembly, which included a purchase commitment gradually decreasing in 2011 and 2012.
The prices used in all purchase agreements are based on following principles:
• price continuity with customary adjustments for existing products;
• agreed price calculation models and competitiveness obligations for new products.
The agreements include quality and on-time delivery specifications.

23. RELATED PARTY TRANSACTIONS

For more information with respect to remuneration for directors and members of the executive management, please refer to the 'Corporate governance' section on page 62 of the annual report.

24. CASH FLOW STATEMENT: EFFECT OF ACQUISITIONS AND DISPOSALS

The table below shows the effect of acquisitions and disposals on the balance sheet movement of the group. The 2010 acquisitions relate to Fimi, dZine and Element Labs, leading to a combined investment of 38.2 million euro. See Note 1.2 for more information on these acquisitions.

The 2009 effect relates to the disposal of the Advanced Visualization activities. In 2008, the effect relates for the major part to the acquisition of High End Systems and the disposal of Barco Vision.

IN THOUSANDS OF EURO	Acquisitions			Disposals		
	2010	2009	2008	2010	2009	2008
Non-current assets	**12,021**	**-**	**1,862**	**-**	**-5,172**	**-13,393**
Capitalized development cost	3,597	-	500	-	-4,265	-5,671
Customer list	5,000	-	-	-	-	-
Tangible assets and other intangible assets	2,112	-	1,232	-	-229	-10,557
Deferred tax assets	1,299	-	130	-	-678	2,865
Other non-current assets	13	-	-	-	-	-30
Current assets	**21,848**	**-**	**14,318**	**-**	**3,052**	**-26,520**
Inventory	12,963	-	7,143	-	-64	-9,190
Trade debtors & other receivables	8,885	-	7,175	-	3,116	-17,330
Non-current liabilities	**5,035**	**-**	**-21**	**-**	**-**	**2**
Long-term debts, interest-bearing liabilities	-	-	-21	-	-	2
Deferrred tax liabilities	1,991	-	-	-	-	-
Provisions	3,044	-	-	-	-	-
Current liabilities	**11,615**	**-**	**-4,389**	**-**	**2,205**	**14,544**
Trade payables	4,539	-	-2,577	-	-	6,063
Other payables	7,076	-	-1,813	-	2,205	8,481
Net-identifiable assets and liabilities	**17,218**	**-**	**11,769**	**-**	**85**	**-25,367**
Non-operating profit (losses) on disposals	**-**	**-**	**-**	**-**	**-7,508**	**69,208**
Goodwill on acquisitions	**20,626**	**-**	**24,654**	**-**	**-15,544**	**-255**
Received consideration	**-**	**-**	**-**	**-**	**22,967**	**62,510**
Acquired cash	**382**	**-**	**-**	**-**	**-**	**-**
Purchase price	**38,227**	**-**	**36,423**	**-**	**-**	**-**

Out of the total purchase price relating to the 2010 acquisitions (38.2 million euro), 19 million euro purchase price of FIMI Srl was already paid end of 2009; during 2010 an amount of 10 million euro has been paid, mainly relating to the acquisition of dZine and the asset deal with Element Labs. The remaining part of the purchase price concerns earn-out amounts payable as of 2011.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are carried in terms of historical cost using the exchange rate at the date of the acquisition.

25. BALANCE SHEET FROM REPORTED BUSINESS VERSUS CONTINUING BUSINESS

IN THOUSANDS OF EURO	NOTE	31 Dec 2010	31 Dec 2009	31 Dec 2008	31 Dec 2010	31 Dec 2009	31 Dec 2008
		Continuing business			Reported business		
ASSETS							
Goodwill	9	52,891	32,265	57,265	52,891	32,265	72,809
Capitalized development cost	10	59,378	54,434	69,038	59,378	54,434	73,378
Other intangible assets	11	8,573	5,204	2,325	8,573	5,204	2,364
Land and buildings	11	30,525	30,988	33,378	30,525	30,988	33,378
Other tangible assets	11	25,657	23,193	29,058	25,657	23,193	29,263
Investments		326	19,327	327	326	19,327	327
Deferred tax assets	12	41,742	32,125	33,871	41,742	34,042	34,701
Other non-current assets	14	17,339	6,109	5,302	17,339	10,025	5,302
Non-current assets		**236,431**	**203,645**	**230,565**	**236,431**	**209,479**	**251,521**
Inventory	13	230,421	146,264	189,104	230,421	146,265	189,252
Trade debtors	14	200,983	134,805	168,325	200,983	134,805	170,140
Other amounts receivable	14	32,044	25,850	30,172	32,044	26,931	30,185
Cash and cash equivalents	15	46,041	45,901	72,119	46,041	45,901	72,119
Prepaid expenses and accrued income		8,780	9,092	7,484	8,780	9,095	7,509
Assets from discontinued operations	3	-	6,918	22,960	-	-	-
Current assets		**518,269**	**368,831**	**490,162**	**518,269**	**362,997**	**469,206**
Total assets		**754,699**	**572,475**	**720,727**	**754,699**	**572,475**	**720,727**
EQUITY AND LIABILITIES							
Equity attributable to equityholders of the parent	17	395,590	344,264	403,173	395,590	344,264	403,173
Non-controlling interests		1	1	3	1	1	3
Equity		**395,591**	**344,265**	**403,176**	**395,591**	**344,265**	**403,176**
Long-term debts	15	12,674	11,906	13,672	12,674	11,906	13,672
Deferred tax liabilities	12	7,331	5,299	3,215	7,331	10,727	3,215
Other long-term liabilities	16	13,288	5,446	5,813	13,288	5,446	5,813
Non-current liabilities		**33,293**	**22,652**	**22,700**	**33,293**	**28,080**	**22,700**
Current portion of long-term debts	15	2,643	2,393	1,983	2,643	2,393	1,983
Short-term debts	15	24,039	8,116	89,266	24,039	8,116	89,266
Trade payables	18	125,353	67,852	67,004	125,353	67,852	67,135
Advances received on contracts in progress		33,659	27,493	19,180	33,659	27,493	19,315
Tax payables		23,574	12,203	20,989	23,574	12,203	20,995
Employee benefit liabilities		47,598	28,450	38,055	47,598	28,451	38,430
Other current liabilities		6,522	3,997	4,636	6,522	3,997	4,851
Accrued charges and deferred income		14,154	10,801	7,821	14,154	10,802	12,516
Provisions	19	48,273	38,824	40,355	48,273	38,824	40,360
Liabilities from discontinued operations	3	-	5,429	5,562	-	-	-
Current liabilities		**325,815**	**205,558**	**294,851**	**325,815**	**200,131**	**294,851**
Total equity and liabilities		**754,699**	**572,475**	**720,727**	**754,699**	**572,475**	**720,727**

26. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There are no major events subsequent to the balance sheet date which have a major impact on the further evolution of the company.

AUDITOR'S REPORT

Statutory auditor's report to the general meeting of shareholders of Barco NV on the consolidated financial statements for the year ended 31 December 2010.

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated financial statements as well as the required additional comments.

UNQUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of Barco NV and its subsidiaries (collectively referred to as 'the Group') for the year ended 31 December 2010, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of € 754.699 thousand and the consolidated statement of income shows a profit for the year, share of the Group, of € 43,625 thousand

Responsibility of the board of directors for the preparation and fair presentation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the board of directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2010 give a true and fair view of the Group's financial position as at 31 December 2010 and of the results of its operations and its cash flows in accordance with IFRS as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

ADDITIONAL COMMENTS

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments, which do not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements deals with the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the entities included in the consolidation are facing, and on their financial situation, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Ghent, 7 February 2011

Ernst & Young Bedrijfsrevisoren BCBVA
Statutory auditor
represented by

Lieve Cornelis	Jan De Luyck
Partner	Partner

BARCO NV

SUMMARY VERSION OF STATUTORY ACCOUNTS BARCO NV

The financial statements of the parent company, Barco NV, are presented below in a condensed form.

The accounting principles used for the statutory annual accounts of Barco NV differ from the accounting principles used for the consolidated annual accounts: the statutory annual accounts follow the Belgian legal requirements, while the consolidated annual accounts follow the International Financial Reporting Standards. Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the Barco Group.

The management report of the Board of Directors to the Annual General Meeting of Shareholders and the annual accounts of Barco NV, as well as the Auditor's Report, will be filed with the National Bank of Belgium within the statutory periods. These documents are available on request from Barco's Investor Relations department, and at www.barco.com.

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of Barco NV for the year ended 31 December 2010 give a true and fair view of the financial position and results of the company in accordance with all legal and regulatory dispositions.

BALANCE SHEET AFTER APPROPRIATION

IN THOUSANDS OF EURO	2010	2009	2008
Fixed assets	667,750	701,893	713,276
Intangible fixed assets	46,355	41,240	64,540
Tangible fixed assets	21,242	22,295	26,103
Financial fixed assets	588,162	633,004	621,195
Amounts receivable after more than one year	11,991	5,354	1,438
Current assets	358,916	259,380	270,195
Stocks and contracts in progress	133,329	87,128	97,467
Amounts receivable within one year	175,387	118,812	121,812
Investments (own shared)	45,845	45,845	45,845
Cash at bank and in hand	73	2,860	46
Deferred charges and accrued income	4,282	4,736	5,025
TOTAL ASSETS	1,026,666	**961,273**	**983,471**

Capital and reserves	343,710	254,192	281,667
Capital	54,169	54,169	54,169
Share premium account	131,150	131,150	131,150
Reserves	52,058	52,059	52,058
Accumulated profits	104,881	15,685	42,125
Investment grants	1,452	1,128	2,164
Provisions	24,412	20,250	22,446
Provisions for liabilities and charges	24,412	20,250	22,446
Deferred taxes	-	-	-
Creditors	658,544	686,832	679,357
Amounts payable after more than one year	34,367	30,765	37,895
Amounts payable within one year	624,177	656,067	641,462
TOTAL LIABILITIES	**1.026.666**	**961.273**	**983.471**

The financial fixed assets changes consist of the intercompany sale of shares of Barco Integrated Solutions and purchase of shares of Barco Coordination Center. The liabilities include mainly intercompany debts (494 million euro), mainly towards Barco Coordination Center NV.

INCOME STATEMENT

IN THOUSANDS OF EURO	2010	2009	2008
Sales	567,124	410,992	444,284
Operating income/(loss)	28,705	-22,709	-46,445
Financial result	-4,670	-11,213	-22,240
Extra-ordinary result	77,834	12,091	75,759
Income taxes	-3	-4,609	-144
Profit/(loss) for the year	101,866	-26,440	6,930

PROPOSED APPROPRIATION BARCO NV RESULT

IN THOUSANDS OF EURO	2010	2009	2008
Profit/(loss) for the year for appropriation	101,866	-26,440	6,930
Profit brought forward	15,685	42,125	36,413
Profit to be appropriated	**117,551**	**15,685**	**43,343**
Transfer to other reserves	0	0	1,218
Profit to be carried forward	104,881	15,685	42,125
Gross dividends	12,670	0	0
Total	**117,551**	**15,685**	**43,343**

Barco NV sales in 2010 amounts to 567 million euro, which is 38% higher than in 2009 and 27.6% higher than the sales realized in 2008. In 2010, the performance of the digital cinema and medical imaging businesses are the main drivers for the increase in sales and operating income.

Due to the restructuring and cost containment actions, the operating loss could be limited in 2009 to -22.7 million euro (-5.5% on sales), compared to an operating loss of -46.4 million euro in 2008 (-10.4%).

The movement in financial results relates to received dividends from affiliates (6.9 million euro) and the lower interest expenses incurred in 2010 compared to the prior years.

The extra-ordinary income in 2010 relates to gain (81 million euro) realized on the intercompany sale of shares of Barco Integrated Solutions NV to Barco Coordination Center NV, and the impairment on the investment in Barco Denmark (3 million euro). In 2009, the extra-ordinary income relates to the sale of Avis business. The extra-ordinary income in 2008 includes the gain realized on the contribution in kind of its participation in Barco BV in Barco Creative Systems NV.

The board of directors of Barco NV proposed a gross dividend of 1 euro per share relating to the result as of 31 December 2010.

Registered office
Pres. Kennedypark 35
BE-8500 Kortrijk
Tel.: +32 (0)56 23 32 11
Fax: +32 (0)56 26 22 62

Group management
Pres. Kennedypark 35
BE-8500 Kortrijk
Tel.: +32 (0)56 23 32 11
Fax: +32 (0)56 26 22 62

Stock exchange
NYSE Euronext Brussels

Financial information
More information can be obtained at the Investor Relations Department of the group management:

JP Tanghe
Senior Vice President Barco
Tel.: +32 (0)56 26 23 22
Fax: +32 (0)56 26 22 62
E-mail: jp.tanghe@barco.com

Realization
Barco Corporate Marketing
Focus Advertising

Publisher
JP Tanghe
Senior Vice President Barco

Barco
President Kennedypark 35
8500 Kortrijk - Belgium

M80022-R00-0211-AR

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