for a smarter tomorrow

Annual report 2012

BARCO

Visibly yours

In our complex and ever-changing world, infrastructures are being pushed to their limits. People are becoming increasingly more connected and mobile, and cities have become genuine living networks.

Barco is investing in smart visualization solutions that meet these challenges. Today, whether it is in traffic management, healthcare or in mass venues, Barco is all around.

And if anything, tomorrow will be even smarter. But what exactly is that about?

A smarter tomorrow is about inspiring creativity.

The bustling nightlife on Leicester Square kicks into gear (London, UK).

A smarter tomorrow is about facilitating healthcare.

A hospital's green roof overlooks the Rhine River (Basel, Switzerland).

A smarter tomorrow is about sustainable energy.

A field of wind turbines stretches through the rolling hills of Alamont Pass (California, USA).

A smarter tomorrow is about reducing global CO_2 emissions.

Approaching JFK airport at night, the glittering city lights create a spectacular welcoming (New York, USA).


Projection — Saving theaters up to 50% in Xenon lamp cost


Healthcare — Saving nurses 25% of their time spent on paperwork

31 JANUARY

01 FEBRUARY

Barco acquires networked visualization specialist IPVS

07 FEBRUARY

Future IMAX theaters to be exclusively powered by Barco

31 January	» 3rd generation LEDs make video walls 33% brighter
01 February	» Barco acquires networked visualization specialist IPVS
03 February	» Barco acquires bedside terminal provider JAOtech
07 February	» Future IMAX theaters to be exclusively powered by Barco
23 February	» Partnering with Penn Medicine on virtual clinical trials research
22 March	» Large-scale projection mapping at Super Bowl

YEAR IN REVIEW

18 APRIL

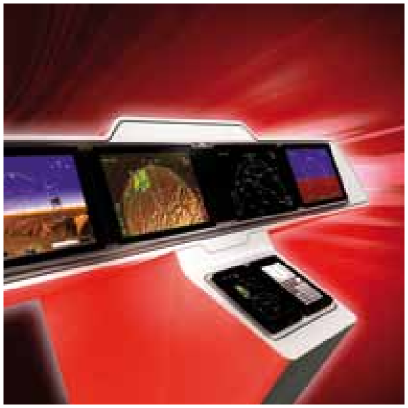
Introducing ClickShare - 'the one click wonder'

15 MAY

Groundbreaking 4K laser projection at CinemaCon

5 April	» New super silent three-chip DLP projector
11 April	» Semi-rugged displays for naval and shelter applications
18 April	» Introducing ClickShare - 'the one click wonder'
15 May	» Groundbreaking 4K laser projection at CinemaCon
14 June	» Clinical displays selected for Chinese e-hospital project
20 June	» Barco collaboration wall at Polk County Sheriff's Office

09 JULY



Unveiling the cockpit display of the future

01 AUGUST

Barco video walls selected for China State Grid control center

12 SEPTEMBER

First network-ready 26-inch surgical display

09 July	» Unveiling the cockpit display of the future
12 July	» LANG AG selects new rental projectors
13 July	» Introducing industry-standard LED video walls
01 August	» Video walls selected for China State Grid control center
05 September	» Launch of budget-friendly family of LED displays
12 September	» First network-ready 26-inch surgical display

05 OCTOBER

'Rise of the Guardians' features Auro 3D sound technology

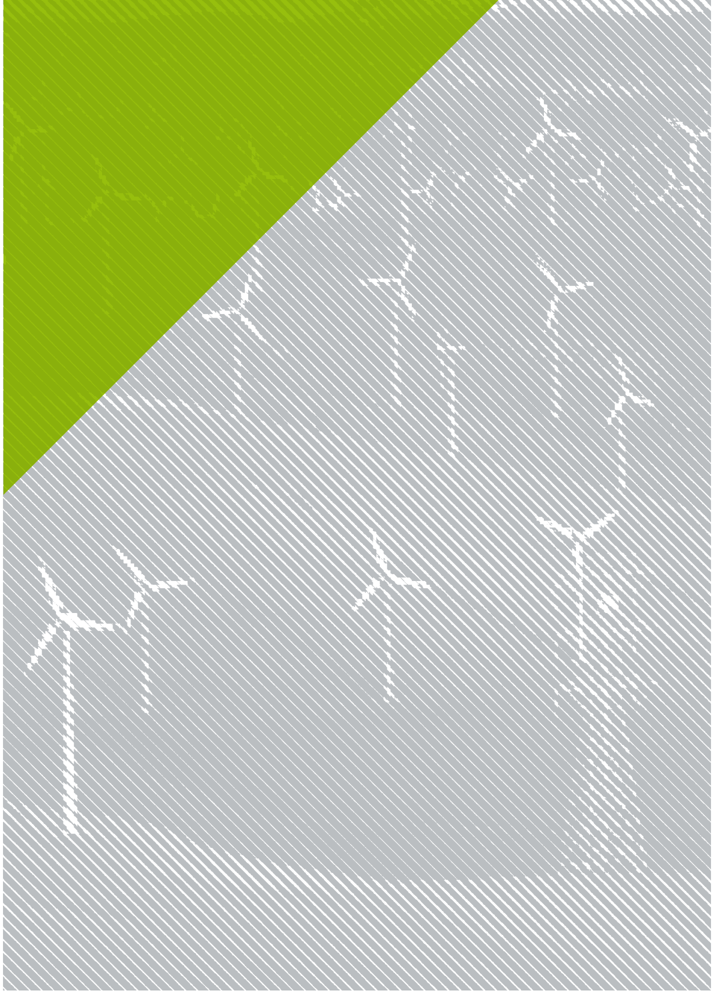
08 NOVEMBER

New patient bedside terminals make their debut

05 October » 'Rise of the Guardians' features Auro 3D sound technology
17 October » Medical displays preferred choice for French public hospitals
01 November » Introducing DLP Cinema® projector for small theaters
08 November » New patient bedside terminals make their debut
03 December » China Film Group orders 800 digital cinema projectors
19 December » Barco acquires majority share in Norway's projectiondesign®

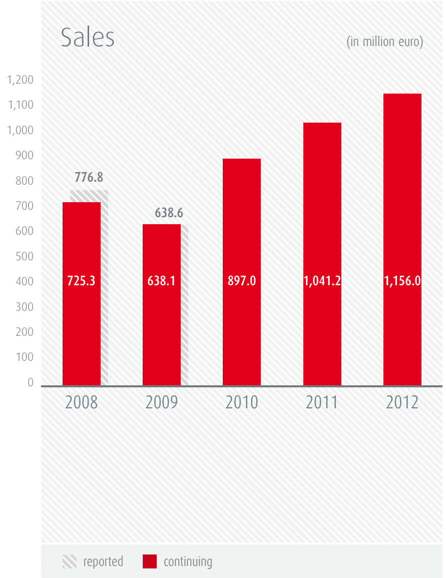
A smarter tomorrow is about working on greater issues by excelling in your own technologies.

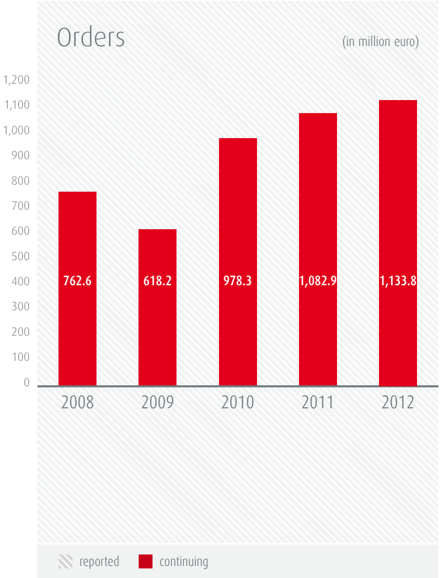
Advanced Visualization — Monitoring 50% of the world's electricity transport to help build the smart grid of the future

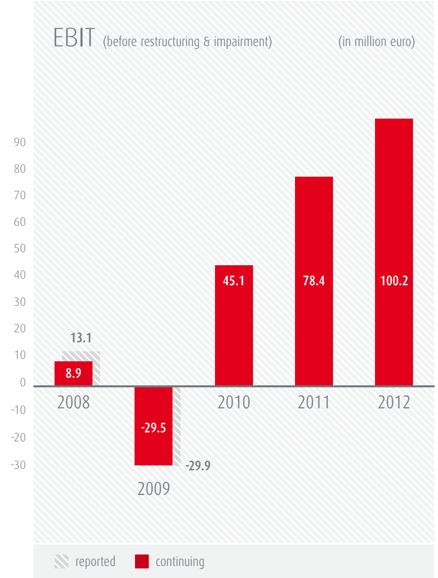


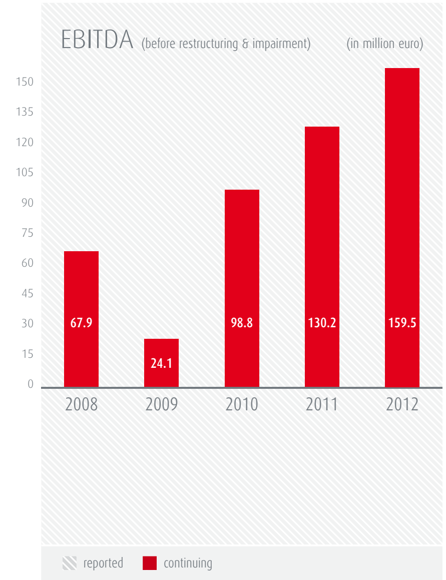
Defense & Aerospace — Cutting aviation emissions by 5-8%

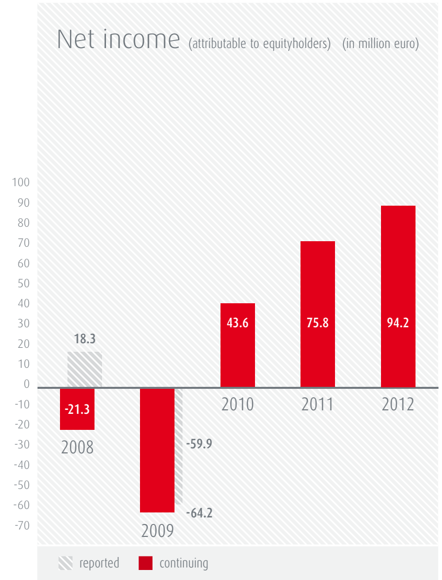
KEY FIGURES

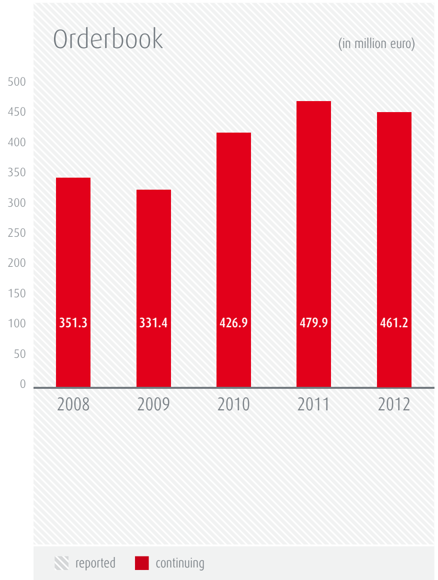

Sales
(in million euro)
776.8
638.6
725.3
638.1
897.0
1,041.2
1,156.0
2008
2009
2010
2011
2012
reported
continuing


Orders
(in million euro)
762.6
618.2
978.3
1,082.9
1,133.8
2008
2009
2010
2011
2012
reported
continuing


EBIT (before restructuring & impairment)
(in million euro)
13.1
8.9
-29.5
-29.9
45.1
78.4
100.2
2008
2009
2010
2011
2012
reported
continuing


EBITDA (before restructuring & impairment)
(in million euro)
67.9
24.1
98.8
130.2
159.5
2008
2009
2010
2011
2012
reported
continuing


Net income (attributable to equityholders)
(in million euro)
18.3
-21.3
-59.9
-64.2
43.6
75.8
94.2
2008
2009
2010
2011
2012
reported
continuing


Orderbook
(in million euro)
351.3
331.4
426.9
479.9
461.2
2008
2009
2010
2011
2012
reported
continuing

FINANCIAL HIGHLIGHTS

(IN THOUSANDS OF EURO)	2012	2011	2010
Income statement before goodwill impairment			
Orders	**1,133,781**	1,082,895	978,263
Orderbook	**461,157**	479,918	426,900
Net sales	**1,155,984**	1,041,244	896,999
Gross profit	**375,633**	312,932	287,516
EBIT	**100,238**	78,359	45,135
Profit/(loss) before taxes	**98,656**	65,829	43,625
EBITDA (a)	**159,476**	130,223	98,752
Ratios			
EBIT on sales	**8.7%**	7.5%	5.0%
EBITDA on sales	**13.8%**	12.5%	11.0%
Net financial cash (/debt) on EBITDA	**69.7%**	47.3%	9.0%
Goodwill impairment	-2,671	-10,000	0

(IN THOUSANDS OF EURO)	2012	2011	2010
Balance sheet & personnel			
Equity	**538,050**	460,703	395,591
Balance sheet total	**921,879**	814,567	754,699
Net financial cash/(debt) (f)	**111,166**	61,635	8,857
Operating capital employed (e)	**389,569**	399,534	327,608
Net working capital (e)	**95,425**	162,222	177,145
Personnel on 31 December	**3,727**	3,507	3,499
Ratios			
DSO (b)	**48**	56	59
Inventory turns (c)	**3.1**	2,7	2,3
DPO (d)	**57**	54	67
ROCE (%) (e)	**24%**	20%	12%

(a) EBIT+ depreciation on capital expenditure (PP&E) + amortization on capitalized development cost
(b) DSO = ((Trade debtors, net) / (sales past quarter))*90
(c) Inventory turns = 12 / [Inventory / (Average Monthly Sales x Material Cost of Goods Sold %)]
(d) DPO = trade payables / (material cost + services and other costs + inventory movement + purchases of (in)tangible fixed assets) x 365
(e) For calculation see page 109
(f) For calculation see page 163
(g) For calculation see page 108

(IN THOUSANDS OF EURO)	2012	2011	2010
Income statement after goodwill impairment			
EBIT	**97,567**	68,359	45,135
EBITDA (a)	**159,476**	130,223	98,752
Free cash flow (g)	**121,577**	81,237	-7,009
Net income from continuing operations	**94,241**	75,850	43,625
Net income from discontinued operations	**-**	-	0
Net income attributable to the equityholder	**94,241**	75,850	43,625
Ratios			
EBIT on sales	**8.4%**	6.6%	5.0%
EBITDA on sales	**13.8%**	12.5%	11.0%
Net financial cash (/debt) on EBITDA	**69.7%**	47.3%	9.0%

(IN EURO)	2012	2011	2010
Key figures per share			
Number of shares on 31 December (in thousands)	**12,757**	12,755	12,670
Per share (in euro)			
EPS	**7.84**	6.32	3.66
Diluted EPS	**7.50**	6.21	3.58
Gross dividend	**1.40**	1.10	1.00
Net dividend	**1.05**	0.825	0.75
Gross dividend yield (h)	**2.6%**	2.8%	2.1%
Yearly return (i)	**44.2%**	-17.4%	73.0%
Pay-out ratio (j)	**19.0%**	18.5%	29.0%
Price/earnings ratio (k)	**7.0**	6.1	13.2

(h) Gross dividend/ closing rate on 31 December 2012
(i) Increase or decrease share price + gross dividend, divided by closing share price of previous year
(j) Gross dividend x number of shares on 31 December / net result
(k) Share price 31 December / net result per share

Share price (in euro)	2012	2011	2010
Average closing price	**48.64**	46.41	37.46
Highest closing price	**58.75**	59.50	49.43
Lowest closing price	**36.52**	31.20	28.23
Closing price on 31 Dec	**54.50**	38.76	48.28
Average number of shares traded daily	**30,830**	28,103	30,235
Stock market capitalization on 31 December (in millions)	**695.3**	492.7	611.7

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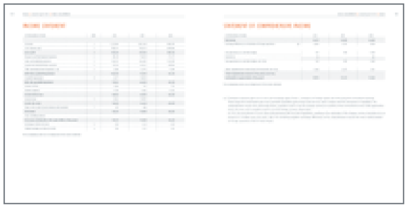

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LETTER FROM THE CHAIRMAN AND THE CEO

Dear Shareholders,

2012 marks yet another major milestone in Barco's history. The company demonstrated efficiency, resilience and an amazing ability to meet ambitious sales and profit targets, while realizing a top line of €1.156 billion and an EBITDA contribution of almost 14% of sales. Barco has produced double-digit growth for three consecutive years. Profitability evolution over the same period is even more impressive, moving up from a negative EBIT in 2009 to a landmark figure of €100 million.

> 2012 saw a company firing on all cylinders, setting new standards and breaking records in many different ways

Customer loyalty, one of Barco's KPIs, is at an all-time high, our strong focus on operational excellence is paying off, and the company is playing a home game in all strategic geographies. Employee engagement scores have also improved considerably over the past few years. As such, 2012 was clearly a 'vintage' year, and we would like to thank everyone associated with Barco for making this happen. Without the passion and commitment of our people, turning a company around in less than four years' time would have been impossible – and we are sure we can count on the Barco community to achieve the next stage of growth in the years to come.

A COMPANY FIRING ON ALL CYLINDERS

Since the lackluster performances of 2008-2009, Barco has returned to healthy performances, securing its position in key geographies and professional markets. 2012 saw a company firing on all cylinders, setting new standards and breaking records in many different ways. Sales grew to an all-time high of €1.15 billion, and order intake increased to €1.13 billion. EBITDA contribution grew even faster year-over-year to almost €160 million in 2012.

Barco made significant progress in terms of operational excellence as well. Our strong focus on lean management and continuous quality improvement produced best-in-class levels of reliability and productivity as reflected in a greatly reduced warranty cost. Our relentless focus on the day-to-day management of receivables and inventories produced significant reductions in working capital and contributed to record free cash generation.

A GLOBAL LEADER IN PROJECTION

Against all odds, Barco kept the momentum going in 2012 and continued to strengthen its global leadership in the Digital Cinema market. The China cinema market contributed well to the 2012 results, as Barco profited from its joint venture with the China Film Group to start selling and manufacturing for the Chinese domestic market. At the Moody Gardens Digital Cinema Symposium, Barco premiered its laser projector for digital cinema. Laser technology for projectors delivers more light output while reducing lifetime cost dramatically. Other technology


CEO Eric Van Zele

Watch our CEO discuss the 2012 results.

Chairman Herman Daems

breakthroughs include the increased 4K resolution for cinema projection and the High Frame Rate – hyped by the long-anticipated worldwide release of 'The Hobbit' – offering the best 3D experience ever.

To expand its offering in the cinema market, Barco launched 3D sound to offer moviegoers a truly immersive experience. Dreamworks was the first studio to embrace this technology, releasing their Christmas blockbuster 'Rise of the Guardians' in the Barco Auro 11.1 sound format.

Barco also executed on its strategy to increase market share in the professional AV market with the introduction of new products for Rental and Staging and new partnerships in all regions. This strategy has already started to pay off, resulting in sales for professional AV approaching 25% of the division's revenue in 2012.

In line with the corporate strategy to expand into the mid-segment, in December 2012 Barco acquired a majority share in Norway-based projection manufacturer projectiondesign®, a market leader for projectors with light output below 10k lumens. The combination of the two companies creates a market leader in projection solutions for large and mid-sized venue markets and clearly underlines Barco's ambition to lead in the corporate AV market as well.

On 1 January 2013, Barco's Entertainment division was renamed the Projection division in recognition of our global capability in projection and to emphasize the growing importance of the global professional AV business.

GENERATING NEW REVENUE STREAMS IN THE HEALTHCARE MARKET

During 2012, the Medical division transitioned to a true Healthcare division and executed on its strategy to broaden its addressable market by expanding into new healthcare segments – digital operating room and patient point of care – that are adopting digital visualization technologies. At the same time, the division maintained its dominant share in diagnostic imaging and pushed sales over €200 million for the first time in its history.

In surgery, Barco's networked concept for the digital operating room, launched at the Medica exhibition in November 2011, drew the attention of leading system integrators – and by the end of 2012, Barco already had several successful deployments in leading hospitals in Europe.

At the beginning of the year, Barco announced the acquisition of UK-based JAOtech, a pacesetter in the domain of interactive patient care. This segment of the healthcare market holds the promise of combining clinical workflow improvements and patient entertainment in a single integrated solution. Patients can access on-demand entertainment from their Smart Terminal, and doctors and nurses can access medical files through the same terminal to discuss treatments or monitor drugs administered.

CONTROL ROOM OF THE FUTURE: FROM VIDEO WALLS TO COLLABORATIVE VISUALIZATION

In 2012, Barco recaptured a leadership position in the market for control room visualization. The company introduced a range of mid-segment rear-projected display cubes and LCD video walls, targeted at the needs of emerging economies that are investing heavily in new infrastructure. At the same time, Barco performed well in more established economies, benefiting from upgrades to power grid infrastructures and smart city management systems.

Especially in traffic management and emergency operation centers, Barco's networked visualization concept provides a real differentiator and is a key element in the future expansion of our activities. This networked concept streams sources over a standard network and distributes them to multiple viewing stations within a single control room or between multiple control rooms for collaborative decision-making.

During the year, Barco advanced on its plan to improve the profitability of the Control Rooms & Simulation division. The company moved manufacturing to India and reorganized the division's operational structure and supply chain, thus restoring its operational efficiencies and profitability.

To highlight collaboration technologies as a key differentiator, and to better support the sale of systems solutions, on 1 January 2013 Barco renamed the Control Rooms & Simulation division the Advanced Visualization division. ClickShare and dZine, two Venture companies, have been added to this division, and the training business has been moved to the Defense & Aerospace division.

A NICHE PLAYER IN DEFENSE AND AEROSPACE

In 2012, the avionics business continued its solid growth track, illustrating the growth potential for Barco in this niche. Barco remains a global leader in air traffic control as well, powered globally by the success of its main displays for use in control centers.

Despite the many austerity measures in defense budgets worldwide, the defense segment realized moderate growth in 2012. Looking ahead, we remain confident of the market's potential, with opportunities in the niche markets for rugged display technology and networked situational awareness solutions. Our goal is to continue to selectively capitalize on Barco's unique capabilities in terms of ruggedized displays and consoles through a gradual integration of these activities into our North American facilities.

To better align products with end-markets, the training business, which supports military and commercial aircraft training, has been moved to the Defense & Aerospace division.

VENTURE APPROACH PROVES SUCCESSFUL

Back in 2010, we decided to give some of our businesses higher levels of autonomy, allowing them to be managed with the entrepreneurial culture that is characteristic of start-ups. This formula has proven successful: with most ventures contributing to a year-over-year increase in sales and returning to healthy levels of profitability. In particular, LiveDots, our LED venture, is flourishing like never before – its new range of digital billboards and LED displays have been embraced by customers worldwide looking for the better LED technology.

Barco Ventures have also proven to be powerful cradles of innovation and entrepreneurship, where Barco can test new business models or venture into newer technologies or segments, without violating the company's rules of engagement. The ClickShare venture is a fine example of how new technologies launched in a venture become a mature addition to the Barco core. This presentation system, which allows you to share your PC screen wirelessly with a single click on a button, was launched in the summer of 2012 and immediately caught the attention of resellers and customers worldwide. This product will prove to be pivotal for Barco's re-entry into the corporate AV market.

BECOMING A LEADER IN NETWORKED VISUALIZATION AND COLLABORATION

Our traditional visualization core has propelled us beyond the one billion euro mark in sales, and still offers substantial growth potential. To

unlock that market potential, Barco is investing in new technologies such as laser, integrated media servers and high projection frame rates, and in cloud visualization and automated quality management for its display portfolio. At the same time, we are expanding into the mid-range segment in all of our key markets, and we are also recapturing share in corporate AV.

But beyond that, as our visualization core continues to mature, and in order to maintain its growth momentum, Barco is moving beyond display and projection technology into networked visualization and collaboration. In a world where HD video and high resolution data streams have become standard, image quality is no longer the single point of differentiation. Users are increasingly demanding integrated end-to-end systems, including connectivity and collaboration. For Barco, this is a sizeable growth opportunity, where, through our long-time focus on professional markets, we can differentiate by offering access control, enhanced security, recording, and collaboration capabilities.

Barco is moving beyond display and projection technology into networked visualization and collaboration

We remain confident that the combination of leadership in technology, a strong presence in global markets, and an outstanding level of operational excellence give Barco an edge over its direct competitors. We will keep on pushing the company towards lucrative mid-segment markets, with a keen eye for innovative products and excellent customer service, offering customers new opportunities for visualization and collaboration beyond their expectations.

BARCO'S NEW ORGANIZATIONAL STRUCTURE

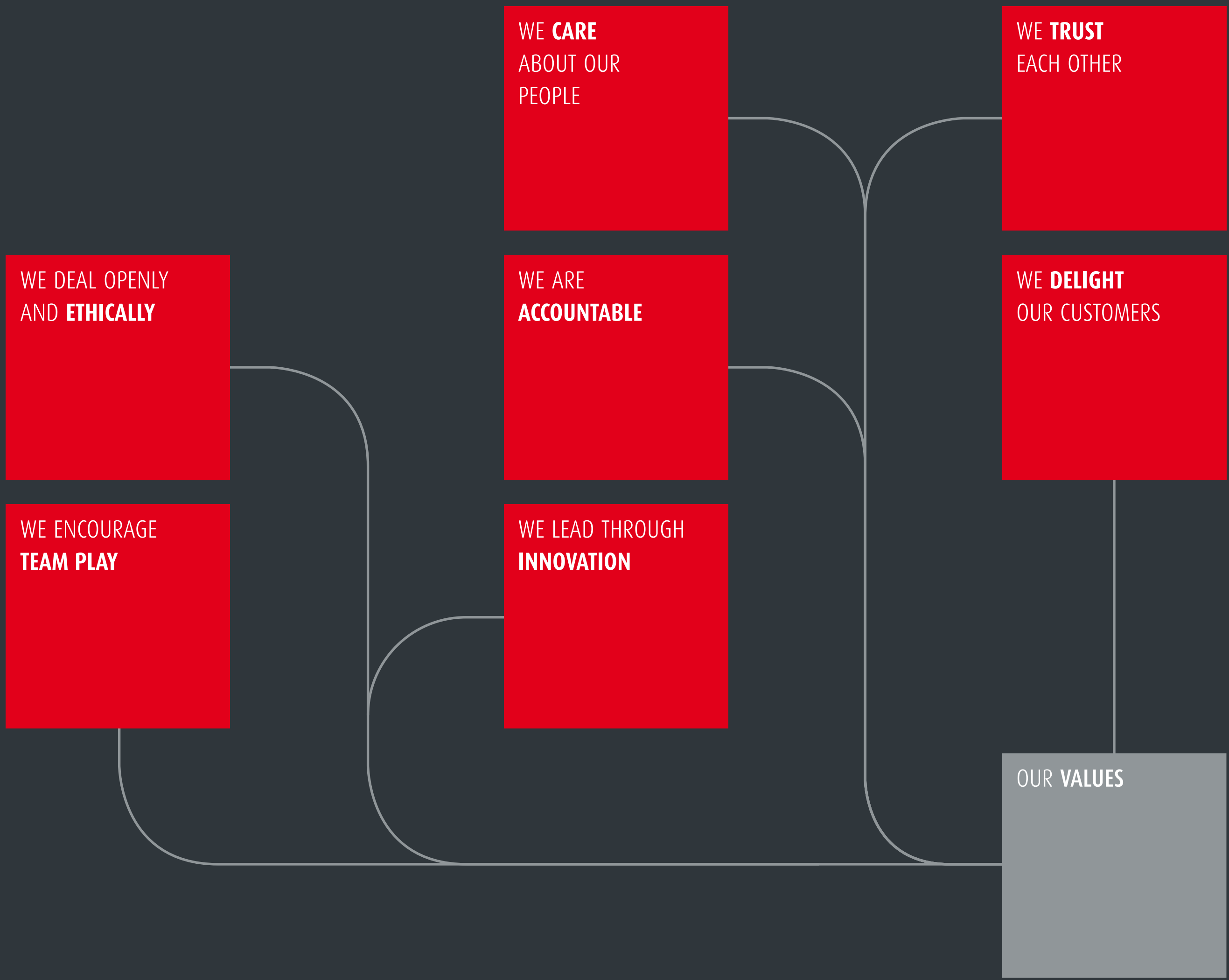
As indicated above, and effective as of 1 January 2013, we are implementing a number of non-disruptive changes in the Barco organization aimed at preparing Barco for the many challenges that lie ahead in its rapidly evolving world of digital imaging solutions for professionals. By optimizing and further integrating the organization, these measures will strengthen the company's global position, fully leveraging the division towards multiple end-markets.

THANK YOU FOR YOUR TRUST AND CONFIDENCE

Confident about the company's future potential, Barco's Board voted to keep most financial resources in the company ready for future investments. With a dividend of €1.40 per share, we express our gratitude to our shareholders for investing in our future, while being well aware of the task in front of us to continue to drive shareholder value through profitable growth.

CEO	Chairman
Eric Van Zele	Herman Daems

Our company


WE **CARE** ABOUT OUR PEOPLE
WE **TRUST** EACH OTHER
WE DEAL OPENLY AND **ETHICALLY**
WE ARE **ACCOUNTABLE**
WE **DELIGHT** OUR CUSTOMERS
WE ENCOURAGE **TEAM PLAY**
WE LEAD THROUGH **INNOVATION**
OUR **VALUES**

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COMPANY PROFILE

Watch the CEO video about our acquisitions.

OUR STRATEGIC ACQUISITIONS

IP VIDEO SYSTEMS

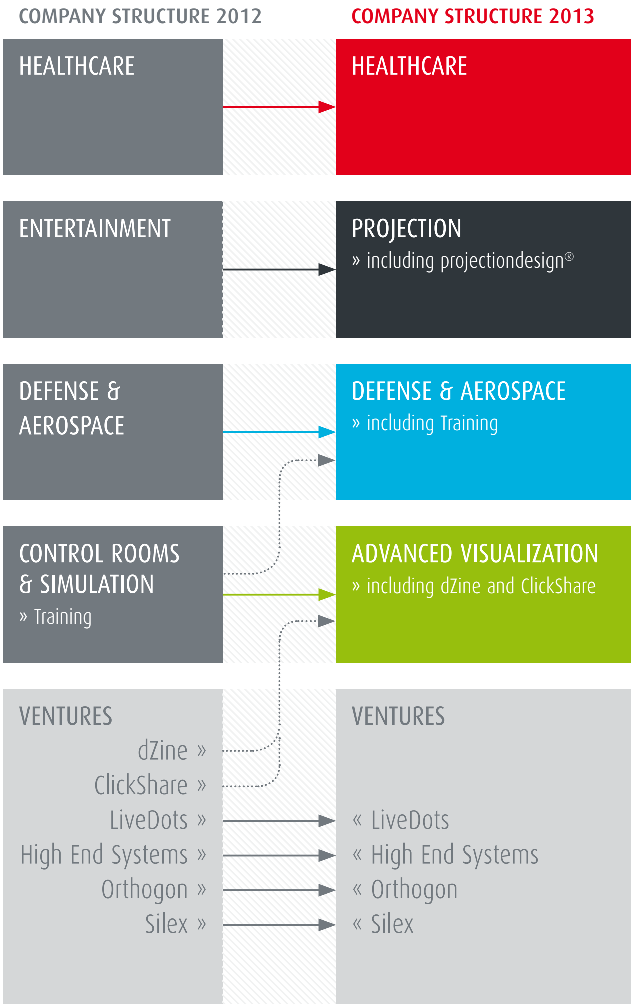
On 1 February 2012, Barco announced the acquisition of IP Video Systems (IPVS). Based in California, IPVS is a leader in hardware and software technologies for real-time, high-definition media streaming, recording and management over IP networks. The acquisition was made to strengthen Barco's Corporate Technology and Platforms team, a cross-divisional R&D lab conducting technology and platform development that is applicable across Barco's target markets.

JAOTECH

On 3 February 2012, Barco announced the extension of its healthcare offering with point-of-care solutions through the acquisition of UK-based patient bedside terminal provider JAOtech. The acquisition fits within Barco's long-term vision of increasing healthcare efficiency and its growth strategy of expanding into multiple healthcare segments.

PROJECTIONDESIGN®

On 19 December 2012, Barco announced its acquisition of 61% of the shares of projectiondesign® – a Norway-based leader in projection technology – from private equity fund Herkules Capital. The transaction advances Barco's strategy to expand into the mid segment of its target markets and to strengthen its leading position in high-performance projection technology.



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 3,725 employees worldwide.

OUR BUSINESS AREAS

Effective 1 January 2013, Barco repositioned certain businesses to capture more economies of scale and to leverage the divisions towards multiple end markets. The Entertainment and Control Rooms & Simulation divisions have been renamed.

HEALTHCARE

The Healthcare division, integrating JAOtech's point-of-care solutions, will continue to target the specific needs of digital visualization for the healthcare industry.

PROJECTION

All of Barco's projection activities will be consolidated into a single Projection division, incorporating also the most recent acquisition of projectiondesign®. Hence Barco's former Entertainment division has been repositioned to focus more on growth in other segments such as corporate AV and mid venue projection.

DEFENSE & AEROSPACE

To better align products with end markets, the training business, which supports military and commercial aircraft simulation, has been moved to the Defense & Aerospace division from the Control Rooms & Simulation division. Barco is retaining its strategic focus on niche markets within the defense and aerospace industries.

ADVANCED VISUALIZATION

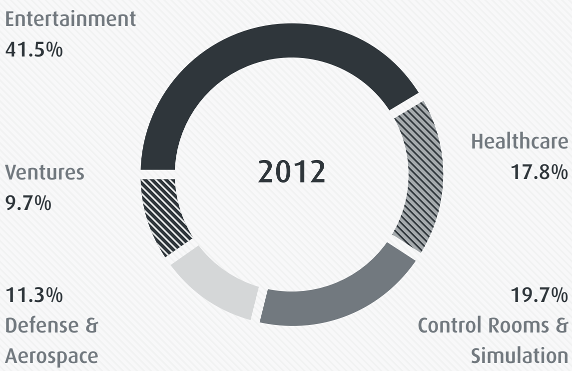
Barco's Control Rooms & Simulation division will be renamed Advanced Visualization to better reflect the systems nature of their business model and to include collaboration technologies as a key driver for value creation. ClickShare and dZine, two former venture companies, have been added to this division while the training simulation business has been moved into the Defense & Aerospace division.
The Advanced Visualization division will no longer focus on utilities, security & surveillance, and research & design markets only but also on corporate AV markets.

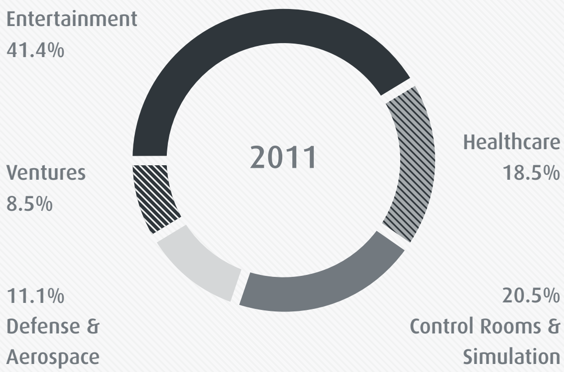
VENTURES

ClickShare and dZine have been incorporated into the newly created Advanced Visualization division. LiveDots, Orthogon, Silex and High End Systems continue to operate under the ventures structure.

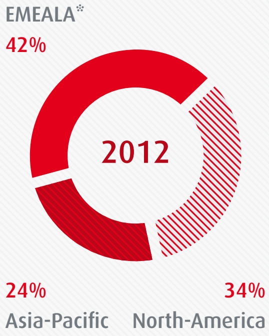
COMPANY PROFILE

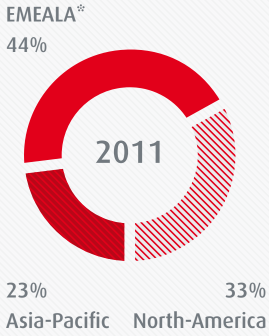
SALES PER DIVISION



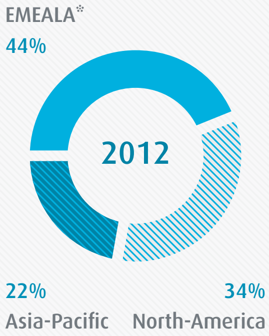


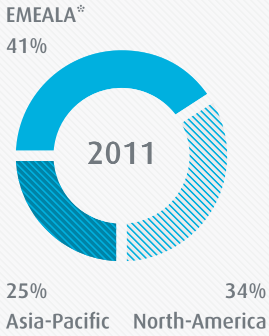
GEOGRAPHICAL BREAKDOWN OF SALES





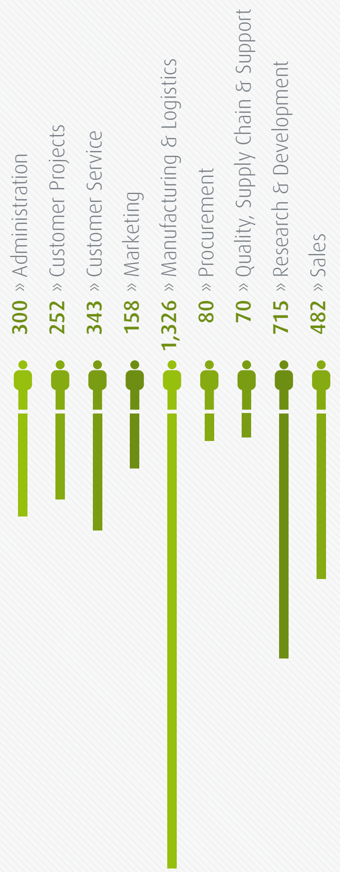
GEOGRAPHICAL BREAKDOWN OF ORDERS





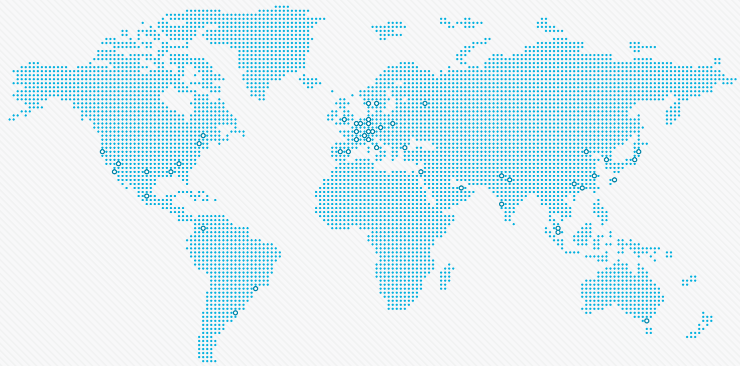
* Europe, Middle East, Africa, Latin America

EMPLOYEES PER FUNCTIONAL GROUP*



* Number of full-time equivalents (FTEs), excluding temporary workforce
Database Corporate Associates per 31/12/2012
These figures do not include the projectiondesign® employees

GEOGRAPHICAL FOOTPRINT



Sites

Americas
- » Argentina
- » Brazil
- » Canada
- » Colombia
- » Mexico
- » United States

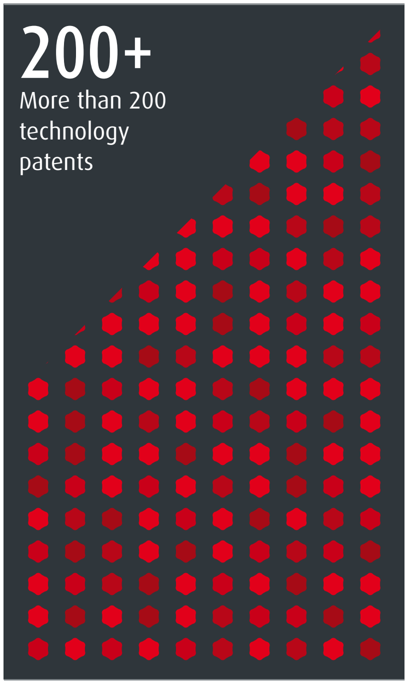
Asia-Pacific
- » Australia
- » China
- » India
- » Japan
- » Malaysia
- » Singapore
- » South Korea
- » Taiwan

Europe & Middle East
- » Belgium
- » Denmark
- » France
- » Germany
- » Israel
- » Italy
- » Norway
- » Poland
- » Russia
- » Spain
- » Sweden
- » Switzerland
- » Turkey
- » United Arab Emirates
- » United Kingdom

R&D and/or manufacturing facilities

- » Belgium
- » China
- » France
- » Germany
- » India
- » Italy
- » Norway
- » United Kingdom
- » United States

OUR STRENGTHS



TECHNOLOGICAL LEADERSHIP

» Strong investment in R&D, new technologies and innovation
» Barco Labs technology center to streamline research and share knowledge
» Almost one out of five employees is an engineer
» Extensive 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

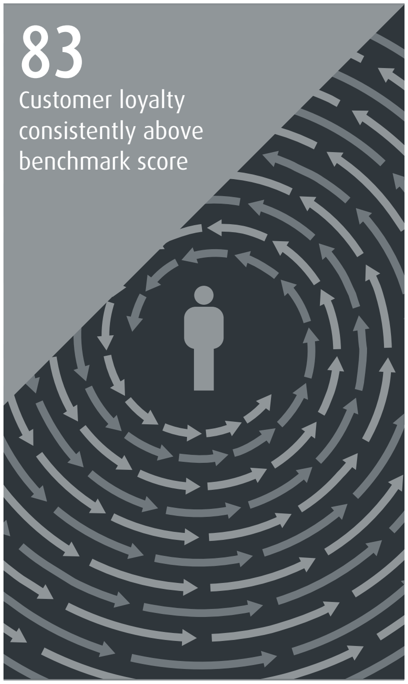
Message from the CEO
on company culture.

DEDICATED PEOPLE

» 3,725 skilled and passionate employees
» Sharing a common set of 7 strong values
» Multi-national, multi-disciplinary teams

INDUSTRIAL PARTNERSHIPS

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

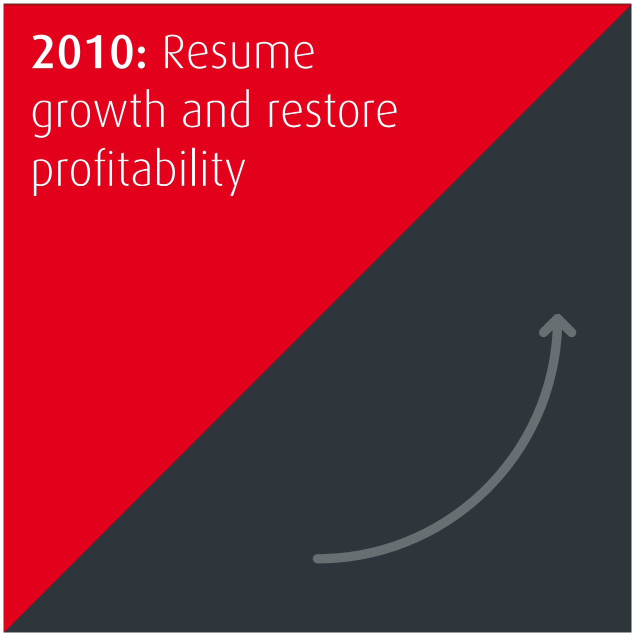


CUSTOMER AND MARKET FOCUS

» Market-oriented business groups with a regional focus
» Increased manufacturing and R&D in emerging countries such as China and India
» Customer loyalty exceeds the industry benchmark score

OUR STRATEGY

Barco's strategic objective is to create shareholder value through sustainable profitable growth.



2010: FOCUS ON CUSTOMER INTIMACY

» More customer-centric approach and key account focus
» Invest in China and India
» Improve operational performance
» Capture growth in selected markets
» Global service capability

Watch our CEO discuss the company's strategy.

2011-2012: Consolidate global leadership

2013-2015: Seize growth opportunity in networked visualization

2011-2012: FOCUS ON OPERATIONAL EXCELLENCE

» Grow into the mid segment
» Expand footprint in the emerging countries with a strong focus on India and China
» Focus on quality and operational efficiency
» Kick off networking & collaboration as a third major technology pillar
» Enhance performance of the ventures
» Maintain a strong positive balance sheet
» Create technology labs to streamline research and knowledge sharing
» Change the day-to-day way of working through focus on leadership and company culture

2013-2015: FOCUS ON IP CONNECTIVITY AND COLLABORATION

» Defend and reinforce Barco's leadership position in projection and display technologies
» Strengthen new capabilities for networked visualization and collaboration
» Adopt networked digital multimedia solutions
» Improve systems and reporting
» Create technology platform synergies across various verticals
» Maintain a strong positive balance sheet
» Become a highly profitable niche player in Defense & Aerospace
» Continue on the path towards profitable growth for all divisions

OUR OBJECTIVES

OBJECTIVES 2012

Customer intimacy, market reach and penetration

- Consolidate market leadership and increase revenue from growth markets
- Strengthen global leadership in Digital Cinema, Healthcare and Enterprise markets
- Maintain profitable growth through sharper focus on core business
- Further expand product portfolio with mid-range products

Technology

- Launch corporate technology center Barco Labs

Operational excellence

- Install world-class processes and operations to further improve operational excellence

RESULTS 2012

- Revenue growth of 15%, 32% and 157% in China, India and Latin America respectively
- Undisputed market leader in Digital Cinema, Healthcare and Enterprise markets
- Gross profit margin increased by 20% compared to 2011

- Maintain leading position in display and projection technologies: 4K laser projection, LED as an illumination source
- IPVS acquisition integrated into global technology center, as center of competence for networked visualization
- Introduction of ClickShare presentation and collaboration system

- Barco processes and operations lauded with Golden Peacock National Quality Award and several Supplier of the Year awards
- ROCE stands at 24% compared to 20% in 2011

OBJECTIVES 2013

- Increase revenue from growth markets by local sales and marketing focus
- Increase share of wallet by introducing new solutions for different vertical markets
- Grow business further in mid segments with strong focus on 2-tier channel model
- Become a profitable niche player in Defense & Aerospace

- Capitalize on IP connectivity and collaboration opportunity
- Strategic focus on corporate AV opportunities
- Defend & strengthen leadership position in projection & display solutions for Barco's target markets

- Start rollout of company-wide ERP platform as driver for common processes and systems
- Strengthen the company's global position through an optimized organization
- Generate free cash flow through focus on operational excellence

OUR AWARDS

BARCO CEO, ERIC VAN ZELE, ELECTED MANAGER OF THE YEAR 2012

Barco's President and CEO, Eric Van Zele, was elected Manager of the Year 2012. The Belgian Manager of the Year award is a joint initiative of the business magazine Trends, TV channel Kanaal Z, and the Flemish Management Association (Vlaamse Management Associatie) and spotlights the best-performing manager in the Belgian business world. Eric Van Zele is praised for his strong vision and acumen with which he achieved profitable double-digit growth for the company over the last three years.

INAVATION AWARD

InAVate honored Barco's HDX series of three-chip DLP projectors with its award for the 'Most InAVative Commercial Projectors'. Presented at Integrated Systems Europe (ISE), the world's best attended tradeshow for the professional AV and electronic systems industry, the InAVation Awards recognize all that is excellent in EMEA's AV systems integration market in both technology and installation.

PRIDE OF KORTRIJK

Barco was named 'Pride of Kortrijk' by the province of West Flanders and the city of Kortrijk, Belgium. Headquartered in Kortrijk, Barco employs 3,725 people, 1,650 of which are stationed in Belgium. The company's presence in the Kortrijk area provides indirect employment to 100 local contractors and generates more than 6,000 overnight stays and more than 7,000 taxi rides per year.

BIRTV 2012 AWARDS

Barco's DP2K-10Sx digital cinema projector won the Best Product Award at the 2012 Beijing International Radio, TV & Film Equipment Exhibition (BIRTV). The DP2K-10Sx is a compact and fully integrated digital cinema projector designed for small to medium-sized theaters. The new projector – a result of the joint efforts of Barco China and Global R&D – will contribute to the development of China's digital cinema industry.

RAYTHEON 5-STAR SUPPLIER EXCELLENCE AWARD

Barco received the prestigious 5-Star Supplier Excellence Award from Raytheon's Integrated Defense Systems (IDS) business unit for providing rugged displays and computers for the US Patriot Air and Missile Defense System. The award recognizes Barco's achievements in on-time delivery, sustained quality performance, and commitment to continuous improvement in process and quality for its mission-critical visualization solutions.

INFOCOMM SUSTAINABLE TECHNOLOGY AWARD

InfoComm International honored Barco with the 2012 Sustainable Technology Award for the implementation of environmentally sustainable practices. Barco has developed product designs and manufacturing techniques that minimize size, weight and power consumption, extend product lifespan, and use recyclable materials in their construction. The ultimate goal is to reduce energy consumption and minimize CO_2 emissions that are harmful to the environment.

AND THE WINNER IS…

The League of American Communications Professionals (LACP) bestowed its Gold Spotlight Award 2012 on Barco's ClickShare launch campaign. With a remarkable score of 98 out of 100, the ClickShare campaign won a place in the top 100 of best communications materials of 2012. Additionally, at InfoComm 2012, rAVe Publications lauded ClickShare with the Best New Wireless Technology award.

GOLD ITEA ACHIEVEMENT AWARD

'Just Explore Dimensions' – also known as the JEDI project – won a Gold ITEA Achievement Award. JEDI is a European project aimed at identifying and developing the best options for next-generation 3DTV systems. As the leader of the Demonstrations & User Assessment work package in the JEDI project, Barco made a significant contribution exploring innovative ways of displaying 3D content to the viewer.

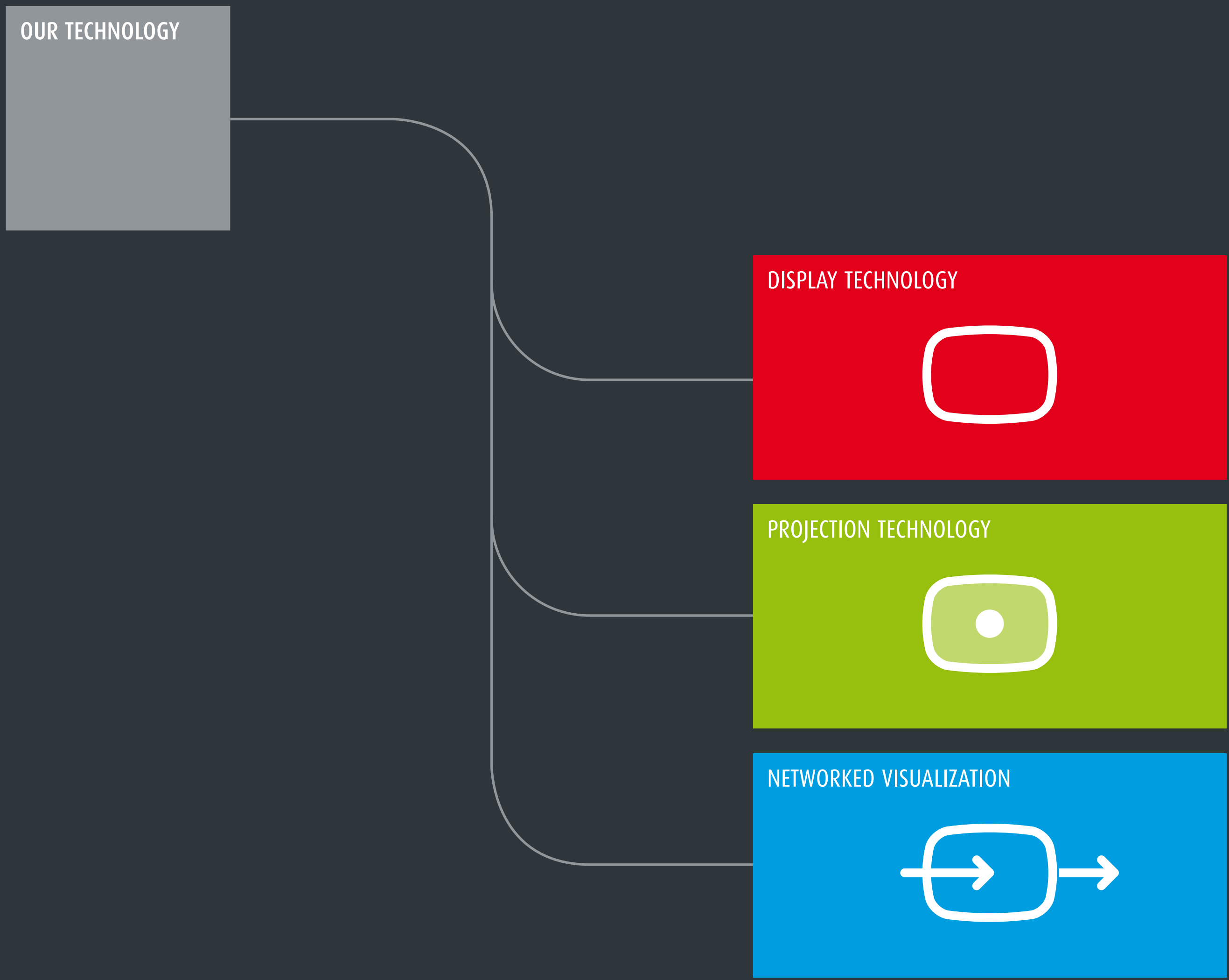
KAIZEN EXPO 2012

Barco Beijing won two 'Excellence' awards at Kaizen Expo in Shanghai, the annual showcase for companies focusing on the continuous improvement of production processes. Its concepts for improvement of dark room efficiency and First Pass Yield (FPY) remove unnecessary steps and annoying glitches in the production process. Additionally, Barco optimized its leakage test for LED tiles, making it 17.6% more efficient – the improvement was crowned with the 'Top Popularity' award by the public.

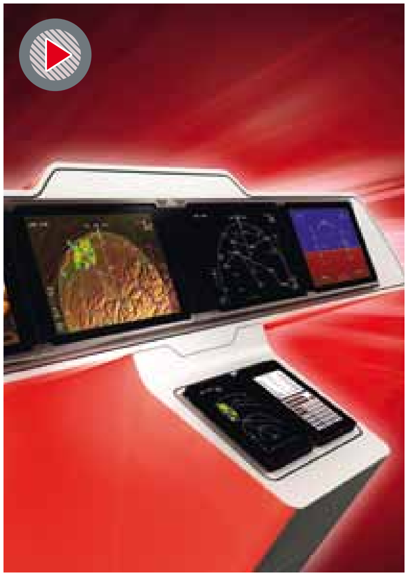
SUPPLIER OF THE YEAR AWARD

Barco is the proud winner of Honeywell Aerospace's prestigious Supplier of the Year Award for its outstanding achievements in system performance and customer satisfaction. Barco supplies its industry-leading cockpit displays for Honeywell's Primus Apex™ Suite and Primus Elite™ Suite flight decks.

Our technology



SMART DISPLAYS



33% MORE BRIGHTNESS

Barco's Overview O video walls now come with next-generation LED technology to boost brightness levels by no less than 33%. Other smart technologies, such as automated calibration and liquid cooling, have allowed Barco to tackle some of the biggest issues in video wall design today, such as color imbalance and the overheating of LEDs.

100% INTUITIVE

To reduce the complexity pilots are currently facing, Barco – in cooperation with Delft University of Technology in the Netherlands – conceived a groundbreaking vision for the 'cockpit of the future'. A single highly intuitive multi-touch display replaces the multitude of displays present in cockpits today. Four bright Liquid Crystal Displays (LCDs) in a bezel-free design ensure high brightness and excellent contrast images, even in direct sunlight.

50 MORE SHADES OF GRAY

In radiology, every detail matters. That's why Barco's diagnostic displays have been equipped with LED backlights. Displaying more shades of gray, they make subtle details more noticeable more quickly. New, LED-specific image-enhancing technologies remove panel noise and render uniform images from center to corner. Reducing windowing and leveling time, the new diagnostic displays enable radiologists to read more studies each day.

SMART PROJECTORS

4K LASER PROJECTION

At this year's CinemaCon – the world's largest event for movie theater owners – Barco demonstrated ultra-bright 4K laser projection and premiered a never-before-seen exhibition of high frame rate movie footage at 120 frames per second per eye for a spectacular movie experience.

33% LESS POWER

Who said business projectors have to be noisy? Barco's RLM-W12 projector is a three-chip DLP® projector featuring super silent operation (43dB). Consuming 33% less power while boosting light output to 11,500 lumens, the new RLM-W12 continues the RLM line's legacy of silence, power and energy efficiency.

4X CONTRAST RATIO

Barco optimized its SIM 7 projector with a high-contrast LCoS panel to boost the contrast ratio from 10,000:1 to 40,000:1. This ultra-high contrast significantly increases the realism of immersive simulator training, especially for night vision training of new pilots.

SMART COLLABORATION & VISUALIZATION

24/7 HEALTH INFORMATION

With the growing number of patients, healthcare providers are demanding a higher level of efficiency. By giving medical professionals instant access to health information right at the bedside, Barco's JAO Smart Terminals are pushing clinical productivity to the next level. What's more, they provide patients with home-like entertainment and tools for interactive care to enhance their comfort and well-being.

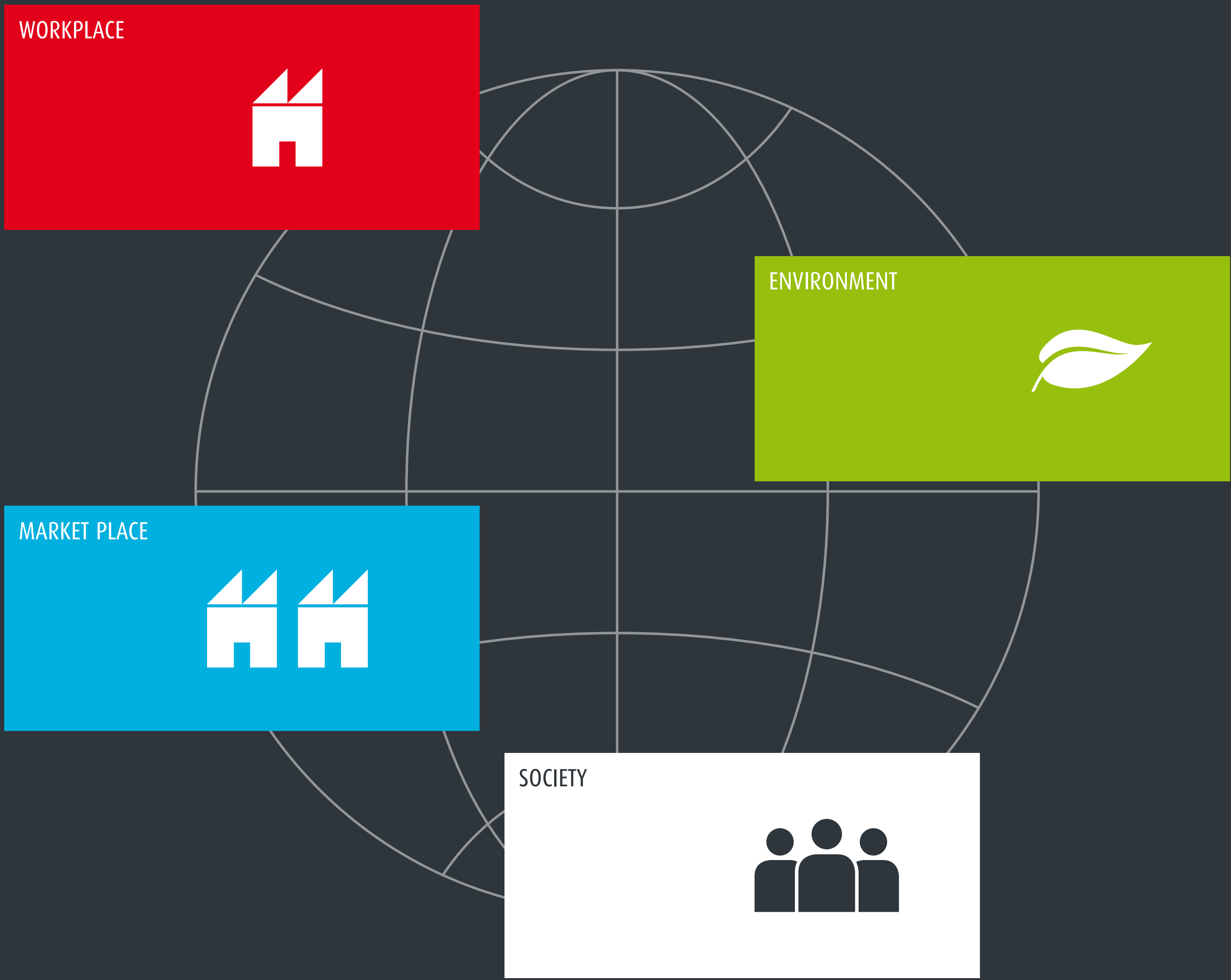
UNLIMITED SOURCES

With Transform N, Barco's family of networked video wall controllers, collaboration has never been so easy. This digital control room solution can manage millions of inputs from hundreds of device types, and display these any way and anywhere you want. It's the perfect enabler for smart grids, smart vehicle communication, and other smart technologies.

THE ONE CLICK WONDER

ClickShare is Barco's answer to some very recognizable issues commonly experienced in meeting rooms today. This revolutionary presentation & collaboration system allows presenters and participants to simultaneously connect to the meeting room AV equipment and share their laptop content on the large screen with just a single click. The time-consuming hassles of (re-)connecting cables and adjusting screen resolution are absent in ClickShare's new meeting experience.

Corporate responsibility



WORKPLACE

MBA FOR YOUNG POTENTIALS

From 27 October to 3 November 2012, 16 young potentials visited Peking University for a prestigious business course organized by Vlerick Business School and Vacature Academy 2012. As the Academy's main sponsor, Barco secured a spot in this unique MBA program for one of its high potentials: Klaas Peerlinck from Belgium successfully passed the selection procedures and received a ticket to China.

EMPLOYEE ENGAGEMENT

Every year, Barco conducts the employee engagement survey to promote employee satisfaction and motivation. The survey consists of 75 questions and gives each respondent the opportunity to share additional thoughts about the organization and company processes. The results for 2012 showed important improvements in both employee engagement and enablement compared to 2011.

ENTHUSING GIRLS ABOUT TECHNOLOGY

In February, Barco opened its doors exclusively to the daughters of its employees. Girls' Day 2012 was a project of Agoria Flanders, Technopolis and Artesis College, supported by the Flemish Equal Opportunities policy, aimed at increasing girls' enthusiasm about technology. Barco welcomed the tech-savvy ladies with a tour behind the scenes and organized hands-on workshops – convincing them that technology is fun!

STUDENT INTERNSHIPS

Every September, students look for an innovative internship or a high-tech thesis subject to explore in the academic year ahead. Barco believes that interns and thesis students contribute to the company's technological developments. That's why the company gives students the chance to collaborate with its skilled and experienced employees on new and exciting challenges every day. Giving them the opportunity to get a head start on their career, Barco is a company where students thrive.

MARKET PLACE

© Andreas Teich / Berlinale

CONTRIBUTING TO EFFICIENT AIR TRAFFIC

The 'Total Airport Management Software (TAMS)' project is a joint research project of five aviation experts drawn from industry, research and airport operation, under the supervision of Siemens. The project is aimed at reducing delays, fuel consumption and CO_2 emissions while raising passenger comfort. Barco Orthogon has successfully contributed to the project by developing a novel working position, which is supported by Barco's Arrival and Departure Manager system to ensure the most efficient use of available airport capacities.

EXCLUSIVE FILM FESTIVAL PARTNER

For many years now, Barco has been a long-term sponsor and partner of both the Berlinale (Berlin, Germany) and the Ghent Film Festival (Ghent, Belgium). As two of the most prestigious film festivals in the world, they draw thousands of visitors each year, including famous film makers and stars, the press, and movie fans. Barco is proud to supply these events with its state-of-the-art digital cinema projectors and support crew to create a magical movie experience.

BREAST IMAGING EDUCATION

Barco continues to grow its support of breast imaging education, supplying its latest mammography display systems, image projection software tool and technical support to assist in the delivery of more than 60 hands-on mammography education programs in over 20 countries worldwide. The programs are organized by László Tabár, Professor Emeritus of Radiology and course director of Mammography Education International.

BREAST CANCER SCREENING IN VIRTUAL REALITY

Virtual clinical trials provide an innovative way to pre-test technology innovations – prior to human clinical trials – to accelerate product development. That's why Barco has teamed up with Penn Medicine researchers to develop an integrated system to perform virtual clinical trials of breast cancer screening technology.

© Foto Kurt bvba

RE-OPENING OF CINEMA DE KEIZER

When Agnes Debaillie, the inspiration behind Belgium's Cinema De Keizer, passed away this year, the future of the legendary theater was uncertain. Luckily, Flemish Vice Premier Geert Bourgeois decided to list the cinema – founded in 1924 – as part of the country's cultural heritage. Together with seven local investors, Barco helped Cinema De Keizer re-open its doors to the public on 21 December 2012. The installation of Barco's DP2K-10S digital cinema projector, which has been designed specifically for the special needs of smaller theaters, will ensure a bright future for this renowned single-screen cinema.

PREMIÈRE OF CHINESE 12 ZODIACS

On 12 December, the Hong Kong action movie 'Chinese 12 Zodiacs', directed by and starring the famous Jackie Chan, premièred at Beijing National Stadium. Barco's DP2K-32B projector was used to display the movie on the world's largest screen (38m wide and 16m high). What's more, Chan himself was awarded two Guinness World Record titles: one for holding the most credits in a movie and one for most stunts by a living actor.

ENVIRONMENT

ENCOURAGING ECO-DRIVING

Barco's car fleet has been redefined to reduce its environmental footprint and CO_2 emissions. Moreover, to make driving habits more green, the company distributed valuable tips on eco-driving – from checking tire pressure to changing gears sooner – to help its employees save up to 10% on fuel expenses and reduce air pollution.

GREEN PRODUCT COMPLIANCE

Many of Barco's products are well-known for their eco-friendliness, which is a chief requirement for nearly every new product Barco develops. To eliminate harmful substances from processes and products, Barco has banned the use of six of the most environmentally polluting substances: Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent chromium (Cr6+), Polybrominated biplenyl (PBB) and Polybrominated diphenyl ether (PBDE).

Viviana Occhionorelli,
Environmental Compliance Officer

ECO-DESIGN FOR ELECTRONICS

Since January 2012, Barco has been an active partner in GreenElec, a project funded by the European Commission and IWT, together with other partners like Philips, NXP and Delft University of Technology. The aim of the project is to increase the recyclability of printed circuit board assemblies and to provide companies with design rules for electronics that take recycling processes into account. As part of the project, Barco is leading the work package to produce design rules for electronics to achieve effective recycling.

A GREEN NETWORK

Barco has established an international network of 'Green Knowledge Owners' in both R&D and Product Management who have above-average knowledge of environmental compliance and eco-design, and who are responsible for distributing information about developments on compliance and eco-design across the organization worldwide.

SUPPLIER SUSTAINABILITY PROGRAM

The Supplier Sustainability Program engages more than 1,200 Barco suppliers to share environmental information within the supply chain and phase out non-compliant or at-risk components from product designs. As part of this program, Barco has provided its suppliers with educational material that explain the obligations set by international environmental standards and how suppliers can implement an environmental management system to ensure product compliance.

SOCIETY

© Luc Dequick

PARTNER OF THE BELGIAN PARALYMPIC COMMITTEE

Barco had the honor of supporting the Belgian Paralympic Team in London this year. The company served as the preferred visualization partner and silver sponsor of the Belgian Paralympic Committee (BPC). With the Belgian Paralympic team bringing home no less than 7 medals and embodying the values of personal development, Barco is more than proud to have been the BPC's valued partner.

CYCLING FOR CHILDREN WITH A HEART DEFECT

'Mon Ventoux' boosts team spirit in a shared attempt to make it to the finish line at the top of the famous Mont Ventoux. A small Barco delegation participated in this year's sportive challenge ride for charity – and Barco employees are already excited about coloring the mountain 'Barco red' again next year. For every participant, €10 is donated to the Pediatric Cardiology Research Department of the University Hospital in Leuven.

RUNNING FOR CHARITY

On 30 September 2012, Barco sponsored the Airtel Delhi Half Marathon in the Corporate Challenge category. The Corporate Challenge is a category specially designed for companies who wish to sponsor employee teams in the event and raise funds for a host of non-governmental organizations listed with Concern India Foundation. 10 Barco employees ran a half marathon, helping to raise a total funds of approximately €500,000.

SUPPORTING THE FIGHT AGAINST CANCER

With its home-made pie sale at the annual music quiz, Barco supported the Flemish League against Cancer's 'Kom op tegen Kanker' (Fight against Cancer) campaign. The company collected almost €400 and is committed to further support the fight against cancer in 2013 through fund raising, a sponsored bike ride, and a cancer awareness campaign.

CHILD FOCUS

Barco supports the cooperation agreement between Child Focus – the Foundation for Missing and Sexually Exploited Children – and the security firm Securitas. Each time Child Focus launches a poster campaign to find a missing child in Belgium or abroad, Barco will distribute this information in its buildings and through its internal communication platform to actively contribute to the early detection of missing children.



© Nick Hannes

TRAINING YOUTH IN INDIA

As a member of 'Ondernemers voor Ondernemers' (Entrepreneurs for Entrepreneurs), Barco participates in the DB-Tech India project, which trains 2,000 unskilled young people in India through sustainable collaboration with locally based partners from the private sector. By providing customized technical and vocational education and training programs, the DB-Tech project addresses the needs of both the labor market and disadvantaged youth in India.

Our business areas

OUR BUSINESS AREAS

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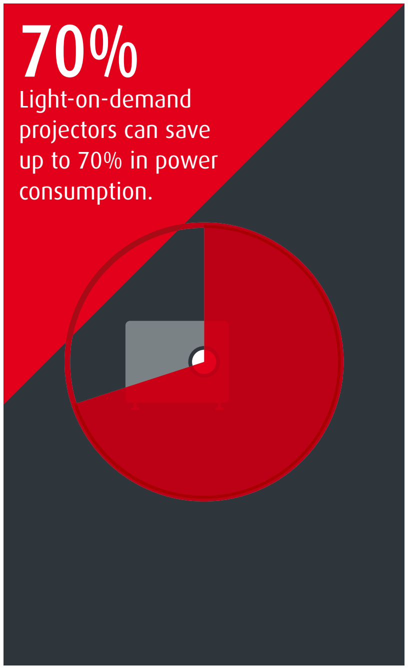
PROJECTION

PRODUCT INTRODUCTIONS



SMARTER EVENTS

Barco introduced three heavy-duty, 'light-on-demand' projectors: HDX-W18, HDF-W26 and HDQ-2K40. A unique adjustable brightness feature allows the projectors to be programmed for a specific light output – which can be adjusted remotely from 10,000 up to 40,000 lumens – to attune the brightness to each specific event.

70% of first run cinemas worldwide have already made the shift to digital.

A PROJECTOR FOR SMALL EXHIBITORS

By the end of 2013, the movie industry will fade out 35mm film and fully convert to digital cinema. However, small theaters are lagging behind. That's why Barco developed the DP2K-10Sx projector, which has been specifically designed for smaller theaters, independent cinemas and art houses. The fully integrated 0.69" DLP Cinema® projector, Barco's cinema sound technology, and an on-demand remote cinema management system make this an economical, turnkey system for small exhibitors going digital.

SMARTER SERVICING

CineCare Web enables remote management of digital cinema equipment via a cloud-based application. This online tool – accessible from anywhere – predicts component failures, performs maintenance tasks proactively, and enables immediate fixes in case of a problem. In short, CineCare Web guarantees maximum performance and uptime of digital cinema equipment.

HIGHLIGHTS EUROPE

148
new rental projectors for three leading AV suppliers.

» LANG AG
» XL Video
» AED Display

PULA FILM FESTIVAL

An ancient amphitheater in Pula, Croatia, was the setting for a remarkable outdoor 3D film screening during the 59th Pula Film Festival. A Barco DP2K-32B ultra-bright cinema projector allowed for 3D projection with the longest throw distance ever recorded: 73.6 meters or 242 feet.

HIGHLIGHTS AMERICAS & APAC

QUEEN'S DIAMOND JUBILEE CONCERT

36 Barco FLM-HD20 projectors turned the British Queen's palace into an ever-changing backdrop.

CINEMACON, US

» 300 movie exhibitors
» First-ever showing of Hollywood movie footage on a 4K laser projector
» High Frame Rates at 48 frames per second
» 3D movie footage at 120 frames per second
» Products used: HDX-W18 projector, Auro 11.1 sound technology

© Brad Duns

SUPER BOWL 2012

32 Barco FLM-HD20 projectors covered the enormous 11,000-square-foot surface area to highlight Madonna's musical performance at the Super Bowl halftime show.

DREAMWORKS ANIMATION

DreamWorks Animation will mix its next 15 animated feature films in the revolutionary Barco Auro 11.1 3D sound format. Auro 11.1 uses a 3D speaker layout to reproduce the most true-to-life movie sound experience. Rise of the Guardians, released on 21 November 2012, is the studio's first movie featuring this premium 3D sound.

IMAX TECHNOLOGY PARTNER

Barco has been selected by IMAX Corporation as the exclusive, worldwide projection technology partner for its IMAX® theaters for the next seven years. The companies will work together exclusively to manage the transition from Xenon-based to high-performance, laser-based projectors, which are expected to be deployed in 2013.

HEALTHCARE

PRODUCT INTRODUCTIONS

By 2020, surgery will have increased by 47%.

SMARTER PATIENT CARE

Knowing that 98,000 patients die each year due to preventable medical errors, the JAO Smart Terminals are guaranteed to save lives. The bedside terminals turn the point of care into a fully collaborative environment, providing medical professionals with access to Electronic Health Records, which reduces paperwork and enables more accurate medical decision-making. What's more, JAO bedside terminals offer patients innovative triple-play solutions (web, IPTV, VoIP) to enhance their hospital stay.

SMARTER SURGERY

To handle the growing number of patients, demand for solutions that increase OR efficiency and support team collaboration is growing. The MDSC-2226 is a 26-inch surgical display that features full compatibility with Barco's Nexxis networked digital operating room. High-quality audio and video can be shared over the network at any time during a surgical procedure, enabling remote consultations and perfect collaboration with other operating rooms.

Compared to dual-head 3MP systems, a 6MP diagnostic display increases productivity by up to 19%.

80% of physicians use smartphones and mobile devices in their medical practice.

FIRST CUSTOM & EASY-CLEAN MEDICAL CART DISPLAY

» 19-inch medical cart display
» Entirely cleanable to prevent infection
» LED backlights
» Integrated cable management system
» Built for Rubbermaid Medical Solutions

THE BEST JUST GOT BETTER

Barco's flagship 6MP diagnostic display is now available with LED backlights – boosting brightness levels even further for enhanced diagnostic performance, while saving energy and extending lifespan. ULT-LED technology removes panel noise and renders uniform DICOM images from center to corner. I-MST – an intelligent multi-sensor system combining Barco's high-precision I-Guard photometer with backlight, ambient light and temperature sensors – ensures consistent image quality over time.

QA ON THE NEWEST IPAD

MediCal QAWeb is the only truly web-based software solution for automated, enterprise-wide calibration and Quality Assurance of any PACS display on the network. QAWeb Mobile – a dedicated version for use with mobile tablets – is now compatible with Apple's new iPad.

HIGHLIGHTS EUROPE

NO. 1 CHOICE IN FRANCE

l'Union des Groupements d'Achats Publics (UGAP) – the purchasing agency of the French administration – has selected Barco as the preferred medical display provider to France's public hospitals. UGAP assesses the cost and performance of products and selected Barco to deliver a medical workstation package (including medical displays, software and hardware) to meet the diverse medical imaging needs of radiologists and clinicians.

15,000 BEDSIDE TERMINALS IN UK HOSPITALS

» Renewal project in the UK's NHS (National Health Service) hospitals
» In partnership with Hospedia, leading provider of point-of-care systems
» Installation of 15,000 bedside terminals

HIGHLIGHTS AMERICAS & APAC

E-HOSPITAL PROJECT, CHINA

The MDRC-2120 clinical review displays have been selected for an e-hospital project that includes over 60 sites in Gansu Province, China. The e-hospital project was launched in 2011 by the Health Bureau of Gansu Province to advance information-based operation and to optimize the service quality and efficiency of local hospitals to keep pace with the development of medical technologies around the world.

EINSTEIN HEALTHCARE NETWORK

» Distributed healthcare network with six medical facilities in Pennsylvania
» Selected Barco's Coronis 5MP mammo display and Mammo Tomosynthesis 5MP, the first display optimized for viewing breast tomosynthesis images
» Required automated QA with central management, enabled through MediCal QAWeb

NATIONAL CANCER SOCIETY MALAYSIA

The National Cancer Society Malaysia (NCSM) was the first cancer-related NGO to set up a mammography screening center in Southeast Asia. It is also the first Asian healthcare center to install a Hologic Dimension mammography system, including 3D breast tomosynthesis and Barco's Mammo Tomosynthesis 5MP display system, which has been optimized for viewing multi-modality mammography images.

ADVANCED VISUALIZATION

PRODUCT INTRODUCTIONS

SMARTER COLLABORATION

TransForm N, Barco's family of networked video wall controllers, makes worldwide collaboration and information distribution easy, safe, and reliable. TransForm N transports video, images or data sources over a secure IP-based system and displays this information ready for use on any video wall, in any control room, all over the world. Imagine how this could facilitate smart grids, smart mobility, and so on.

SMARTER MONITORING

Smart solutions enable many different aspects of modern life to work seamlessly together. That's why a clear overview of all processes is essential. With Barco's large video walls, information is displayed with the required precision. With the M series – designed for small to medium-sized control rooms – and high-end O series, Barco now has a video wall solution for every customer need. Additionally, with the introduction of a new generation of LEDs, Barco's large video walls have become the brightest on the market. As a case in point: Barco's OVL cubes are the first LED-based video walls to cross the 1,000 lumens barrier.

There will be 1.4 billion connected vehicles on our roads by 2020.

30 million PowerPoint presentations are produced every day.

93%

of meeting presenters indicate that ClickShare improves meeting efficiency.

THE ONE CLICK WONDER

ClickShare solves some very recognizable issues commonly experienced in meeting rooms today. Saving the hassle of disconnecting cables and adjusting screen resolutions, this one click wonder allows presenters and meeting attendees to get their presentations on-screen in a second. Simply connect a ClickShare button to a PC or MAC, click it ... and immediately the desktop is transferred wirelessly to the large visualization system.

HIGHLIGHTS EUROPE

ANTWERP POLICE DEPARTMENT

» Brand-new dispatching and tele-command center
» Networked control room concept
» Products used: LDX display, NSL video wall cubes, OL LED video wall, CMS software

WÜRZBURG UNIVERSITY

» Department of Psychology, Würzburg University, Germany
» Research project as part of the SKRIBT program, initiated by the German Federal Ministry of Education and Research (BMBF)
» Investigates human reactions to life-threatening events, such as car accidents
» Aimed at raising levels of road safety
» Products used: Barco's multi-sensorial five-sided I-Space (3m x 4m) and six Galaxy NW-7 projectors

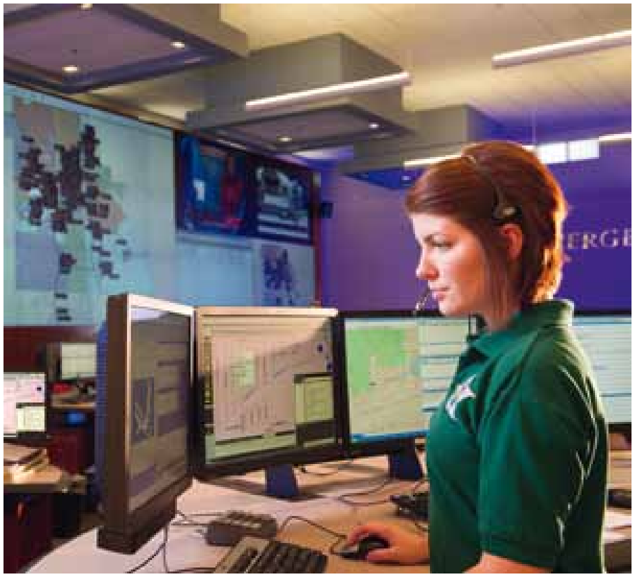
THE CRYSTAL

'The Crystal', serving as a conference venue and a museum of the future, is the world's first center dedicated to building knowledge on urban sustainability. The hi-tech building, situated in London's Royal Victoria Docks, houses two Barco video walls, comprising 20 OL video wall modules and 2x2 NSL displays. Barco also equipped the 'Dome' auditorium with an ultra-bright HDX-W18 projector, which is controlled by Barco's XDS system.

P&O FERRIES

» P&O's 'Spirit of Britain' and 'Spirit of France'
» Custom-made digital signage system by dZine, a Barco company
» Products used: DISplayer Lite 7 headrest displays and media player, LEDIF NMEA interface, and 40" and 32" embedded LCD IP20 monitors for advertising and information

HIGHLIGHTS AMERICAS & APAC



POLK COUNTY SHERIFF'S OFFICE

"Even with a large law enforcement staff, we can't be everywhere – but with the collaboration wall, we feel like we are."

Bill Ward
Director Information Technology Division
Polk County Sheriff's Office

AIRTEL

» Fourth largest mobile operator in the world
» Headquartered in New Delhi, India
» New Network Experience Center (NEC) monitors telecom services across India and South Asia
» Video wall of 25x7 80" OVL display cubes

OGX PETRÓLEO E GÁS

» Brazil's largest private sector oil and gas company
» Headquartered in Rio de Janeiro
» Oil exploration area: 7,000 km² at sea and 37,000 km² on land
» Products used: Galaxy projectors and CADWall 3D stereoscopic wall

LARGEST CONTROL CENTER DISPLAY IN CHINA'S STATE GRID SYSTEM

"Barco's 17x4 OVL video wall – the largest in China so far – helps strengthen the stability of our electrical power grid."

Wang Xu
Control Room Center
TEPC, China

DEFENSE & AEROSPACE

U.S. airlines will carry **1 billion** passengers in 2024.

PRODUCT INTRODUCTIONS

SMARTER AVIATION

The cockpit of the future is built around one single, bezel-free glass display with a touch screen, to replace the multitude of displays present in cockpits today and improve aviation safety. One large iPad-style screen with a unified multi-touch display allows a more intuitive operation and reduces the complexity pilots are currently facing.

SMARTER SITUATIONAL AWARENESS

Multi-mission operations, data overload and increased operator workload are pushing the need for enhanced situational awareness in mission-critical environments. To ensure the highest level of collaboration and effective C4ISR missions, Barco's collaboration over IP solution allows ad-hoc streaming of real-time video and data to local crews or remote sites, composited views of network sources, and synchronous recording for detailed mission review.

3x

In the US Air Force alone, ISR platforms increased by nearly **300%** over the past decade.

SEMI-RUGGED DISPLAYS FOR NAVAL AND SHELTER APPLICATIONS

The TC family comprises four high-accuracy touch screens and features a semi-rugged design, developed for the mid-range segment of the rugged display market. All TC models feature a highly compact footprint and are equipped with a dust-proof and water-resistant touch screen, allowing fluent drag and drop actions with finger tips, gloves or stylus.

HIGHLIGHTS EUROPE & MIDDLE EAST

PILATUS PC-21 TRAINER AIRCRAFT

» Agreement with Swiss aircraft builder Pilatus
» Tandem cockpit solution
» Products: MFD-2068 and CHDD-268 cockpit display, MOSArt integration software

SCOUT SPECIALIST VEHICLE

» Selected via General Dynamics, prime contractor for the British Army's Scout program
» Products: TX-321S triple head driver display, TX-335S rugged displays, and VPU for networked video and graphics

HIGHLIGHTS AMERICAS & APAC

BERIEV BE-200 AMPHIBIOUS AIRCRAFT

» Agreement with Beriev Aviation Company and the Institute of Aircraft Equipment (NIIAO) in Russia
» Full glass cockpit solution
» Products: MFD-2068 cockpit display, CDSM control display & management system, MOSArt integration software

HONEYWELL'S PRIMUS APEX

Honeywell ordered more than 1,800 KDU-1080 flight displays for integration into its Primus Apex™ flight deck targeted to the business aviation industry. The displays will be installed aboard the Pilatus PC-12, the Harbin Y12, and Viking Twin Otter aircraft.

VENTURES

LIVEDOTS

SMARTER PRICING

Barco's V series has been specifically designed for fixed installations in branding, advertisement and sports applications. These LED displays come at an attractive price without compromising on performance and reliability.

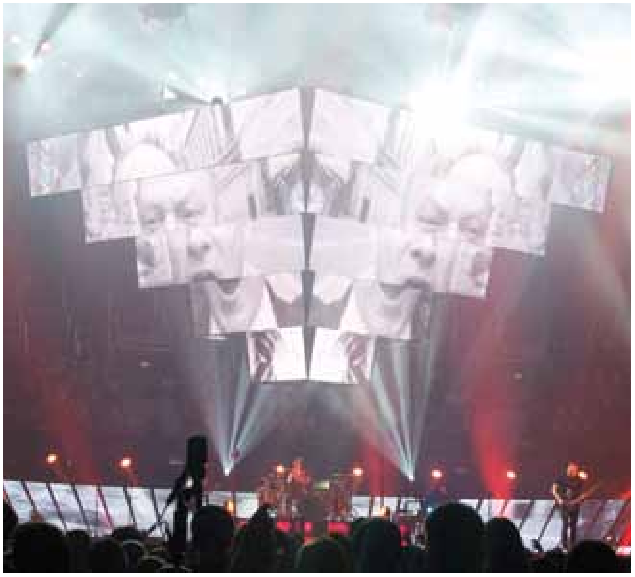
SMARTER ADVERTISING

Available in 2 fixed sizes, the DCP-0x10 integrates LED screen, light sensor, digital media processor, display housing, communication devices and all the necessary software into a fully integrated Digital City Poster system.

DETROIT CAR SHOW

The North American International Auto Show (NAIAS) is an annual auto show held in Detroit, USA. The 2012 edition ran from 9 to 22 January and welcomed over 770,000 visitors. Creative Technology selected Barco's brand new C-5 indoor LED for the giant display at the Ford booth.

HIGH END SYSTEMS



TECHNOARC WASH LIGHT

TechnoArc is a compact soft-edge luminaire that has been designed for club, stage, and studio applications where environmental durability and high-quality output are required. TechnoArc features a prominent 6.5 inch lens, 8° to 32° zoom, and over 14,000 lumens of output. The incredible output, combined with the additional features of a tight hard edge beam and indigo highlighter, set this fixture apart from other wash lights currently on the market.

MUSE ON TOUR

- Muse tour Second Law
- Products used: Hog 4 control system, TechnoArc luminaries

"I've now done three shows on the Hog 4 and it's been flawless."

Oli Metcalf
Lighting designer

Air traffic delays cost around **€1.5 billion** a year in Europe alone.

ORTHOGON

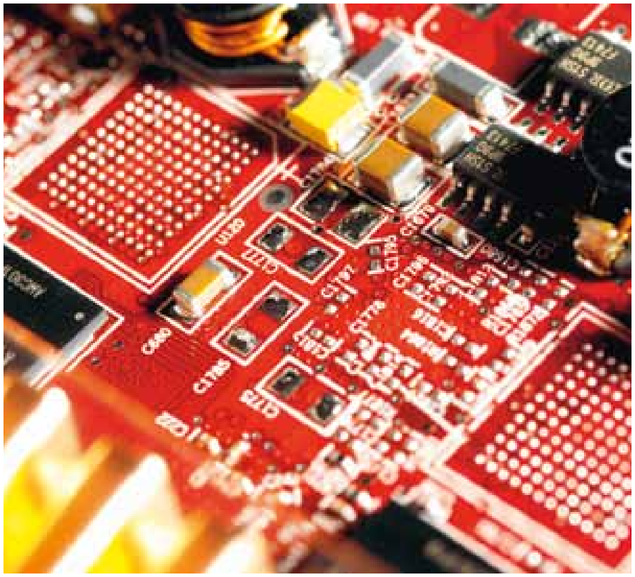
TAMS RESEARCH PROJECT

The TAMS (Total Airport Management Suite) research project was initiated to boost the efficiency and cost-effectiveness of airport operations and, consequently, also reduce their environmental impact. Barco Orthogon contributed to the project by developing a novel working position, called Airside Tactical Working Position (ATWP), supported by its Arrival and Departure Management system. TAMS has demonstrated that these tools deliver the information necessary to monitor runway and airspace utilization and to optimize airport performance.

OSLO AIRPORT

» Gardermoen Airport, Oslo, Norway
» Over 21 million passengers a year
» Named Europe's 'most efficient airport' by the Air Transport Research Society
» Products used: Barco's OYSRIS Arrival Manager software

SILEX



HIGH FRAME RATE JPEG 2000 DECODER

Barco Silex successfully integrated its high frame rate JPEG 2000 decoder core within the DCI certified Integrated Media Block developed by USL for 3D and 4K digital cinema applications. The DCI version of the decoder supports frame rates up to 120 frames per second in 2K and 48 frames per second in 4K at high bit-rates, formats which were used for movies such as 'The Hobbit' and 'Avatar 2'.

USL INC., USA

Barco Silex joined forces with Xilinx to ease the development of video-over-IP solutions with a comprehensive platform combining hardware-validated IP, reference designs and systems integration services. This collaboration will enable broadcast equipment OEMs to accelerate product development and add the latest video-over-IP capabilities to their products.

Directors' report

DECLARATION REGARDING THE INFORMATION GIVEN IN THE ANNUAL REPORT 2012

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

OWNERSHIP OF THE COMPANY'S SHARES

On 31 December 2012 the capital amounted to 54,631,801.08 euro, represented by 12,778,046 shares. Ownership of the company's shares was as follows:

Gimv	9.78%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.98%	(636,239 shares)
Barco	5.78%	(737,963 shares)
Public	79.46%	(10,153,923 shares)
Total	100.00%	(12,778,046 shares)

Fully diluted

Gimv	9.37%	(1,249,921 shares)
Templeton Investment Counsel, LLC	4.77%	(636,239 shares)
Barco	5.53%	(737,963 shares)
Public	80.33%	(10,717,010 shares)
Total	100.00%	(13,341,133 shares)

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

In accordance with article 96, §2 of the Companies Code, Barco applies the Corporate Governance Code 2009 as reference code. This code can be downloaded via the link www.corporategovernancecommittee.be.
On 14 March 2012, the Board of Directors adopted a new version of Barco's Corporate Governance Charter. This new version incorporates the legislative developments with respect to shareholders' rights, sets the age limit for directors at 70 and contains several other updates. The most relevant changes have been clarified during the shareholders' meeting of 26 April 2012.

Barco's Corporate Governance Charter is available for download at www.barco.com/investors/corporategovernance.

BOARD OF DIRECTORS, BOARD COMMITTEES AND CORE LEADERSHIP TEAM

BOARD OF DIRECTORS

Situation on 1 March 2013

Chairman	**Herman Daems** (1)	Chairman of the Board of Directors	2016*
President & CEO	**Eric Van Zele** (3)		2014*
Directors	**ADP Vision BVBA** (represented by Antoon De Proft) (2)		2015*
	Praksis BVBA (represented by Bruno Holthof) (2)		2014*
	Lumis NV (represented by Luc Missorten) (2)		2014*
	Oosterveld Nederland B.V. (represented by Jan P. Oosterveld) (1)		2014*
	KANKU BVBA (represented by Christina von Wackerbarth) (2)		2016*
	Ashok K. Jain (2)		2013*
Secretary	**Kurt Verheggen**	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

BOARD OF DIRECTORS




Herman Daems [01] is Chairman of the Board of Directors of Barco NV and BNP Paribas Fortis. He is also Chairman of the Belgian Corporate Governance Commission, Chairman of the International Private Equity Valuation Guidelines Board, and he holds several other Board positions. Professor Daems is on the faculty of the K.U. Leuven. He studied theoretical physics and economics and holds a PhD in Economics.

Eric Van Zele [02] has been President and CEO of Barco NV since 2009. He is Chairman of the Board of Reynaers Aluminium NV. Previously, he held top management positions at the Indian Avantha Group, Pauwels International, Telindus NV and Raychem Corporation. Mr. Van Zele holds a Master's degree in Mechanical Engineering from the K.U. Leuven and postgraduate degrees in Management from Stanford University.

Antoon De Proft [03] holds a Master's degree in Electrical Engineering and a post-graduate degree in Medical Engineering. He has been President & CEO of ICOS Vision Systems Corporation. Today, Mr. De Proft has his own consultancy company, and he serves on several Boards, including a position as Chairman of IMEC.

Bruno Holthof [04] is CEO of the Antwerp Hospital Network, a major Belgian hospital group. Prior to this, he was a partner at McKinsey & Company, where he became an expert in the areas of strategy, organization and operations. Mr. Holthof holds an MBA from Harvard Business School and an MD/PhD from the K.U. Leuven.

Luc Missorten [05] is CEO of Corelio, a leading Belgian multimedia company. He serves on the Board of LMS and Bank Degroof. Before joining Corelio, he was CFO at Inbev and UCB. Mr. Missorten holds a Law degree from the K.U. Leuven, a Master of Laws from the University of California – Berkeley, and a Certificate of Advanced European Studies from the College of Europe in Bruges.


[03]


[04]


[07]


[08]

Jan P. Oosterveld [06] held several senior management positions at Royal Philips Electronics before he retired in 2004. He is a professor at IESE, owns a consultancy company, and holds several Board positions. Mr. Oosterveld holds a Master's degree in Mechanical Engineering from the Technical University Eindhoven and an MBA from the IESE Business School, Barcelona.

Christina von Wackerbarth [07] has held several top positions at VNU Belgium, VNU Magazines International, and the Flemish public broadcasting company VRT. Today, she is active as a Media Consultant and Executive Coach, and she serves on the Board of telecom operator Mobistar. Ms. von Wackerbarth holds a degree in Romance Philology and Linguistics, has completed an Advanced Management Program at Insead, and holds a Master's degree in Consulting and Clinical Coaching from HEC Versailles/Insead.

Ashok K. Jain [08] holds a Master of Technology degree from the Indian Institute of Technology in Delhi, India. During his career, Mr. Jain has founded several technology start-ups and has converted them into successful businesses through strong leadership coupled with insights into emerging opportunities and trends in the global economy. Mr. Jain was founder and Chairman of the Board of IP Video Systems, which was acquired by Barco n.v. in February 2012. He currently serves as Chairman on the Board of Directors of Teraburst Networks Inc. and is an advisor to Rocket Fuel Inc. Mr. Jain is of Indian origin and has US citizenship.

Kurt Verheggen serves as General Counsel of Barco. He started his career with the law firm Linklaters and then worked as Legal Counsel for CMB, GDF Suez and General Electric. He holds a law degree from the K.U. Leuven, a Master of Laws from Tulane University Law School in New Orleans, and a Master's degree in Real Estate from the Antwerp Management School.

CHANGES

In 2012, the terms of four directors expired. Mr. Vercruysse was a director for almost twelve years and did not seek to renew his mandate. Upon the Board's proposal, the shareholders meeting of 26 April 2012 set the number of directors at 8 (previously 9) and re-appointed Mr. Herman Daems and Kanku BVBA, permanently represented by Ms. Christina von Wackerbarth, for a term of 4 years. Finally, the shareholders confirmed the appointment of ADP Vision BVBA, permanently represented by Mr. Antoon De Proft, until the closing of the general meeting of 2015.

The Board of Directors has elected Mr. Herman Daems as its chairman.

In October 2012, after 25 years of service, Marc Ooms (Bonem BVBA) decided to resign. The Board has meanwhile appointed Mr. Ashok Jain and will propose his definitive appointment by the shareholders at the general meeting of 2013.

All non-executive directors hold or have held senior positions in leading international companies or organizations. Their biographies can be found on pages 88 and 89 of this annual report.

BOARD COMMITTEES

Further to the changes in the Board, the composition of the various committees has also been adapted accordingly.

AUDIT COMMITTEE

Since the general meeting of 26 April 2012, the audit committee is composed of three members, namely: Mr. Luc Missorten, who acts as Chairman, Mr. Bruno Holthof, and Mr. Jan P. Oosterveld. Mr. Missorten and Mr. Holthof are independent non-executive directors. The audit committee's members have relevant expertise in financial, accounting and legal matters as shown in the biographies on pages 88 and 89. The Board of Directors therefore opines that the audit committee meets the statutory requirements of independence and expertise in accounting and auditing. 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 to the chairman of the audit committee and to the chairman of the Board of Directors.

REMUNERATION & NOMINATION COMMITTEE

The Board of Directors has made use of the possibility to combine the remuneration committee and the nomination committee into a single committee.

Since the shareholders meeting of 26 April 2012, the remuneration & nomination committee consists of three independent directors: Christina von Wackerbarth who acts as chairman, Luc Missorten and Antoon De Proft, all being independent non-executive directors.

STRATEGIC COMMITTEE

The members of the strategic committee are Herman Daems (chairman), Eric Van Zele, Jan P. Oosterveld, Bruno Holthof, and Antoon De Proft.

CORE LEADERSHIP TEAM

CORE LEADERSHIP TEAM

Situation on 1 March 2013

Eric Van Zele	President & Chief Executive Officer
Senior Vice Presidents	
Carl Peeters	Chief Financial Officer
Filip Pintelon	Chief Operations Officer
Jacques Bertrand	Chief Sales Officer
Jan Van Acoleyen	Chief Human Resources
Wim Buyens	General Manager Projection
Piet Candeel	General Manager Healthcare
Steve Leyland	General Manager Advanced Visualization
Dave Scott	General Manager Defense & Aerospace

CORE LEADERSHIP TEAM

Jacques Bertrand [01] joined Barco in 1986 after obtaining a degree in Electronic Engineering. He took up sales and product management roles in the former Barco Graphics division and was responsible for the start-up and expansion of Barco Graphics in Asia-Pacific. In 2000, he was appointed President Barco Japan, and in 2005, he was promoted to President Barco Asia-Pacific. Today, Mr. Bertrand is Chief Sales Officer of Barco NV.

Carl Peeters [02] started with Barco in 1987 and held the positions of Marketing Manager and Division Manager in the former Barco Graphics division. Later, he was responsible for mergers and acquisitions, and he was appointed CFO of BarcoNet when this division became a separate public company. After the delisting of BarcoNet in 2002, Mr. Peeters rejoined Barco NV, where he was appointed CFO in 2010. He holds a Master's degree in Applied Economics and a post-graduate degree in Business Administration.

Filip Pintelon [03] joined Barco in 2008 as President of Avionics & Simulation and President of Media, Entertainment & Simulation, before assuming the role of COO. Prior to joining Barco, he held top positions at LMS, Andersen Consulting and The Boston Consulting Group. After graduating from the K.U. Leuven with a Master's degree in Mathematics/Informatics in 1986, Mr. Pintelon earned an MBA from Vlerick Leuven Gent Management School.

[03]

[04]

[07]

[08]

Jan Van Acoleyen [04] is Chief Human Resources Officer. Prior to joining Barco in 2007, he held senior HR positions in high-tech companies such as Alcatel and Agfa-Gevaert. Mr. Van Acoleyen holds a Master's degree in Educational Sciences from the K.U. Leuven and an Executive MBA from the University of Antwerp.

Wim Buyens [05] is General Manager of the Projection division. He started at Barco in November 2007 as Vice President Digital Cinema within the Media & Entertainment division. Prior to joining Barco, he held several management positions at the Danish technology company Bruel & Kjaer. Mr. Buyens holds a degree in Engineering and obtained his executive management education at Stanford University and IMD in Lausanne.

Piet Candeel [06] is General Manager of the Healthcare division. Prior to his present position, he held several positions in marketing, sales, and general management in a variety of business units in Barco over a span of 25 years. Mr. Candeel holds an Officer Degree in Nautical Electronics, a post-graduate degree in Marketing from EHSAL Brussels and an MBA from the University of Antwerp (UFSIA).

Steve Leyland [07] is General Manager of Barco's Advanced Visualization division. Before joining Barco in 2011, he held senior executive roles at Polycom, Intel Corporation, and Dialogic Corporation. Mr. Leyland holds a Bachelor's degree in Electronics Engineering from the University of Nottingham, UK.

Dave Scott [08] is General Manager of the Defense & Aerospace division. He holds a degree in Electrical Engineering from Virginia Polytechnic Institute and State University. Mr. Scott was co-founder of Chromatics Inc., which was acquired by Barco in 1990. In 2001, he became Chief Operating Officer for BarcoView and, in January 2004, he was appointed President Barco North America. In 2010, Mr. Scott assumed his present position while maintaining legal responsibility for managing the North American region as the Head of Barco, Inc.

ACTIVITY REPORT ON BOARD AND BOARD COMMITTEES' MEETINGS

Reference is made to Title 1 and 2 of Barco's Corporate Governance Charter for an overview of the responsibilities of the Board of Directors and its committees.

The table below provides a comprehensive overview of the directors' attendance at the Board of Directors and committees' meetings:

	Board of Directors	Audit committee	Remuneration & nomination committee	Strategic committee
Eric Van Zele (3)	7	4	5	2
Herman Daems (1)	7		1	2
Marc Ooms (1)	6		1	
Marc Vercruysse (1)	2	2		
Bruno Holthof (2)	7	5		2
Luc Missorten (2)	7	5	4	
Jan P. Oosterveld (1)	7	5		2
Christina von Wackerbarth (2)	7		5	
Antoon De Proft	7		4	1
Ashok K. Jain (2)				

(1) non-executive directors (2) non-executive independent directors (3) Executive director

BOARD OF DIRECTORS

In 2012, the Board of Directors met 7 times. One of the meetings was held in the offices of Barco Control Rooms GmbH in Karlsruhe (Germany). In addition, two meetings were held via teleconference.

At every meeting, the Board of Directors reviewed and discussed the financial results as well as the short to mid-term financial forecast of the company. In the beginning of the year, upon recommendation by the Audit Committee, the Board approved the financial results of 2011 and proposed the dividend for approval by the shareholders. It also deliberated on the renewal of the director's mandates as presented by the Remuneration and Nomination Committee. At dedicated meetings, the Board, in close concert with the core leadership team, reflected on each of the divisions' and ventures' strategies for the short to mid-term and approved the 2013 financial budget.

At regular intervals, the Board has reviewed the company's structure against its long term strategy, evaluated possible acquisition opportunities presented by the Strategic Committee, examined the divestment of assets deemed no longer strategic and decided to invest in strategic projects such as the consolidation of the company's activities in Kortrijk on one campus or the acquisition of new technologies. Finally, the Board has also attended several demonstrations of new technologies in areas such as digital operation room, wireless presentation, and 3D sound.

AUDIT COMMITTEE

The audit committee meets at least twice a year with the statutory auditor and the head of internal audit to consult with them about matters falling under the power of the audit committee and about any matters arising from the audit. The CEO and CFO also attend the meetings of the audit committee, unless the members of the audit committee wish to meet separately.

The audit committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the:

» Risk management and internal control arrangements
» Reliability and integrity of the Group's financial statements and periodical and occasional reporting
» Compliance with legal and regulatory requirements as well as the Code of Ethics and Business Conduct
» Performance, qualifications and independence of the external auditors
» Performance of the internal audit function.

In 2012, the audit committee convened five times. The chairman of the audit committee reported the outcome of each meeting to the Board of Directors. The yearly report of the activities of the audit committee, including the audit committee's self-assessment, has been submitted to the Board of Directors.

The statutory auditor attended three meetings during which it reported on the results of its audit procedures and highlighted specific attention points. The statutory auditor's management letter contained no recommendations for material adjustments.

The audit committee reviewed the Group's overall risk areas and risk management and control procedures related to the following areas: legal & compliance risks, IT risks, currency and treasury instrument risks, health, safety and environmental risks, internal control risks and insurance program.

Each quarter, the financial reports are discussed, with special attention to the critical accounting judgments and uncertainties, consistent application of valuation rules and off balance sheet obligations. The audit committee meeting of December is dedicated to the preparation of the year-end closing, with a particular focus on the review of the impairment testing procedures performed on goodwill and on capitalized development cost.

REMUNERATION AND NOMINATION COMMITTEE

The remuneration and nomination committee meets at least two times per year, as well as whenever changes are necessary in the composition of the Board of Directors, be they appointments or reappointments. The committee is aware of the importance of diversity in the composition of the Board of Directors in general, and of gender diversity in particular. The committee takes this into account whenever new directors need to be appointed. In this respect, the Board is in the process of identifying potential candidates for future nominations. The CEO participates in the meetings when the remuneration and nomination plan proposed by the CEO for members of the core leadership 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.

In 2012, the remuneration & nomination committee met 5 times.

The remuneration & nomination committee has reviewed the remuneration of the senior leadership team and the CEO. This included the definition and evaluation of bonus criteria, bonus deferral principles as well as an overall assessment of composition and positioning of the reward packages based on external data. This was done with regard to the 2012 bonus review as well as the 2012 salary review and bonus plans. In preparation for the general meeting, the committee prepared and reviewed the remuneration report: the nomination of new Board members and the succession of the senior leadership team were also on the agenda.

With regard to the stock option plan 2012, the committee took the opportunity to investigate different equity-based reward practices and the characteristics of the stock option plan before approving and submitting it for Board approval. Upon the CEO's recommendation, the committee approved the grants for the senior leadership team and the principles for eligibility of Barco employees. The grant for the CEO was proposed and reviewed by the committee in preparation for Board approval.

Upon the nomination of Mr. Missorten and Mr. De Proft as new members, a dedicated session was organized to introduce them to the company's human resources policies, processes and practices. This included a variety of topics, ranging from talent and succession management, to reward policies and practices, up to the roles and main tasks of the remuneration and nomination committee. Review cycles and topics for the committee's agenda were planned for the year.

STRATEGIC COMMITTEE

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 company's strategic path. Possible topics 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 10 million euro over the entire duration of the project.

In 2012, the strategic committee met 2 times.

The executive management presented a selected number of proposals for acquisitions. The strategic committee conducted in-depth discussions about the strategic value of the proposed transactions in view of the company's long-term strategy. The committee also evaluated the opportunities as well as the risk profiles of the projects and gave appropriate instructions regarding the transaction parameters.

EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors 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 the 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. Moreover, prior to a director's (re-) appointment, the remuneration & nomination committee discusses and evaluates the individual director's contribution to the Board.

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

REMUNERATION REPORT

BOARD OF DIRECTORS

On 26 April 2012, pursuant to article 17 of the articles of association, the general meeting set the aggregate annual remuneration for the year 2012 at 2,169,500 euro for the entire Board of Directors. This means that this amount also includes the remuneration for the executive director. This amount was apportioned amongst all members of the Board in line with its internal rules.

Also in line with the internal rules, a fixed remuneration of 20,000 euro is granted to non-executive directors and an additional amount based on attendance at meetings of the Board and of the committees. 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 do not receive any remuneration linked to performance or results.

There were no shares granted.

	Fixed Remuneration	Board attendance	Committee attendance	Total 2012
Herman Daems	200.000*			200.000
Marc Ooms	17.500	15.000	2.500	35.000
Marc Vercruysse**	10.000	5.000	5.000	20.000
Bruno Holthof	20.000	17.500	17.500	55.000
Luc Missorten	20.000	17.500	35.000	72.500
Jan P. Oosterveld	20.000	17.500	17.500	55.000
Christina von Wackerbarth	20.000	17.500	12.500	50.000
Antoon De Proft	20.000	17.500	12.500	50.000

* 156,000 euro plus 44,000 euro in retirement benefits // ** amount paid to Gimv

REMUNERATION CEO AND CORPORATE SENIOR VICE PRESIDENTS 2012 (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/investors/corporategovernance.

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. Overall, Barco strives for a position above the market median on the total reward proposition, with a substantial variable part based on company, team and individual performance.

2012 variable payment was based on company (40%), divisional/functional (30%) and individual performance (30%).

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 2012 variable payment is based on EBIT, free cash flow, costs, orders, sales and individual targets. If the target variable part of the compensation of individual members of the executive management should exceed the 25% threshold on total compensation, the deferral will be based on sustained profitability.

REMUNERATION PACKAGE 2012 OF THE CEO

- fixed gross salary of 630,000 euro.
- 2012 variable remuneration of 630,000 euro. The target variable part is above 25% of total compensation and as a result, in line with the Law on Corporate Governance, 50% of this amount will be deferred (25% in 2013 and 25% in 2014) and is subject to sustained profitability.
- deferred 2011 variable remuneration of 198,900 euro in line with the deferral conditions.
- contribution for retirement benefits of 300,000 euro.
- other components of the remuneration: 24,242 euro.

There is no claw back provision. The assessment of the performance is based on audited results.

In 2012, 15,000 stock options were granted to the CEO. No warrants/stock options were exercised and no warrants/stock options lapsed. Since stock option grants are based on neither individual nor company performance, these are not to be considered variable remuneration as defined by the Law on Corporate Governance.

There were no shares granted.

TOTAL REMUNERATION 2012 FOR THE CORPORATE SENIOR VICE PRESIDENTS, MEMBERS OF THE CORE LEADERSHIP TEAM

- fixed salary of 1,933,263 euro
- variable remuneration of 907,461 euro
- contribution for retirement benefits of 206,565 euro
- other components of the remuneration: 168,520 euro (healthcare insurance, personal risk insurance, company car)

There is no claw back provision. The assessment of the performance is based on audited results.

In 2012, 23,000 stock options were granted to and accepted by Corporate Senior Vice Presidents, members of the core leadership team. Since stock option grants are based on neither individual nor company performance, these are not to be considered variable remuneration as defined by the Law on Corporate Governance.

Jacques Bertrand:	3,000
Wim Buyens:	3,000
Piet Candeel:	3,000
Stephen Leyland:	3,000
Carl Peeters:	3,000
Filip Pintelon:	3,000
Dave Scott:	3,000
Jan Van Acoleyen:	2,000

A total of 2,000 warrants/stock options were exercised, while 1,737 warrants granted in 1999 at an exercise price of 93.58 euro expired on 16 September 2012.

There were no shares granted.

Reference is made to page 168 of this Annual Report for an overview of the warrants and stock options exercisable under the warrant and stock option plans.

The group of Corporate Senior Vice Presidents in office on 7 February 2013 is presented on pages 92 and 93 in this annual report.

CONTRACTUAL RELATIONSHIPS

Contract between Barco and Eric Van Zele, CEO

In case of termination of the contract by Barco the contract provides a notice period or compensation in lieu of 6 months.

CONTRACTS BETWEEN BARCO AND CORPORATE SENIOR VICE PRESIDENTS, MEMBERS OF THE CORE LEADERSHIP TEAM

Individual arrangements in case of termination of the contract by Barco

The employment contracts of Jacques Bertrand, Wim Buyens, Piet Candeel, Carl Peeters, Filip Pintelon and Jan Van Acoleyen were signed before the Belgian Corporate Governance Law of 6 April 2010 came into force. The total compensation in case of termination is based on age, seniority in the Barco Group and the total of the individual compensation and benefits. Dave Scott has a US employment agreement. There is no contractual arrangement in case of termination and the Barco US Termination and Severance Policy will therefore be applicable. His contract was signed before the Belgian Corporate Governance Law of 6 April 2010 came into force. Steve Leyland has a French employment agreement with a contractual arrangement in case of termination. The total compensation in case of termination is equivalent to 6 months of total compensation during the first 36 months of employment and to 12 months of total compensation after 36 months of employment.

PRESENTATION OF THE REMUNERATION REPORT TO THE SHAREHOLDERS

The Remuneration Report will be submitted for vote to the shareholders at the shareholders' meeting of 25 April 2013.

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 FSMA (Financial Services Market Authority) 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 website of the FSMA (www.fsma.be) and also on the Barco website (www.barco.com/investors/tradingdisclosure), 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.

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

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 and its directors must be avoided.
- Transparency: any potential conflict of interest must be reported during the Board meeting.

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 assets: 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 assets to the Board of Directors before a decision is taken;
» shall leave the meeting while this topic 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 is in the above-mentioned position.

The same rule applies when a director or his or her 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 topic 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 his or her 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 his or her family members) into account.
The directors are conscious of the great importance of the above rules in relation to the good management of Barco and they commit themselves to taking the greatest of care to ensure that these rules are observed.

RISK MANAGEMENT AND CONTROL PROCESSES

INTRODUCTION

Barco operates a risk management and control framework in accordance with the Companies Law Code and the Corporate Governance Code 2009. Barco is exposed to a wide variety of risks within the context of its business operations that can result in the objectives being affected or not achieved. Controlling those risks is a core task of the Board of Directors, the core leadership team and all other employees with managerial responsibilities.
The risk management and control system has been set up to reach the following goals:

» Achievement of the company objectives
» Operational excellence
» Correct and timely financial reporting
» Compliance with all applicable laws and regulations

The principles of the COSO reference framework and the ISO 31000 risk management standard have served as a source of inspiration to Barco in setting up its risk management and control system.

FINANCIAL RISKS ACCOUNTING AND FINANCIAL REPORTING CURRENCY AND INTEREST FLUCTUATIONS LIQUIDITY, LOANS AND CAPITAL FORECAST AND PLANNING ERRORS BANKRUPTCY OF CUSTOMERS AND PARTNERS

OPERATIONAL RISKS KEY COMPONENTS CAPACITY CONSTRAINTS TRANSPORT AND STORAGE KNOWHOW AND QUALIFIED PEOPLE HEALTH AND SAFETY OF PEOPLE INFORMATION AND COMMUNICATION TECHNOLOGY CONCENTRATION AND SPECIALIZATION RISK NEW PRODUCT DEVELOPMENT

STRATEGIC RISKS MACRO-ECONOMIC RISKS MARKET AND TECHNOLOGY DYNAMICS ACQUISITIONS AND DIVERSIONS COOPERATION WITH STRATEGIC PARTNERS

LEGAL RISKS LIABILITY CONTRACT MANAGEMENT GOVERNMENTAL RESTRICTIONS ETHICS AND BUSINESS CONDUCT PRODUCT COMPLIANCE INTELLECTUAL PROPERTY

FORCE MAJEURE HUMAN RELATED SITE RELATED

CONTROL ENVIRONMENT

Barco strives for an overall compliance and a risk-awareness attitude by defining clear roles and responsibilities in all relevant domains. This way, the company fosters an environment in which its business objectives and strategies are pursued in a controlled manner. This environment is created through the implementation of different companywide policies and procedures such as:

» The code of ethics and business conduct
» Decision and Signature Authority Rules
» The Barco values
» The quality management system
» Risk profiling, reporting and mitigation processes

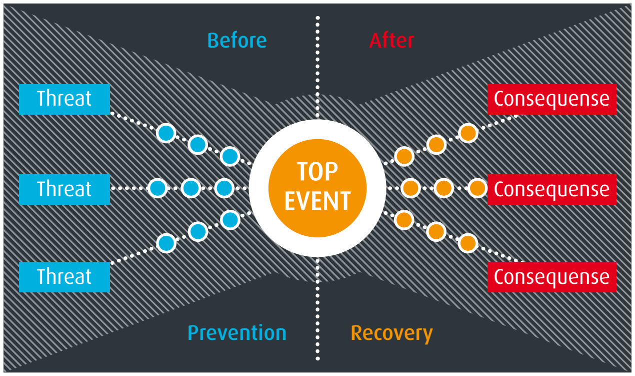
The core leadership team fully endorses these initiatives. The employees are regularly informed and trained on these subjects in order to develop sufficient risk management and control at all levels and in all areas of the organization. The risk and compliance manager is in charge of the overall coordination of the risk management and control process.

RISK MANAGEMENT SYSTEM

RISK MANAGEMENT PROCESS AND METHODOLOGY

All employees are accountable for the timely identification and qualitative assessment of the risks (and significant changes to them) within their area of responsibility.

Within the different key, management, assurance, and supporting processes, the risks associated with the business are identified, analyzed, pre-evaluated and challenged by internal and external assessments.



In addition to these integrated risk reviews, periodic assessments are performed to check whether proper risk review and control measures are in place and to discover unidentified or unreported risks. This process is driven by the risk and compliance manager.

The risks are further evaluated to set the right prioritization by allocating them in a consistent manner to an impact scale on the one hand, and a likelihood scale on the other hand. The scale for impact and likelihood are based on the acceptable level of risk exposure that is determined by the Board of Directors.

All risks are recorded in the risk register of the related process with a specification of their impact and likelihood. In addition, each risk is allocated to a risk owner who is responsible for setting up and implementing the mitigation action plan and the monitoring and follow-up of his/her risk.

On a corporate level, the risk matrix is drawn up based on the risk score (impact x likelihood), whereby risks are classified as 'Unacceptable risk', 'Risk under observation' or 'Acceptable risk'.

'Unacceptable risks' are contained by means of an action plan to minimize the effects of such risks on the organization's ability to achieve its objectives. Also, the risks 'under observation' are monitored by a member of the core leadership team.

These processes are facilitated by the risk and compliance manager by:

» Providing tools and training to identify, analyze, evaluate, report, escalate and mitigate risks,
» Raising overall awareness of risk management, compliance and control within the company,
» Encouraging continuous improvement.

All risks are specified in the Barco risk universe, which can be divided into five categories:

» Strategic risks: macro-economic risks, acquisitions, co-operation with strategic partners and technology and market dynamics.
» Operational risks: concentrating and specialization, capacity constraints, transport and storage, key components, new product development, know-how and qualified personnel, health and safety of people, and information and communication technologies.
» Financial risks: the risks connected to the accounting and financial reporting, currency and interest fluctuations, liquidity, loans and capital, forecast and planning.

» Legal and compliance: ethics and business conduct, litigation, government regulations, product compliance, intellectual property and contract management.
» Force Majeure risks are grouped in a site-related and a human-related risk domain.

MOST IMPORTANT RISK FACTORS

Barco has identified and analyzed its corporate risks.
While this list is not exhaustive, Barco specifically recognizes that the following risks deserve attention:

STRATEGIC RISKS

Acquisition risks

Part of Barco's long-term growth strategy is based on acquisitions. Despite the fact that Barco has well-defined parameters for potential acquisitions and carries out due-diligence processes with the utmost care, acquisitions always entail risks. These risks may be associated with the integration of the acquired company into the group. The growth of the acquired business may be slower than forecast, or the acquired technological knowledge may not be as valuable as anticipated. These risks may result in impaired goodwill.

Macro-economic risks

Beyond Barco's immediate business environment, an overall negative economic climate, a 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. A recession may slow Barco's customers and partners down or render them unable to secure the funds for planned investments. To mitigate its own risks, in December 2011 Barco increased its committed credit facilities to €115 million and continued to focus on a pro-active cash generating strategy. These committed credit facilities are still available as per 31 December 2012 and are almost completely undrawn. On the other hand, the fact that Barco conducts business in a variety of markets and geographical regions may reduce the impact of bad economic conditions, as they may not affect all markets and regions equally.

OPERATIONAL RISKS

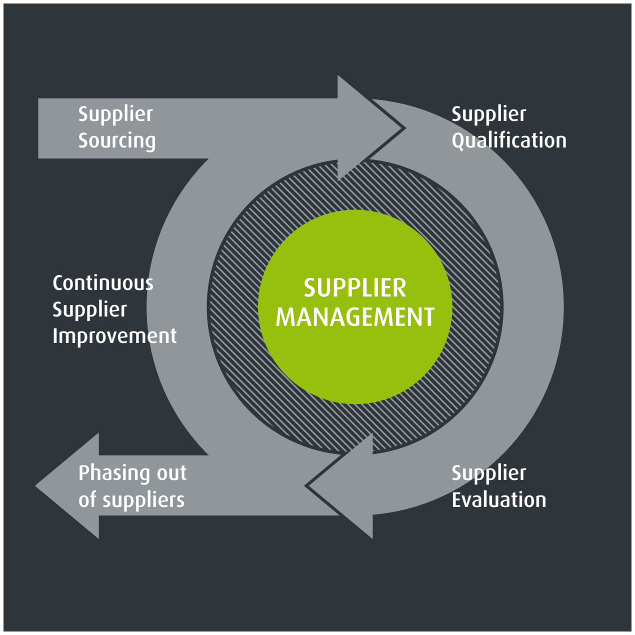
Risks related to new products

Barco is active in very specialized, selected professional markets for visualization technologies. In order to maintain, or attain, market-leader status in each of its key markets, the company annually invests considerably in research & development. In 2012, this investment amounted to €84.1 million, or 7.3% of sales. With regard to the selected professional markets, the company's main challenge is to define the right products to introduce into each market. Risks associated with this challenge are:
» not being the first to market a new product, which may lead to smaller market share than anticipated or even to discontinuation of the product.
» using third-party components 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 the new products' specifications are insufficient, or because competitive products are better or less expensive.
» having no (or insufficient) access to new fundamental technology.
» introducing new products that are not yet ready to be marketed, resulting in unusually high (or higher than anticipated/provisioned) warranty expenses.

The continuous improvement of the New Product Introduction (NPI) program is driven by the green and the red teams and is supported by several competence groups. In 2012, two of the objectives were:
» performing better requirements & risk management
» empowering the NPI project managers

Key components

Expected sales volumes may not be achieved due to a shortage of components. This shortage may be a global phenomenon, due to an economic crisis or a major natural disaster. It may, however, also be linked to the introduction of new products that require new components, which may not yet be available in the required volumes. Key components sourced by a single source receive dedicated follow-up with mandatory high management attention



Barco's global procurement team tracks suppliers closely to anticipate potential disruptions. By reducing its supplier database, Barco seeks to build a more collaborative relationship with its suppliers to Barco's advantage.

IT risks

Barco makes extensive use of IT systems and platforms to support its operations. As configuration, hardware or software failures may occur, which can hamper these operations, proper fail-safe and recovery procedures are in place to mitigate these risks.

In 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. Barco is in the process of implementing a new ERP (Enterprise Resource Planning) system and selected SAP ECC as its main platform. In combination with this, Barco also wants to lift its processes to a higher level. The implementation of ERP systems has been a challenge for many organizations in the past. Therefore, Barco is continuously identifying the risks and setting proper controls during the new ERP implementation. By controlling and minimizing the major business risks in the first instance, the scene can be set for a successful implementation of the new ERP system.

FINANCIAL RISKS

Currency risks

The results of the company are reported in euro. Therefore, the results of operations, and the financial position of Barco entities, that work in currencies other than the euro are translated into euro in the company's consolidation process. However, the daily fluctuations between these other currencies and the euro may cause a negative impact on the company's consolidated results.

The most important currency risk in this respect is related to the US dollar. Close to 50% of the company's total annual sales are realized in USD or USD-related currencies. As the evolution of the exchange rate between the USD and the euro cannot be predicted, and also because of the time between order and invoicing, there is an ongoing risk in forecasting revenues – as well as profit margins – for the entire group. Another critical element is the fact that some of Barco's main competitors are USD-based, so that a weakening of the USD against the euro may give these companies a competitive advantage over Barco.

Accounting and financial reporting

The risks and control measures related to the accounting and financial reporting risks are described below.

LEGAL AND COMPLIANCE RISKS

Compliance and governmental regulations

In a company of Barco's size and scope, an employee's actions can result in a breach of laws and regulations or company ethics. Any resulting criminal prosecution or fine can of course have a negative effect on the company's image, business and share value. This risk is higher in emerging markets, as the knowledge of local laws and regulations, or the monitoring of ethical standards, may still be less developed than in more mature markets.

Compliance rules affect each employee in his or her daily work. All associates exert effort to comply with legal, corporate and local Barco policies and procedures and to strive together towards a truly compliant organization based on Barco's Code of Ethics and Business Conduct.

The Legal, Risk and Compliance Department assists in ensuring compliance by collecting and sharing the knowledge of functional, regional and divisional compliance owners supported by local Legal & Compliance Managers. The compliance management system and the Barco compliance overview guide the organization through the complex web of rules and regulations.

FORCE MAJEURE RISKS

Events of an exceptional nature (such as a fire) may affect the company itself, or events on a larger scale (such as flooding, earthquake or extreme weather conditions) may affect component suppliers. These kinds of events, which can also include terrorist attacks or disease epidemics (Human related force majeure risks), can destabilize part or all of the world's economy.

Especially in the case of an R&D and/or a manufacturing site (Site related force majeure risks), those events may seriously affect the company's competitive position, as they may disrupt deliveries to customers or postpone new product releases. Barco has set up an international insurance program with reputable underwriters to cover both its assets and loss of income in case of business interruption due to such exceptional events. The coverage as well as the insured amounts are reviewed regularly and benchmarked with the assistance of professional insurance brokers. Nevertheless, it is impossible to calculate beforehand what the negative impact of such events might actually be.

CONTROL ACTIVITIES

Control measures are in place to minimize the effect of risk on Barco's ability to achieve its objectives. These control activities are embedded in the company's key processes and systems to assure that the risk responses and the company's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and all departments.

The Risk and Compliance Manager supports the adoption of clear processes and procedures for a wide range of business operations related to compliance and export control. The Risk and Compliance Manager reports on his activities to the core leadership team and to the Audit Committee.

In addition to these control activities, an insurance program is being implemented for selected risk categories that cannot be absorbed without material effect on the company's balance sheet.

INFORMATION AND COMMUNICATION

Timely, complete and accurate information flow – both top-down as well as bottom-up – is a cornerstone of effective risk management.

In operational domains, Barco has implemented a management control and reporting system (MCRS) to support efficient management and reporting of business transactions and risks. This system enables Barco's management to capture relevant information on particular areas of business operations at regular time intervals. The process enforces clear assignment of roles and responsibilities, thus ensuring consistent communication to all stakeholders regarding external and internal changes or risks impacting their areas of responsibility.

In addition to the MCRS, the company has put several measures in place to assure security of confidential information and to provide a communication channel for employees to report any (suspected) violations of laws, regulations, company policies or ethical values.

MONITORING OF CONTROL MECHANISMS

Monitoring helps to ensure that internal control continues to operate effectively.

The continuity and the quality of Barco's risk management and control framework is assessed by the following actors:

- Internal Audit. The tasks and responsibilities assigned to Internal Audit are recorded in the Internal Audit Charter, which has been approved by the Audit Committee and the Board of Directors. The key mission of Internal Audit as defined in the Internal Audit Charter is "to add value to the organization by applying a systematic, disciplined approach to evaluating the internal control system and providing recommendations to improve it."
- External auditor, in the context of its review of the annual accounts.
- Compliance Officer, within the framework of the company's Corporate Governance Charter.
- Risk and Compliance Manager, who plays a pivotal role in the organization by ensuring appropriate coordination and follow-up of risk items.
- Audit Committee. The Board of Directors and the Audit Committee have ultimate responsibility with respect to internal control and risk management. (See also the 'Board Committees' section in this annual report.)

RISK MANAGEMENT AND INTERNAL CONTROL WITH REGARD TO THE PROCESS OF FINANCIAL REPORTING

The accurate and consistent application of accounting rules throughout the company is assured by means of Finance and Accounting Manuals, which are available for the key accounting sections.

Specifically within the financial domain, a quarterly, bottom-up risk analysis is conducted to identify and document the current risk factors. Action plans are defined for all key risks. The results of this analysis are discussed with the statutory auditor.

The accounting teams are responsible for producing the accounting figures (closing bookings, reconciliations, etc.), whereas the controlling teams check the validity of these figures. These audits include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

All material areas of the financial statements concerning critical accounting judgments and uncertainties are periodically reported to the Audit Committee.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities. Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.

Uniform reporting of financial information throughout the organization ensures a consistent flow of information, which allows the detection of potential anomalies.

An external financial calendar is planned in consultation with the Board and the core leadership team, and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Barco's stakeholders with the information necessary for making sound business decisions.

STATUTORY AUDITOR

At the annual shareholders meeting of 26 April 2012, Ernst & Young Bedrijfsrevisoren CV, De Kleetlaan 2, 1831 Brussels, permanently represented by Mrs. Lieve Cornelis and Mr. Jan De Luyck, was re-appointed as statutory auditor of the company for a period of 3 years.

In 2012, remuneration paid to the statutory auditor for auditing activities amounted to 396,623 euro. Remuneration paid to the statutory auditor for special assignments was 52,930 euro.

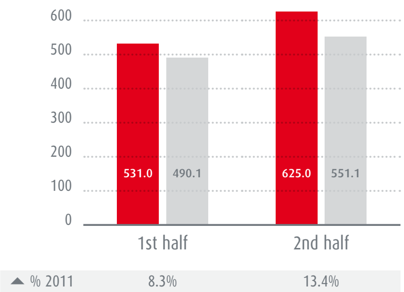
COMMENTS ON THE RESULTS

Barco's sales increased in 2012 by more than 10% for the third consecutive year, reflecting growth in each division. Through strong working capital management and intense focus on improving operational efficiencies, Barco delivered record EBIT of 100 million euro and generated 121.6 million euro in free cash flow, and achieved a return on capital employed of 24%.

SALES AND ORDER INTAKE

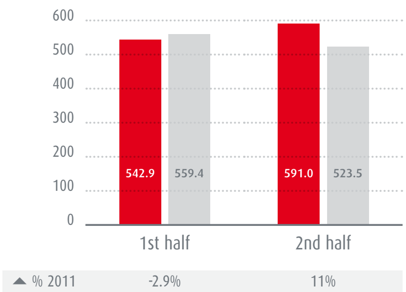
EVOLUTION SALES PER YEAR HALF 2012 VS 2011

(in million euro)



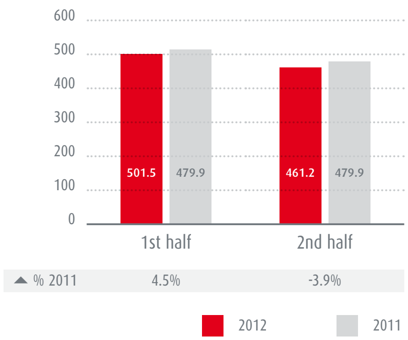
EVOLUTION ORDERS PER YEAR HALF 2012 VS 2011

(in million euro)



EVOLUTION ORDERBOOK PER YEAR HALF 2012 VS 2011

(in million euro)



Sales grew 11.0% to 1,156.0 million euro, compared to 1,041.2 million in 2011 with each division producing sales increases.

Sales to Europe, Middle East, Africa and Latin America (EMEALA) represented 41.9% of consolidated sales, while North America and Asia Pacific (APAC) accounted for 33.8% and 24.2% of sales, respectively. Compared to 2011, the EMEALA, North America and APAC regions grew by 6.5%, 11.2%, and 14.6%, respectively.

Order intake in 2012 was 1,133.8 million euro, an increase of 4.7% versus 1,082.9 million euro in 2011. Incoming orders for the second half of 2012 stood at 590.0 million euro, up to 67.4 million euro or 12.9% compared to 2H11. Over the full year, the Entertainment division and Ventures generated growth and the Defense & Aerospace division registered flat results. Both the Healthcare and Control Rooms & Simulation divisions saw order intake soften.

By geography, Latin America and Southeast Asia posted the strongest order intake growth. The EMEALA region grew 12.1% year-on-year and North America grew 4.5% while the APAC region saw a 7.1% decline. By region, EMEALA accounted for 43.8% of total order intake, North America 33.8% and Asia Pacific 22.5%.

While order intake was up for the year, the orderbook was lower at the end of 2012 compared to both the end of the first half of 2012 and the end of 2011, reflecting improved order processing efficiency and on-time deliveries.

GROSS PROFIT

Gross profit increased by 20% to 375.6 million euro, or 32.5% of sales. In 2011, gross profit was 312.9 million euro and gross profit margin was 30.1%.

EBITDA AND EBIT

EBITDA was 159.5 million euro, 13.8% of sales, compared to 130.2 million euro, 12.5% of sales the year before.

EBIT before goodwill impairment was 100.2 million euro compared to 78.4 million euro in 2011. During 2012, the company booked a 2.7 million euro non-cash goodwill impairment charge related to dZine, one of Barco's Venture companies. EBIT margin in 2012 was 8.7%, up from 7.5% in 2011. Favorable foreign currency changes contributed 10.6 million euro to the 2012 EBIT, largely offset by a decline in other income of 9.8 million euro. Operating income was 3.0 million euro in 2012 versus 12.8 million euro in 2011.

Research & development expenses increased year-on-year from 74.7 million euro to 84.1 million euro and were flat as a percentage of sales at 7.3% compared to 7.2% last year. Sales & Marketing expenses increased from 122.5 million euro to 142.2 million euro and increased in percentage terms from 11.8% of sales to 12.3% of sales. General & administration expenses were 52.2 million euro compared to 50.2 million euro last year and decreased in percentage terms from 4.8% of sales to 4.5% of sales.

INCOME TAXES

Income taxes were 4.9 million euro in 2012 compared to tax credit of 10.4 million in 2011.

NET INCOME

Net income rose from 75.9 million euro in 2011 to 94.2 million euro in 2012. Net margin for 2012 was 8.2% compared to 7.3% the year before.

Net earnings per share increased to 7.84 euro from 6.32 euro in 2011. Fully diluted net earnings per share increased to 7.50 euro from 6.21 euro.

FREE CASH FLOW

Free cash flow for 2012 was 121.6 million euro, compared to 81.2 million euro in 2011. Except for the Ventures the full year Free Cash Flow in all divisions was positive.

FREE CASH FLOW

Free cash flow for 2012 was 121.6 million euro. In 2011 it was 81.2 million euro. Except for the Ventures the full year Free Cash Flow in all divisions was positive. Barco did not acquire any of its own shares in 2012 .

IN THOUSANDS OF EURO	2012	2011	2010
EBIT after impairment	97,567	68,359	45,135
Impairment of capitalized development costs and goodwill	3,644	11,328	1,278
Restructuring provision (personnel)	-	-3,351	-3,735
Unrealized foreign currency translation gain on Kladno liquidation	-3,735	-	-
Amortization capitalized development cost	42,138	36,448	39,058
Depreciation of tangible and intangible fixed assets	16,126	14,088	13,282
Loss on tangible fixed assets	-24	-85	-
Share of profit/(loss) of joint ventures	547	-	-
Gross operating free cash flow	156,263	126,787	95,018
Changes in trade receivables	8,267	12,462	-55,438
Changes in inventory	10,460	-2,483	-68,240
Changes in trade payables	10,567	-14,693	55,340
Other changes in net working capital	19,015	35,923	21,007
Change in net working capital	48,310	31,208	-47,331
Net operating free cash flow	204,574	157,995	47,687
Interest income	2,826	912	912
Interest expense	-1,738	-3,442	-2,360
Income taxes	-4,200	-10,718	393
Cash flow from operating activities	**201,462**	**144,748**	**46,632**
Expenditure on product development	-56,296	-46,454	-41,107
Purchases of tangible & intangible fixed assets	-24,853	-20,302	-13,397
Proceeds on disposals of tangible & intangible fixed assets	1,264	3,245	863
Cash flow from investing activities (excluding acquisitions)	**-79,885**	**-63,511**	**-53,641**
FREE CASH FLOW	121,577	81,237	-7,009

Barco generated a positive free cash flow of 121.6 million euro in 2012 (2011: 81.2 million euro; 2010: -7.0 million euro). Main contributor to the positive free cash flow in 2012 is the gross operating free cash flow of 156.3 million euro enforced by the positive change in net working capital of 48.3 million euro. The increase in the gross operating free cash flow, compared to 2011, is fully caused by the higher EBIT.

Capital expenditures and expenditures on product development are further reinforced in 2012, leading to 24.9 million euro investments in tangible and intangible fixed assets and 56.3 million euro investments in product development.

BALANCE SHEET

At the end of December 2012 Barco had a net cash position of 111.2 million euro, compared to a net cash position of 61.6 million euro on 31 December 2011. On 31 December 2012 trade receivables stood at 183.1 million euro, down 4.0 million euro from end of 2011. Thanks to improvements in all divisions, DSO was further reduced to 48 days, from 56 days at the end of 2011. At 233.7 million euro, inventory was essentially flat year-on-year, resulting in a meaningful increase in turns from 2.7 at the end of 2011 to 3.1 at the end of 2012.

Trade payables increased to 127.5 million euro from 110.8 million euro at the end of 2011. DPO was 57 days at the end of 2012 compared to 54 days the year before.

Capital expenditures for 2012, excluding capitalized development, was 24.9 million euro, compared to 20.3 million euro the year before.

ROCE reached 24% compared to 20% in 2011.

RETURN ON CAPITAL EMPLOYED

IN THOUSANDS OF EURO		2012	2011	2010
Trade debtors		183.082	187.114	200.983
Inventory		223.677	233.928	230.421
Trade payables		(127.528)	(110.791)	(125.353)
Other working capital		(183.806)	(148.028)	(128.906)
Total working capital		**95.425**	**162.222**	**177.145**
Long term assets & liabilities		225.335	193.391	150.463
Operating capital employed		**320.760**	**355.613**	**327.608**
Goodwill		68.809	43.921	52.891
Operating capital employed (incl goodwill)		**389.569**	**399.534**	**380.499**
EBIT before restructuring & impairment		100.238	78.359	45.135
ROCE after tax (%)	(a)	**24%**	**20%**	**12%**

(a) Tax rate used is the effective tax rate, in 2012 5%, in 2011 and 2010 0% (in 2011 effective tax rate is positive, therefore kept at 0%).

Driven by a further sales increase in 2012 compared to 2011, the Barco group has realized a positive EBIT before goodwill impairment of 100.2 million euro in 2012 compared to a positive EBIT of 78.4 million euro in 2011. As the operating capital employed decreased, the group achieved a ROCE in 2012 of 24% versus 20% in 2011.

DIVISIONAL RESULTS FOR FISCAL YEAR 2012

RESULTS PER DIVISION CONTINUING OPERATIONS

IN THOUSANDS OF EURO	2012			2011		
	Sales	EBITDA	% EBITDA	Sales	EBITDA	% EBITDA
Entertainment	479.7	87.3	18.2%	432.1	63.8	14.8%
Healthcare	206.5	23.8	11.5%	192.5	33.1	17.2%
Control Rooms & Simulation	227.7	26.4	11.6%	214.3	16.2	7.5%
Defense & Aerospace	130.7	12.8	9.8%	115.8	11.7	10.1%
Ventures	112.2	9.2	8.2%	88.2	5.5	6.2%
Eliminations	-719			-1.7		
Group	**1156.0**	**159.5**	**13.8%**	**1041.20**	**130.2**	**12.5%**

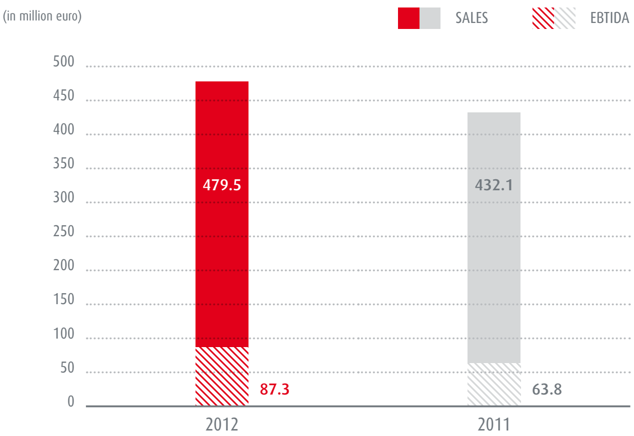
PRELIMINARY REMARK 'BARCO'S NEW ORGANIZATIONAL STRUCTURE'

Effective 1 January 2013, Barco repositioned certain businesses to capture more economies of scale and to leverage the divisions towards multiple end markets. The Entertainment and Control Rooms & Simulation divisions have been renamed. For details about the new organizational structure, please go to the update description of our business areas on pages 28 and 29.

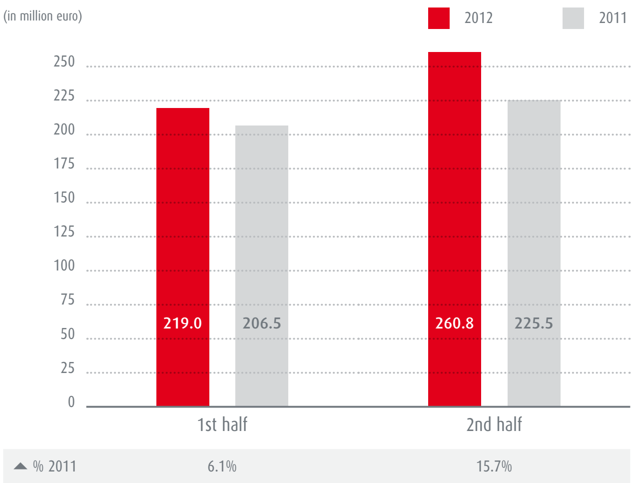
For the analysis of divisional results for 2012 presented below, the composition of each division is unchanged.

ENTERTAINMENT DIVISION

SALES & EBITDA 2012 VS 2011



EVOLUTION SALES PER HALF YEAR 2012 VS 2011



2012 marked the fourth consecutive year of growth for the Entertainment division.

During 2012, Barco gained market share of the global Digital Cinema market, with additional wins primarily in Latin America and China, and began deliveries under its program with IMAX Corporation. In addition, Barco implemented its 'cinema of the future' initiative and advanced its strategy of further penetrating the mid-segment through the introduction of the first DCI compliant projector for smaller screens, focused on independent cinemas and emerging geographies, to facilitate the conversion to digital cinema. Finally, Barco continued to roll out Auro 11.1 installations and signed a partnership agreement with DreamWorks to bring an 'immersive 3D audio' experience to theaters worldwide.

In the professional AV segment, Barco expanded its worldwide channel network with the addition of new partnerships , introduced new product offerings for the Rental and Staging and large venue market and cost-effective products for the mid segment, and expanded its product portfolio for the mid segment by joining forces with projectiondesign® late in the year.

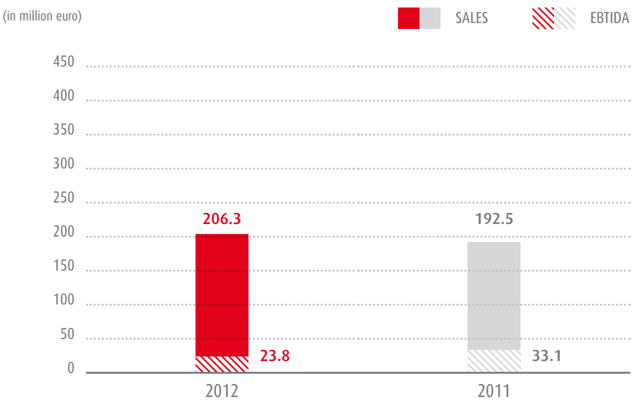
Global order intake was 490.4 million euro, an increase of 6.4% or 29.7 million euro compared to 460.7 million euro in 2011 driven by robust growth in professional-AV markets in both EMEALA and APAC. Order intake for digital cinema was flat relative to 2011, with an increased contribution of Latin America.

Sales increased by 11.0% to 479.7 million euro in 2012 from 432.1 million euro in 2011, reflecting an increasing rate of growth in the professional AV market and single digit growth in the Digital Cinema market. During 2012, the professional AV segment approached 25% of sales for the Entertainment division, up from 20% for 2011. Growth was generated in the Latin American and APAC regions.

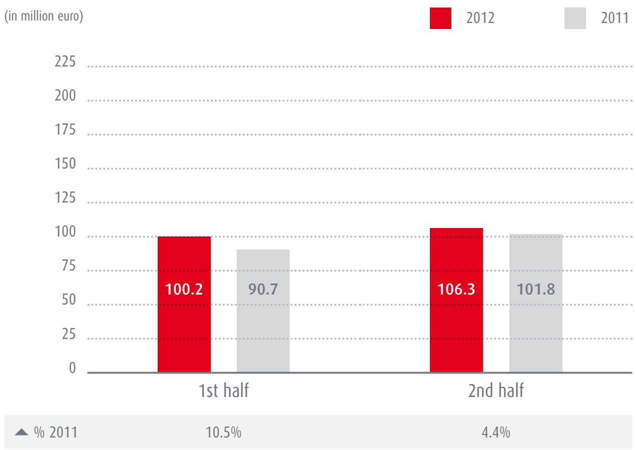
EBITDA for the Entertainment division stood at 18.2% of sales or 87.3 million euro compared to 63.8 million euro or 14.8% in 2011, an increase of 36.6%.

HEALTHCARE DIVISION

SALES & EBITDA 2012 VS 2011



EVOLUTION SALES PER HALF YEAR 2012 VS 2011



During 2012, the Healthcare division executed its strategy to enlarge the division's addressable market by expanding into new healthcare segments – such as the digital operating room and the patient point of care – that are adopting digital visualization technologies while leveraging its established leadership in diagnostic imaging. At the same time, the division maintained its dominant share in diagnostic imaging and pushed sales over 200 million euro for the first time.

For the digital operating room segment, Barco further developed its technologically disruptive networked solutions with the integration of IP Video Systems' transcoding and recording solutions. In addition, the company completed its first digital operating room installations through new partnerships with major digital OR integrators.

For the point of care segment, the division established a worldwide sales and service organization, built a solid pipeline of projects, and developed new products to be launched in 2013, which round out the solution offering.

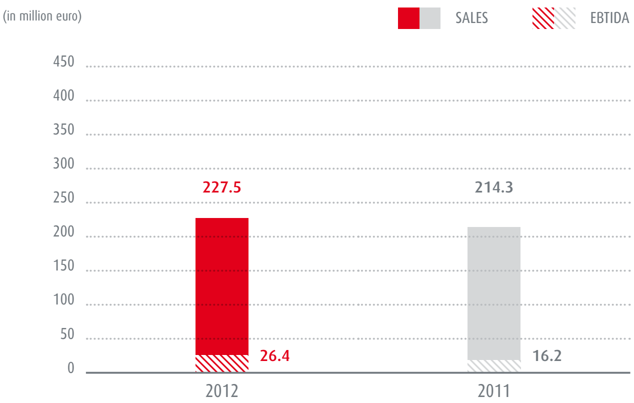
Incoming orders were 197.3 million euro in 2012, a decrease of 4.7% compared to 207.1 million euro in 2011 when the division experienced a spike in order intake related to a number of sizeable multi-year agreements. Adjusting for the multi-year agreements in both periods, order intake grew year-over-year.

Sales grew 7.2% to 206.5 million euro from 192.5 million euro in 2011, primarily in the company's traditional diagnostic imaging markets. Sales growth was driven by strong performances in Latin America and the North American and APAC regions.

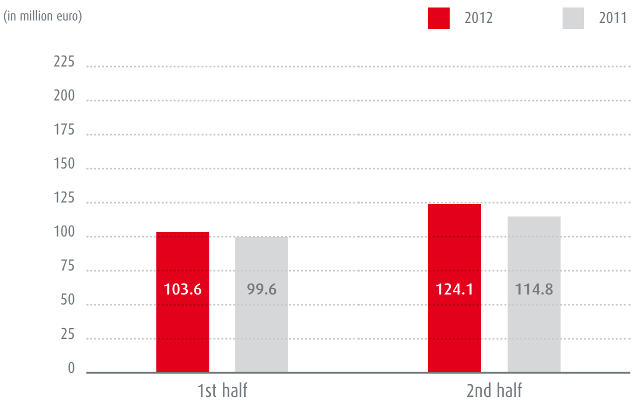
EBITDA for 2012 was 23.8 million euro or 11.5% compared to 33.1 million euro or 17.2% in 2011, a decrease of 9.3 million euro attributable to the strategic investments in research and development and sales and marketing to support the division's entrance into digital operating rooms and patient point of care segments.

CONTROL ROOMS & SIMULATION DIVISION

SALES & EBITDA 2012 VS 2011



EVOLUTION SALES PER HALF YEAR 2012 VS 2011



	1st half	2nd half
▲ % 2011	4.0%	8.1%

A renewed leadership team and an intense focus on improving profitability by the CRS division paid off during 2012, resulting in an EBITDA margin of 11.6% for the year boosted by a 13.9% EBITDA margin for the second half of the year. With the supply chain rebuilt and a streamlined operational structure in place, the division now has the efficient infrastructure to support profitable growth.

By offering mid segment and more integrated solutions combining networked and collaboration components and services through an enlarged partnership network, the division is focusing on increasing its share of existing customers' wallet and further penetrating mid segments.

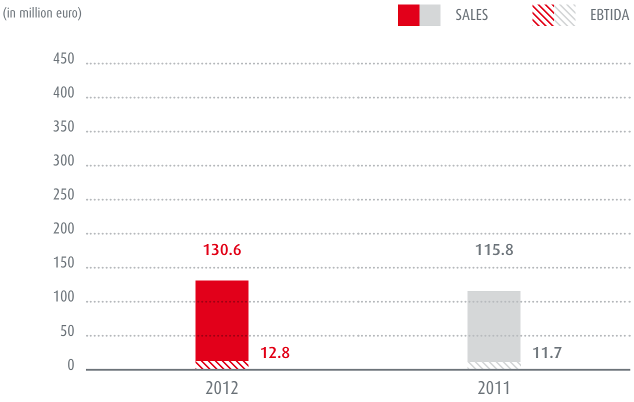
Order intake decreased by 3.2% to 213.3 million euro in 2012 from 219.6 million euro in 2011, with strong performance from APAC and China in the control rooms offset in part by delays in closing certain opportunities in control rooms.

Sales in the Control Rooms & Simulation division increased by 6.2% to 227.7 million euro in 2012 from 214.4 million euro in 2011, driven by gains in Control Rooms. By geographic region, APAC and North America posted robust growth while sales in EMEALA declined.

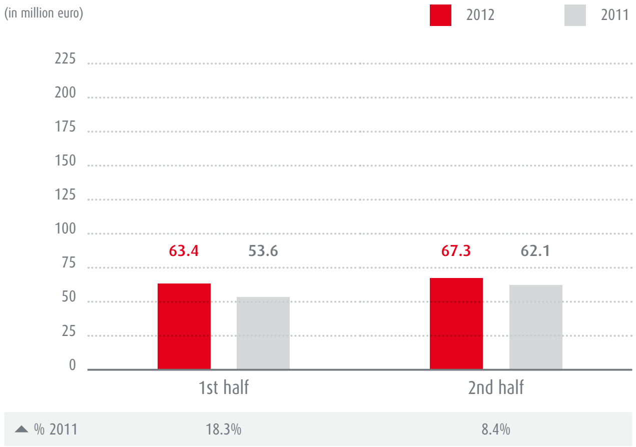
EBITDA for 2012 was at 26.4 million euro, an 11.6% EBITDA margin, a strong improvement compared to the 16.2 million euro or 7.5% margin in 2011.

DEFENSE & AEROSPACE DIVISION

SALES & EBITDA 2012 VS 2011



EVOLUTION SALES PER HALF YEAR 2012 VS 2011



A strong performance in Barco's Aerospace business offset continued softness in Defense. With products that meet the demands of key partners and a contract win for its newly introduced cockpit displays, the Aerospace unit is well positioned to take advantage of the growing avionics market.

The Defense unit performed well in an environment of ongoing budget constraints worldwide, largely as a result of focusing on key accounts. Barco secured contract wins from key accounts for the new network visualization and compact rugged display solutions released in 2012 and won the 2012 'Supplier of Year' award from the unit's largest customer. Management continues to focus on further streamlining the product line and operational structure to re-establish the EBITDA margin.

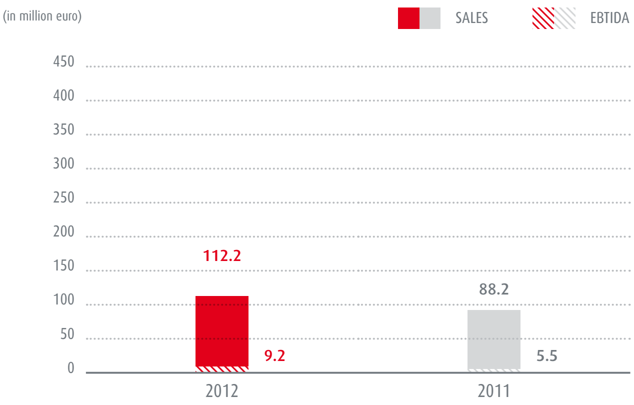
In 2012 global order intake for the Defense & Aerospace division was 107.4 million euro, 0.8 million euro up from 106.6 million euro in 2011. Aerospace was once again the best performing business in the division, particularly in the EMEALA regions.

Global sales increased by 12.9% from 115.8 million euro to 130.7 million euro, driven by gains in Aerospace and with all regions generating growth except the EMEALA region which was flat year-over-year.

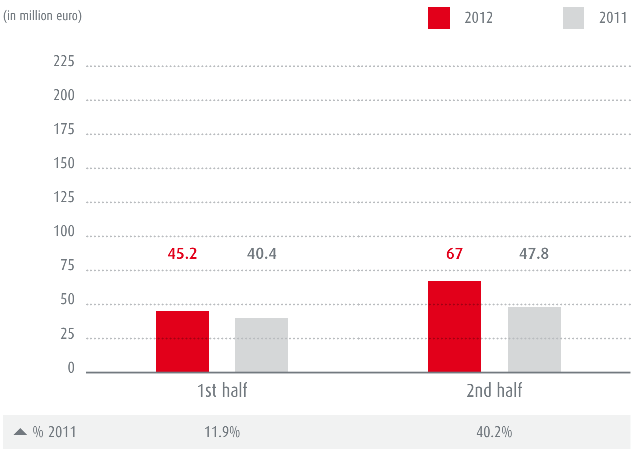
EBITDA for the year was 12.8 million euro or 9.8% margin compared to 11.7 million euro or 10.1% margin in 2011.

VENTURES

SALES & EBITDA 2012 VS 2011



EVOLUTION SALES PER HALF YEAR 2012 VS 2011



Barco's venture companies delivered strong revenue growth and regained healthy levels of profitability. Both LiveDots and ClickShare performed exceptionally well.

Order intake for the ventures in 2012 was 128.3 million euro, an increase of 41.1% from 90.9 million euro in 2011. Both the EMEALA region and North America performed well, while the APAC region saw lower order intake.

Global sales increased by 27.2% from 88.2 million euro to 112.2 million euro mainly driven by LiveDots and ClickShare and gains in the EMEALA and North America regions.

EBITDA for 2012 was 9.2 million euro, or 8.2% compared to 5.5 million euro or 6.2% in 2011.

KEY FIGURES FOR THE SHAREHOLDER

IN EURO	2012	2011	2010
Number of shares on 31 Dec (in thousands)	**12,757**	**12,755**	**12,670**
Per share (in euro)			
EPS	7.84	6.32	3.66
Diluted EPS	7.50	6.21	3.58
Gross dividend	1.40	1.10	1.00
Net dividend	1.05	0.825	0.75
Gross dividend yield (a)	2.6%	2.8%	2.1%
Yearly return (b)	44.2%	-17.4%	73.0%
Pay-out ratio (c)	19.0%	18.5%	29.0%
Price/earnings ratio (d)	7.0	6.1	16.2

(a) Gross dividend/ closing rate on 31 December 2011
(b) Increase or decrease share price + gross dividend, divided by closing share price of previous year
(c) Gross dividend x number of shares on 31 December / net result
(d) share price 31 December / net result per share

IN EURO	2012	2011	2010
Share price			
Average closing price	48.64	46.41	37.46
Highest closing price	58.75	59.50	49.43
Lowest closing price	36.52	31.20	28.23
Closing price on 31 December	54.50	38.76	48.28
Average number of shares traded daily	30,830 (e)	28,103	30,235
Stock market capitalization on 31 December (in millions)	695.3	492.7	611.7

(e) The average number of shares traded daily for 2012 is taking into account the trades on NYSE Euronext as well as registered trades on alternative platforms BATS, Chi-X, Turquoise and Equiduct. On average 84% of these trades were registered on NYSE Euronext and 16% on the alternative platforms combined.

INFORMATION ABOUT THE SHARE

Euronext Brussels

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

Reuters	BARBt.BR
Bloomberg	BAR BB

Total yearly volume	7,892,596
Market capitalization 31 December 2012	695.3 million euro
Highest capitalization	750.7 million euro
Lowest capitalization	466.7 million euro
Share price 31 December 2011	38.76 euro
Share price 31 December 2012	54.50 euro

Average number of shares traded	
On daily basis (2012) (f)	30,830
Yearly volume (2012) (f)	384.71 million euro
Velocity (2012)	52.25%

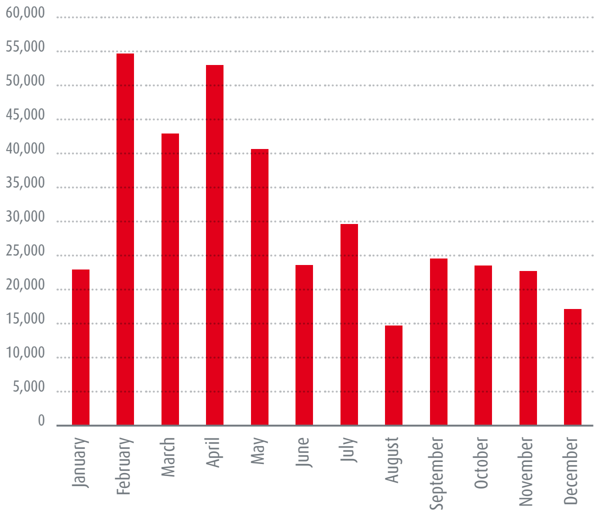
(f) The average number of shares traded daily is taking into account the trades on NYSE Euronext as well as registered trades on alternative platforms BATS, Chi-X, Turquoise and Equiduct. On average 16% of these trades were registered on the alternative platforms combined and 84% on NYSE Euronext.

DIVIDEND

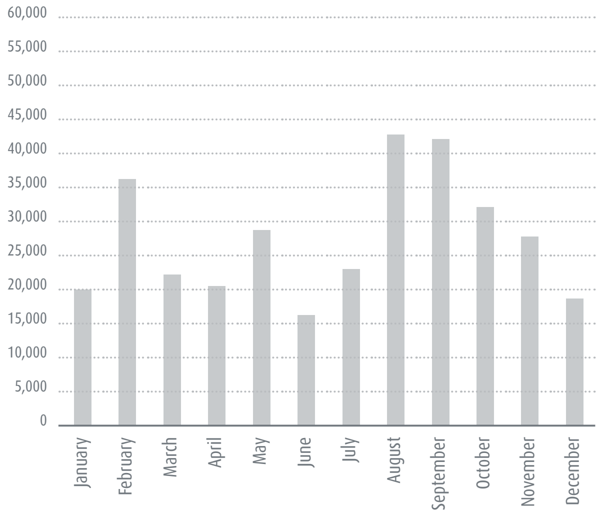
The Board of Directors decided to recommend to the general assembly to pay a dividend of 1.40 euro (gross) per share over 2012. This is 1.05 euro net, on withholding tax of 25%. At 1.40 euro, the pay-out ratio is 19.0%.

DAILY AVERAGE SHARES TRADED

2012



2011



ANALYSTS COVERING BARCO

ABN Amro	Marc Hesselink
Bank Degroof	New analyst to be appointed
Exane BNP Paribas	David Vagman
Flemish Federation of Investors and Investor Clubs	Gert De Mesure
Goldman Sachs International	Benjamin Moore Saurabh Lohariwala
ING	Emmanuel Carlier
KBC Securities	Guy Sips
Kempen & Co.	Erwin Dut
Leleux Associated Brokers	Geert Van Herck
Petercam	Stefaan Genoe
Rabobank International	Micha Tiekink

FINANCIAL CALENDAR 2013

Communication of results 2H12 and FY12	7 February 2013
Trading update 1Q13	24 April 2013
Annual General Shareholders meeting	25 April 2013
Communication of results 1H13	19 July 2013
Capital Markets Day 2013	10 September 2013
Trading update 3Q13	23 October 2013

EVOLUTION OF THE SHARE PRICE

The Barco share closed at 54.50 euro when markets closed on 31 December 2012, 40.6% higher than the closing price of 38.76 euro at the end of 2011. This is a remarkable performance, outperforming major indices such as the CAC40 or the BEL20. Barco's continued business performance in line with its growth targets, notwithstanding averse economical circumstances, has surely contributed to this solid increase in share price. This evolution has pushed the market capitalization of the company to around 700 million euro. Overall analyst expectations have risen over the year to reach a consensus on a target price of 62 euro.

The share price demonstrated a remarkable rise in the first four months of the year – peaking around the Analyst & Investor day in April at 57.71 euro. The long-term ambitions articulated during the Analyst & Investor day clearly generated increased financial community expectations regarding the 1Q12 results.

Compared to these upbeat expectations, the Q1 trading update, with a slightly disappointing order intake, triggered strong reactions in the financial market and the share price dropped. This downward trend was then amplified during the second quarter as a result of the macro-economic headwinds (Grexit saga, Spain, ...), which pushed global stock performance down. Barco was no exception, bottoming out below 40 euro at the end of June.

180% GROWTH OVER 4 YEARS

Still, the mid-year results provided sufficient grounds for renewed confidence in Barco's fundamentals. Barco's resilience was demonstrated by good growth in all businesses and a good improvement of the EBITDA margin. This performance triggered renewed market interest, and the share price started to regain ground in the third quarter of the year, supported by a number of listings in preference lists and top picks.

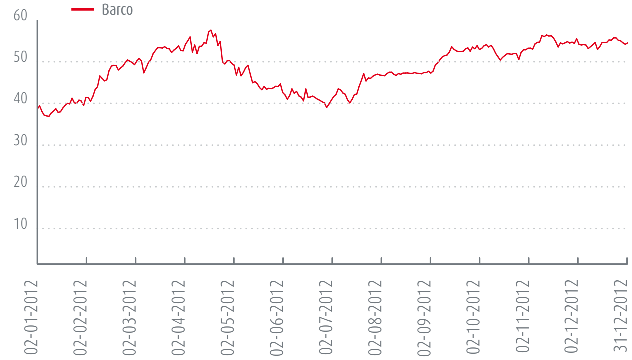
The Q3 trading update reconfirmed the good indicators of the first half and rewarded the company's good performances in all divisions. The share price climbed over the fourth quarter to land at 54.50 EUR at year-end.

Between the end of 2008 – with a closing price of 19.27 euro – and the end of 2012 – with a closing price of 54.50 euro – the Barco share grew 180% in value, a perfect illustration of the positive impact of the turnaround strategy kicked off in 2009 and which has propelled the company's good performances.

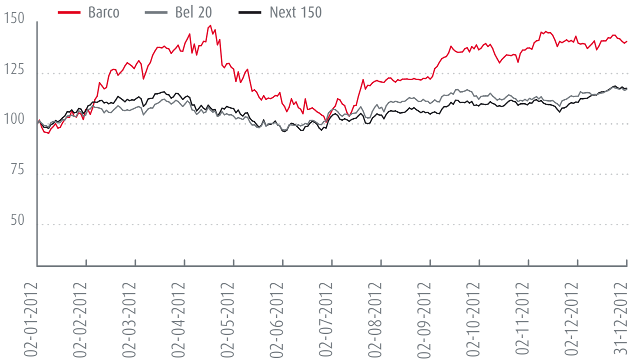
As for many other listed companies, the liquidity numbers on the Barco share on NYSE Euronext reflect a downward trend. However, over the last two years, we have seen an increasing volume being traded on alternative platforms such as Turquoise, Equiduct or Chi-X and dark pools for which exact trading data is not available. When adjusting liquidity numbers with the approximate trades on alternative platforms, overall liquidity on the share tends to remain stable or demonstrates even an upwards trend.

Barco thanks its shareholders for their continuing confidence in the company, its Board of Directors, its management and its employees as the company continues on its path of sustainable growth.

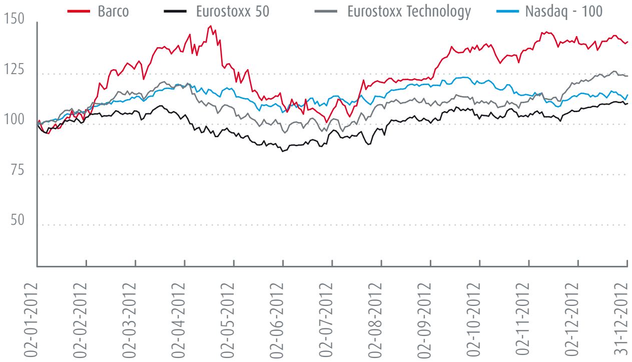
Barco share price 2012



Barco / Bel 20 / Next 150



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



INVESTOR RELATIONS

A study* of Barco's global shareholdership at 31 December 2012 identified ownership of 90.0% of the company, with identified institutional investors holding 61% of all shares, 6% being treasury shares held by the company and the remainder (23%) held by retail investors.

2012 showed a downtick in institutional ownership compared to 2011 where 66% were held by institutionals. In 2010, 60% of all shares were held by identified institutional investors. The first semester trading of 2012 showed difficulties both in price as in liquidity and this may have contributed to an overall downtick in institutional ownership.
Improving macro conditions have somewhat stimulated markets in the second semester of the year with trading volumes rising.

Barco continues to appeal to a range of investor groups. Price surges and analyst opinion that revenues will continue to grow are pull factors for all fund managers; however, the stock still being significantly underpriced, appealing to value-oriented players too. No major change was noticed in the investor style-distribution for the Barco share. Value investors still hold 33% of share held by institutional investors (compared to 31% in 2011). The participation of GARP investors remained equal at around 22% and growth investors slightly reduced their stake to 15% (versus 17% the year before).

At the end of December 2012, 40% of all shares held by institutional investors were held by North American investors, led by sizably increased participation by US investors (from 20% up to 27%). This is also reflected in a positive balance of number of buyers versus number of sellers. This is a remarkable evolution because the movement is against a backdrop of American firms decreasing their exposure to the euro-zone in favor of domestic companies.
In Europe, the UK investment community reduced its participation from 16% in 2011 to 8% in 2012, largely driven by the sale of 1 fund while buyers actually outnumbered sellers. Investors in Germany increased their relative participation from 5% to 7%, while the participation for Belgium and France remained flat year-on-year (respectively 30% and 6%).
There was an uptick in the rest of the world category, hinting an increased interest of Asian funds in Barco's investment case.

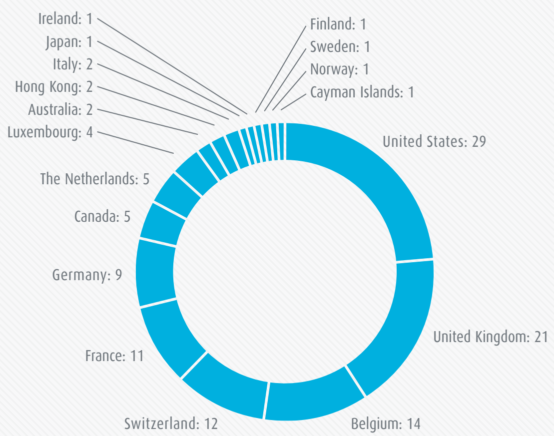
* Study delivered by Thomson & Reuters advisory services

The top 10 holders changed on 2 positions and all together they held around 37% of all shares. A majority of institutional shareholders are identified as low turnover investors – typically maintaining an investment horizon greater than 2 years – which should prove to be a stabilizing force. Hedge fund exposure remains low.

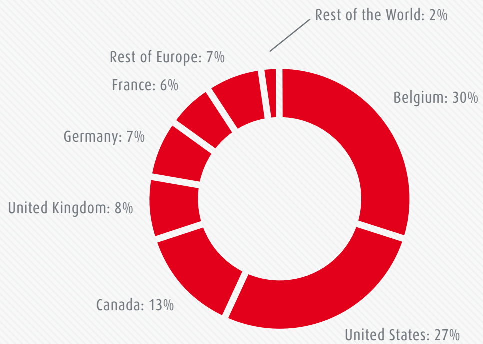
Despite the difficult macro-economic environment, Barco continued its investor relations efforts in road shows, conference calls and company visits with attention to the traditional financial centers and combining this with efforts to explore new geographies as well. After a solid H1 release and given the attractive valuation, the investment community demonstrated an increased interest in the second semester reflected in a nice rally of the share price.

Barco plans its next Analyst & Investor Day on 10 September 2013, which will give the financial community the opportunity to get acquainted with the plans for the next stage of Barco's growth.

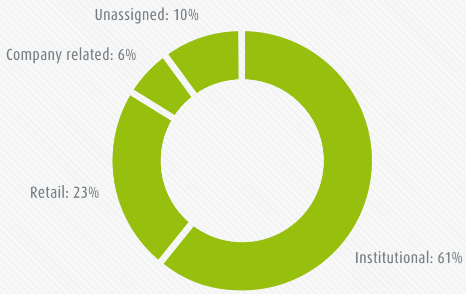
GEOGRAPHICAL DISTRIBUTION OF SHARES HELD BY IDENTIFIED INSTITUTIONAL SHAREHOLDERS IN NUMBER OF SHAREHOLDERS



INSTITUTIONAL SHARES BY GEOGRAPHY



TOTAL SHAREHOLDER COMPOSTION



Barco consolidated

INCOME STATEMENT

IN THOUSANDS OF EURO	NOTE	2012	2011	2010
Net sales	3	1,155,984	1,041,244	896,999
Cost of goods sold	3	-780,351	-728,313	-609,484
Gross profit	**3**	**375,633**	**312,932**	**287,516**
Research and development expenses	3	-84,124	-74,650	-71,371
Sales and marketing expenses	3	-142,157	-122,493	-114,555
General and administration expenses	3	-52,155	-50,221	-49,006
Other operating income (expense) - net	3	3,040	12,792	-7,449
EBIT before goodwill impairment		**100,238**	**78,359**	**45,135**
Goodwill impairment	8	-2,671	-10,000	-
EBIT after goodwill impairment		**97,567**	**68,359**	**45,135**
Interest income		2,826	912	912
Interest expense		-1,738	-3,442	-2,422
Income before taxes		**98,656**	**65,829**	**43,625**
Income taxes	5	-4,962	10,407	-
Result after taxes		**93,694**	**76,236**	**43,625**
Share in the result of joint ventures and associates	7	547	-386	-
Net income		**94,241**	**75,850**	**43,625**
Non-controlling interest			-	-
Net income attributable to the equity holder of the parent		**94,241**	**75,850**	**43,625**
Earnings per share (in euro)	6	7.84	6.32	3.66
Diluted earnings per share (in euro)	6	7.50	6.21	3.58

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

STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EURO	2012	2011	2010
Net income	**94,241**	**75,850**	**43,625**
Exchange differences on translation of foreign operations	-6,683 (a)	-1,787	9,000
Net gain/(loss) on cash flow hedges	361	-550	-1,949
Income tax	-18	-	361
Net gain/(loss) on cash flow hedges, net of tax	343	-550	-1,589
Other comprehensive income (loss) for the period, net of tax	-6,340	-2,337	7,411
'Total comprehensive income for the period, net of tax, attributable to equity holder of the parent'	**87,901**	**73,513**	**51,036**

The accompanying notes are an integral part of this income 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 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 2012, the investment in Czech, Barco Manufacturing SRO has been liquidated, resulting in the realization of the foreign currency translation for an amount of 3.7 million euro (see note 3 (d)). The remaining negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Indian Rupee.

BALANCE SHEET

IN THOUSANDS OF EURO	NOTE	2012	2011	2010
ASSETS				
Goodwill	8	68,809	43,921	52,891
Capitalized development cost	9	81,978	69,020	59,378
Other intangible assets	10	25,093	14,565	8,573
Land and buildings	10	28,744	30,569	30,525
Other tangible assets	10	30,661	27,479	25,657
Investments	7	44,445	9,300	326
Deferred tax assets	11	61,948	56,763	41,742
Other non-current assets	13	18,041	19,134	17,339
Non-current assets		**359,719**	**270,751**	**236,431**
Inventory	12	223,677	233,928	230,421
Trade debtors	13	183,082	187,114	200,983
Other amounts receivable	13	29,053	35,197	32,044
Cash and cash equivalents	13	122,139	79,165	46,041
Prepaid expenses and accrued income		4,209	8,412	8,780
Current assets		**562,160**	**543,816**	**518,269**
Total assets		**921,879**	**814,567**	**754,699**
EQUITY AND LIABILITIES				
Equity attributable to equityholders of the parent	16	538,050	460,703	395,590
Non-controlling interests		-	-	1
Equity		**538,050**	**460,703**	**395,591**
Long-term debts	14	12,695	19,014	12,674
Deferred tax liabilities	11	3,089	5,005	7,331
Other long-term liabilities	15	10,161	8,117	13,288
Non-current liabilities		**25,945**	**32,136**	**33,293**
Current portion of long-term debts	14	4,105	1,691	2,643
Short-term debts	14	1,302	6,593	24,039
Trade payables	17	127,528	110,791	125,353
Advances received on contracts in progress		73,587	55,748	33,659
Tax payables		25,012	21,556	23,574
Employee benefit liabilities		57,958	51,741	47,598
Other current liabilities		8,241	8,045	6,522
Accrued charges and deferred income		20,763	23,488	14,154
Provisions	18	39,388	42,075	48,273
Current liabilities		**357,884**	**321,728**	**325,815**
Total equity and liabilities		**921,879**	**814,567**	**754,699**

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

CASH FLOW STATEMENT

IN THOUSANDS OF EURO	NOTE	2012	2011	2010
Cash flow from operating activities				
EBIT after impairment		97,567	68,359	45,135
Impairment of capitalized development costs and goodwill	9	3,644	11,328	1,278
Restructuring provision (personnel)		-	-3,351	-3,735
Unrealized foreign currency translation gain on Kladno liquidation		-3,735	-	-
Amortization capitalized development cost	3	42,138	36,448	39,058
Depreciation of tangible and intangible fixed assets	10	16,126	14,088	13,282
Loss on tangible fixed assets		-24	-85	-
Share options recognized as cost	16	782	676	290
Share of profit/(loss) of joint ventures		547	-386	-
Gross operating cash flow		**157,046**	**127,076**	**95,308**
Changes in trade receivables		8,267	12,462	-55,438
Changes in inventory		10,460	-2,483	-68,240
Changes in trade payables		10,567	-14,693	55,340
Other changes in net working capital		19,015	35,923	21,007
Change in net working capital		**48,310**	**31,208**	**-47,331**
Net operating cash flow		**205,356**	**158,284**	**47,977**
Interest income		2,826	912	912
Interest expense		-1,738	-3,442	-2,360
Income taxes		-4,200	-10,718	393
Cash flow from operating activities		**202,245**	**145,037**	**46,915**

CASH FLOW STATEMENT

IN THOUSANDS OF EURO	NOTE	2012	2011	2010
Cash flow from investing activities				
Expenditure on product development	3	-56,296	-46,454	-41,107
Purchases of tangible and intangible fixed assets	10	-24,853	-20,302	-13,397
Proceeds on disposals of tangible and intangible fixed assets		1,264	3,245	863
Acquisition of Group companies, net of acquired cash	1.2, 23	-27,994	-9,316	-9,876
Disposal of Group companies, net of disposed cash	1.2, 23	-	-1,460	1,976
Other investing activities	7	-33,358	-8,000	1
Interest in joint-ventures	7	-1,253	-974	-
Cash flow from investing activities (including acquisitions and divestments)		**-142,491**	**-83,261**	**-61,541**
Cash flow from financing activities				
Dividends paid		-13,153	-12,670	-
Share issue		1,144	3,593	-
Payments of long-term liabilities		-3,603	-1,255	-1,406
Proceeds from (+), payments of (-) short-term liabilities		-666	-18,399	16,173
Cash flow from financing activities		**-16,278**	**-28,730**	**14,766**
Net increase/(decrease) in cash and cash equivalents		**43,476**	**33,046**	**141**
Cash and cash equivalents at beginning of period		**79,164**	**46,042**	**45,901**
Cash and cash equivalents (CTA)	(a)	**-502**		
Change in consolidation method			**77**	**-**
Cash and cash equivalents at end of period		**122,139**	**79,164**	**46,042**

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

(a) From 2012 onwards, Barco is working with a new consolidation package, which makes it possible to exclude the FX impact out of the cash flow movements. The net FX impact on the cash flow movement is therefore shown on a separate line 'CTA on cash and cash equivalents' from 2012 onwards.

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 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**
Balance on 1 January 2011	**185,319**	**282,166**	**3,478**	**-28,757**	**-975**	**-45,641**	**395,590**	**1**	**395,591**
Net income	-	75,850	-	-	-	-	75,850	-	75,850
Dividend	-	-12,670	-	-	-	-	-12,670	-	-12,670
Capital increase	3,593	-	-	-	-	-	3,593	-	3,593
Other comprehensive income -loss for the period, net of tax	-	-	-	-1,787	-549	-	-2,336	-1	-2,337
Share-based payment	-	-	676	-	-	-	676	-	676
Balance on 31 December 2011	**188,912**	**345,347**	**4,154**	**-30,544**	**-1,524**	**-45,641**	**460,703**	**-**	**460,703**
Balance on 1 January 2012	**188,912**	**345,347**	**4,154**	**-30,544**	**-1,524**	**-45,641**	**460,703**	**-**	**460,703**
Net income	-	94,241	-	-	-	-	94,241	-	94,241
Dividend	-	-12,480	-	-	-	-	-12,480	-	-12,480
Capital increase	1,144	-	-	-	-	-	1,144	-	1,144
Other comprehensive income -loss for the period, net of tax	-	-	-	-6,683	343	-	-6,340	-	-6,340
Share-based payment	-	-	782	-	-	-	782	-	782
Balance on 31 December 2012	**190,056**	**427,107**	**4,936**	**-37,227**	**-1,181**	**-45,641**	**538,050**	**-**	**538,050**

The accompanying notes are an integral part of this income 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 2012 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 4 February 2013. The chairman has the power to amend the financial statements until the shareholders' meeting of 25 April 2013.

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 jointly controlled entities is recognized using the equity method, which involves recognizing a proportionate share of the joint ventures on the face of its income statement. The investment is presented as non-current asset on the face of the balance sheet.

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: cfr 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 de-recognition 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. The percentage of completion is determined based on an assessment of the completed work. This is linked to predefined milestones. 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. The calculation of the allowances is based on an aging analysis of the trade debtors.

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, basic earnings per share are computed using the weighted average number of shares outstanding during the period. Diluted earnings per share are 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 2012

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

- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
- IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- IFRS 7 Financial Instruments : Disclosures (Amendment) – Enhanced Derecognition Disclosure Requirements

The IFRS accounting standards adopted as from 2012 did not have a material impact on the consolidated financial statements of Barco.

IFRS ACCOUNTING STANDARDS EFFECTIVE AS FROM 2013 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 1 Government Loans – Amendments to IFRS 1
- IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7
- IFRS 9 Financial Instruments: Classification and Measurement
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements.
  The Group is currently in the process of analysing the impact of the new standard. The European Union has decided that this standard becomes effective for annual periods beginning on or after 1 January 2014.
- IFRS 11 Joint Arrangements. The Group is currently in the process of analysing the impact of the new standard. The European Union has decided that this standard becomes effective for annual periods beginning on or after 1 January 2014.
- IFRS 12 Disclosure of Interests in Other Entities. The European Union has decided that this standard becomes effective for annual periods beginning on or after 1 January 2014.
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
- IAS 19 Employee Benefits (Revised)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011). The European Union has decided that this standard becomes effective for annual periods beginning on or after 1 January 2014.
- IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

ANNUAL IMPROVEMENTS MAY 2012

These improvements will not have an impact on the Group, but include:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IAS 1 Presentation of Financial Statements
- IAS 16 Property Plant and Equipment
- IAS 32 Financial Instruments, Presentation
- IAS 34 Interim Financial Reporting

These improvements are effective for annual periods beginning on or after 1 January 2013.

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.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

General business risks

We refer to the chapter 'Risk factors' on page 100 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 8.'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 9. 'Capitalized development costs').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated companies
   1.1. List of consolidated companies on 31 December 2012
   1.2. Acquisitions and divestments
2. Operating Segments information
   2.1. Basis of operating segments information
   2.2. Entertainment
   2.3. Healthcare
   2.4. Control Rooms & Simulation
   2.5. Defense & Aerospace
   2.6. Ventures
   2.7. Reconciliation of segment information with group information
   2.8. Geographic information
3. Income from operations (EBIT)
4. Revenues and expenses by nature
5. Income taxes
6. Earnings per share
7. Investments
8. Goodwill
9. Capitalized development cost
10. Other intangible assets and tangible fixed assets
11. Deferred tax assets – deferred tax liabilities
12. Inventory
13. Amounts receivable and non-current assets
14. Net financial cash/debt
15. Other long-term liabilities
16. Equity attributable to equity holders of the parent
17. Trade payables
18. Provisions
19. Risk management – derivative financial instruments
20. Operating leases
21. Rights and commitments not reflected in the balance sheet
22. Related party transactions
23. Cash flow statement: effect of acquisitions and disposals
24. Events subsequent to the balance sheet date

1. CONSOLIDATED COMPANIES

1.1. LIST OF CONSOLIDATED COMPANIES ON 31 DECEMBER 2012

Europe, Middle-East and Africa

Argentina	Barco Argentina S.R.L.	c/o Grant Thornton Argentina, Avenida Corrientes 327 piso 3, C1043AAD Buenos Aires	100%
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%
Brazil	Barco Ltda.	Av. Dr Cardoso de Melo, 1855 - 8 Andar - Cj 81, Vila Olimpia, 04548-005 Sao Paulo	100%
Colombia	Barco Colombia SAS	Avenida Chile, Carrera 7 N° 71-21, Piso 13 Torre B Oficina 1304, Bogota	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	100%
Germany	Barco Control Rooms GmbH	An der Rossweid 5, 76229 Karlsruhe	100%
Germany	Barco GmbH	Greschbachstr. 5 a, 76229 Karlsruhe	100%
Germany	Barco Orthogon GmbH	Hastedter Osterdeich 222, 28207 Bremen	100%
Israel	Barco Electronic Systems Ltd.	53 Etzel Street, 75706 Rishon Lezion	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%
Mexico	Barco Visual Solutions S.A. de C.V.	Iglesia 2, Torre E, Piso 12, Desp. 1204 Col. Tizapan San Angel, 01090 D.F. Mexico	100%
Netherlands	Barco 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	Kyrkvägen 1, 192 72 Sollentuna	100%
United Kingdom	Barco Ltd.	Atrium Court, The Ring, RG12 1BW Bracknell, Berkshire	100%
United Kingdom	JAOtech Ltd.	Unit 7 Perrywood Business Park, Honeycrock Lane, RH1 5DZ Redhill, Surrey	100%

Americas

Canada	Barco Visual Solutions, Inc.	2000 Mansfield Drive, Suite 1400, Montreal, H3A 3A2 Quebec	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, VIC 3207 Port Melbourne	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 Park, Chang Ping District, 102200 Beijing	100%
China	Barco Visual (Beijing) Trading Co., Ltd.	No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing	100%
China	CFG Barco (Beijing) Electronics Co., Ltd. (a)	No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing	58%
Hong Kong	Barco China (Holding) Ltd.	Suite 2808, 28/F., Central Plaza, 18 Harbour Road, Wanchai	100%
Hong Kong	Barco Ltd.	Suite 2808, 28/F., Central Plaza, 18 Harbour Road, Wanchai	100%
Hong Kong	Barco Visual Electronics Co., Ltd.	Suite 2808, 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%
Japan	Barco Co., Ltd.	Yamato International Bldg 8F, 5-1-1 Heiwajima, Ota-ku, 143-0006 Tokyo	100%
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%
Taiwan	JAOtech (Taiwan) Ltd.	5F, No. 59, Lane 77, Xing-ai Road, Naihu District, 11494 Taipei	100%

(a) This company is a joint venture and accounted for using the equity method.

1.2. ACQUISITIONS AND DIVESTMENTS

2012 - Acquisition of projectiondesign®

Per 19 December 2012, Barco acquired 61% of the shares of projectiondesign®, a Norway-based leader in projection technology, from the private equity fund Herkules Capital. The transaction advances Barco's strategy to expand into the mid-segment of its target markets and to strengthen its number one position in high-performance projection technology. The amount paid at closing is 244m NOK (33.4 million euro). The effective control is only transferred on 1 January 2013. Projectiondesign® will be integrated in Barco's Projection division.

Acquisition of JAOtech

Per 3 February 2012, Barco acquired 100% of the shares of the UK-based company JAOtech Ltd, a leading manufacturer of patient entertainment and point-of-care terminals for hospitals. The acquisition fits within Barco's long-term vision of increasing healthcare efficiency and its growth strategy of expanding into multiple healthcare segments.

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

The total acquisition cost includes the amount paid at closing of 9.6 million euro and a deferred consideration of 1 million euro, payable early 2014. The contract further provides for additional earn-out payments. The earn-out payments depend on the cumulative gross margin generated for the financial years ended 31 December 2012 to 31 December 2014. There are no minimum or maximum earn-out payments stipulated in the contract. Total earn-out payments of € 3m are assumed to be probable and are therefore added to the acquisition cost.

There have been no earn-out payments made per December 31, 2012. The goodwill recognized at acquisition is related to the 'surprix' Barco was willing to pay because of the commercial and operational synergies expected to be achieved from integrating JAOtech into the Healthcare division and is not tax deductable. The goodwill is determined on a preliminary basis.

From the date of acquistion JAOtech has contributed 9.7 million euro to the total turnover of the group and contributed negative 2.1 million euro to the total profit before taxes of the group.

IN THOUSANDS OF EURO			1/01/12
	Opening B/S	Fair value restatements	IFRS Opening B/S
Total non-current assets	**837**	**-686**	**151**
Inventory	2,732	-720	2,011
Trade receivables	5,507	-16	5,491
Other current assets	453	-16	437
Total current assets	**8,691**	**-753**	**7,939**
Total non-current liabilities	**-308**	**-537**	**-845**
Trade payables	-4,784	-	-4,784
Other current liabilities	-4,452	-160	-4,612
Total current liabilities	**-9,236**	**-160**	**-9,396**
Cash	**562**		**562**
Total net assets	**546**	**-2,135**	**-1,589**
Total acquisition cost (excl net cash)			**13,628**
Goodwill			**15,217**

In thousands of Euro			
Cash flow on acquisition			
Net cash acquired with the subsidiary			562
Cash paid			-9,628
Net cash flow on acquisition			**-9,065**

Acquisition of IP Video Systems

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

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

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

The total acquisition cost includes the amount paid at closing of 20 million USD (15.2 million euro recalculated at FX rate at acquisition date). The goodwill recognized at acquisition is related to the technology developed by IPVS and the future cash flows Barco will be able to realize based on the sale of products using the IPVS technology. The acquisition fits in Barco's corporate strategy to invest in high-performance networked visualization technologies. The total goodwill amount is tax deductible in Barco Inc over a period of 15 years.

The goodwill is determined on a preliminary basis.

IN THOUSANDS OF EURO	BEFORE ACQUISITION DATE	FAIR VALUE RESTATEMENTS	AFTER ACQUISITION DATE
Know-how	-	4,673	4,673
Tangible fixed assets	7	-3	4
Deferred tax assets	-	695	695
Total non-current assets	**7**	**5,365**	**5,372**
Inventory	285	-	285
Total current assets	**285**	-	**285**
Warranty provision	-	-35	-35
Total non-current liabilities	-	**-35**	**-35**
Retention bonus accrual	-	-1,748	-1,748
Total current liabilities	-	**-1,748**	**-1,748**
Total net assets	**292**	**3,582**	**3,874**
Acquisition price	-		15,179
Goodwill			**11,305**

2011 - CineStore

Per 31 March 2011, Barco acquired the CineStore activities of cinema solutions provider XDC, based in Liège, Belgium. The acquisition is an extension of the Digital Cinema product offering of the Group and fits within Barco's broader strategy to move up in the value chain from digital projection supplier to provider of total cinema visualization solutions.

Barco mainly acquired the products, know-how and warranty obligations of the XDC CineStore business through an asset deal. The total acquisition cost amounts to 6.4 million euro and equals the fair value of the acquired net assets, which are as follows:

IN THOUSANDS OF EURO	BEFORE ACQUISITION DATE	4-01-2011
Know-how	-	4,702
Other tangible and intangible assets	763	600
Total non-current assets	**763**	**5,302**
Inventory	2,714	2,714
Other current assets	-	145
Total current assets	**2,714**	**2,859**
Warranty provision	-1,964	-2,547
Total non-current liabilities	**-1,964**	**-2,547**
Total current liabilities	**-225**	**-225**
Net assets	**1,288**	**5,389**
Acquisition cost	-	6,419
Goodwill	**-**	**1,030**

The total acquisition cost paid at closing of the deal amounts to 6.4 million euro. The contract further provides for two additional earn-out payments. The first additional earn-out payment is determined based on the number of servers, originally developed by XDC, sold to the XDC-group over the coming 4 years. The second earn-out payment is a percentage on the sales realized by Barco on all products sold to third parties within the framework of the Cinestore activities over the coming 4 years. There are no minimum or maximum earn-out payments foreseen in the contract.

The goodwill and the know-how recognized at acquisition is related to specific server technology developed by XDC. The total goodwill of 1 million euro is allocated to the Entertainment division.

In 2011 the Cinestore activities have contributed 1.7 million euro to the total turnover of the group.

2010 - Acquisition of FIMI

On December 31, 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 division. 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, 2011 and 2012, these earn-out conditions were already realized. The total goodwill of 15.3 million euro is allocated to the Healthcare division.

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 December 31, 2010 and depends on the 2010 EBITDA minus development capitalization. Per December 31, 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 January 1, 2010 till December 31, 2012. This second earn-out payment, if any, will be accounted for as remuneration. The results realized since the acquisition did not meet the set targets. As such, no earn-out has been paid nor will have to be paid.

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 related to new sales opportunities expected from the combination 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 Ventures.

Element Labs

Per March 17, 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.

2. OPERATING SEGMENTS INFORMATION

2.1. BASIS OF OPERATING SEGMENTS INFORMATION

Beginning 2009, Barco launched a 3-phase plan to increase its performance. The first 2 phases, completed by the end of 2010, consisted of weathering the global economical and financial crisis, followed by resuming growth and restoring profitability. The third phase, initiated early 2011, aimed out preparing Barco for sustainable profitable growth. The first step in this process of redefining Barco was an analysis of its current activities, this lead to a structure of four core businesses and one group of ventures:

- **Barco's core business activities:** the company will invest and expects to realize continued growth in:
  - **Entertainment division:** designs and manufactures a broad family of projectors and image processing products for use at events, concerts, open-air festival stages, retail stores, sports stadiums, museums, auditoria, meeting rooms and movie theaters.
  - **Healthcare division:** has a solid reputation for delivering dependable visualization solutions that are central to the provision of quality healthcare. The product offering includes leading-edge displays for radiology, mammography, surgery, dentistry, pathology and modality imaging, along with DICOM compliant review displays, networked digital OR systems, and point-of-care devices.
  - **Control Rooms & Simulation division:** offers a complete portfolio of high-quality video wall modules in a wide range of sizes and resolutions. In addition, Control rooms & Simulation has a strong focus on dedicated collaboration software, professional services and smart networked solutions.
  - **Defense & Aerospace division:** provides high-performance display systems, large-screen visualization platforms, advanced processing modules and network-client applications, all ensuring continuous information availability in harsh environmental conditions.
- **Barco's ventures:** within its portfolio Barco identified 6 activities which need more focus and autonomy in order to enhance their performance and to stimulate growth.
  - **Silex:** active in high level electronic engineering.
  - **dZine:** a key player in digital signage systems and professional mobile solutions.
  - **Lighting:** specialized in professional entertainment lighting products.
  - **LiveDots:** offers high-performance LED display solutions for indoor and outdoor installations
  - **Orthogon:** develops software components for the Air Traffic Control market.
  - **ClickShare:** markets the ClickShare 'one-click-wonder' meeting room solution.

This reporting structure was maintained in 2012, except for one new venture (ClickShare) that was started in 2012.

Management monitors the results of each of the core divisions and the ventures as 5 divisions separately so as to make decisions about resource allocation and performance assessment. Division performance is evaluated based on EBITDA. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating divisions.
As a consequence, the group aligned its segment reporting with this business structure, resulting in 5 operating segments. The 2010 financials have been restated for comparison reasons.
Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

We refer to page 58 for more explanation on the activities performed by each division.

2.2 ENTERTAINMENT

IN THOUSANDS OF EURO	2012		2011		2010		VARIANCE	
							2012-2011	2011-2010
Net sales	**479,711**	**100.0%**	**432,084**	**100.0%**	**329,712**	**100.0%**	**47,628**	**102,371**
external sales	479,562	100.0%	431,407	99.8%	328,455	99.6%	48,155	102,952
interdivision sales	149	-0.0%	676	0.2%	1,257	0.4%	-527	-581
Cost of goods sold	-334,745	-69.8%	-322,225	-74.6%	-231,382	-70.2%	-12,520	-90,844
Gross profit	**144,968**	**30.2%**	**109,858**	**25.4%**	**98,331**	**29.8%**	**35,110**	**11,527**
EBIT	**74,175**	**15.5%**	**53,982**	**12.5%**	**50,672**	**15.4%**	**20,194**	**3,310**
Goodwill impairment	-	-	-	-			-	
EBIT after goodwill impairment	**74,175**	**15.5%**	**53,982**	**12.5%**	**50,672**	**15.4%**	**20,194**	**3,310**
Amortization capitalized development	8,382	1.7%	5,811	1.3%	6,494	2.0%	2,571	-683
Depreciation TFA and software	4,720	1.0%	4,031	0.9%	3,040	0.9%	690	991
EBITDA	**87,278**	**18.2%**	**63,824**	**14.8%**	**60,205**	**18.3%**	**23,455**	**3,618**
Capitalized development	15,453	3.2%	8,839	2.0%	6,804	2.1%	6,613	2,036
Capital expenditures TFA and software	6,526	1.4%	4,248	1.0%	2,633	0.8%	2,278	1,614
Segment assets	**179,855**		**178,792**		**180,199**			
Segment liabilities	**139,241**		**116,312**		**87,182**			

2.3 HEALTHCARE

IN THOUSANDS OF EURO	2012		2011		2010		VARIANCE	
							2012-2011	2011-2010
Net sales	**206,455**	**100.0%**	**192,511**	**100.0%**	**175,152**	**100.0%**	**13,944**	**17,359**
external sales	206,371	100.0%	192,157	99.8%	175,129	100.0%	14,214	17,029
interdivision sales	84	-0.0%	354	0.2%	24	0.0%	-270	330
Cost of goods sold	-136,243	-66.0%	-123,225	-64.0%	-114,501	-65.4%	-13,018	-8,724
Gross profit	**70,213**	**34.0%**	**69,286**	**36.0%**	**60,651**	**34.6%**	**926**	**8,635**
EBIT	**11,045**	**5.3%**	**23,226**	**12.1%**	**19,619**	**11.2%**	**-12,181**	**3,607**
Goodwill impairment		-	-	-		-	-	-
EBIT after goodwill impairment	**11,045**	**5.3%**	**23,226**	**12.1%**	**19,619**	**11.2%**	**-12,181**	**3,607**
Amortization capitalized development	8,817	4.3%	6,501	3.4%	5,580	3.2%	2,316	921
Depreciation TFA and software	3,947	1.9%	3,383	1.8%	3,165	1.8%	564	218
EBITDA	**23,809**	**11.5%**	**33,110**	**17.2%**	**28,365**	**16.2%**	**-9,302**	**4,746**
Capitalized development	13,992	6.8%	10,914	5.7%	17,696	10.1%	3,079	-6,782
Capital expenditures TFA and software	4,836	2.3%	3,191	1.7%	2,191	1.3%	1,645	1,001
Segment assets	**126,473**		**103,871**		**97,872**			
Segment liabilities	**50,980**		**47,872**		**52,370**			

2.4 CONTROL ROOMS & SIMULATION

IN THOUSANDS OF EURO	2012		2011		2010		VARIANCE	
							2012-2011	2011-2010
Net sales	**227,682**	**100.0%**	**214,361**	**100.0%**	**184,818**	**100.0%**	**13,321**	**29,543**
external sales	227,565	99.9%	213,946	99.8%	184,685	99.9%	13,619	29,260
interdivision sales	117	0.1%	415	0.2%	133	0.1%	-298	282
Cost of goods sold	-139,956	-61.5%	-142,320	-66.4%	-110,736	-59.9%	2,364	-31,584
Gross profit	**87,726**	**38.5%**	**72,041**	**33.6%**	**74,082**	**40.1%**	**15,685**	**-2,041**
EBIT	**10,584**	**4.6%**	**142**	**0.1%**	**-3,320**	**-1.8%**	**10,442**	**3,462**
Goodwill impairment	-	-	-	-			-	
EBIT after goodwill impairment	**10,584**	**4.6%**	**142**	**0.1%**	**-3,320**	**-1.8%**	**10,442**	**3,462**
Amortization capitalized development	11,566	5.1%	12,209	5.7%	13,860	7.5%	-642	-1,651
Depreciation TFA and software	4,242	1.9%	3,830	1.8%	4,218	2.3%	412	-388
EBITDA	**26,392**	**11.6%**	**16,180**	**7.5%**	**14,758**	**8.0%**	**10,212**	**1,422**
Capitalized development	12,585	5.5%	13,199	6.2%	13,350	7.2%	-614	-150
Capital expenditures TFA and software	9,220	4.0%	9,461	4.4%	5,664	3.1%	-240	3,797
Segment assets	**151,189**		**158,135**		**142,160**			
Segment liabilities	**64,975**		**65,439**		**65,343**			

2.5 DEFENSE & AEROSPACE

IN THOUSANDS OF EURO	2012		2011		2010		VARIANCE	
							2012-2011	2011-2010
Net sales	**130,682**	**100.0%**	**115,770**	**100.0%**	**117,921**	**100.0%**	**14,912**	**-2,151**
- external sales	130,364	99.8%	115,672	99.9%	117,461	99.6%	14,692	-1,789
- interdivision sales	318	0.2%	98	0.1%	461	0.4%	220	-363
Cost of goods sold	-92,130	-70.5%	-79,696	-68.8%	-77,553	-65.8%	-12,435	-2,143
Gross profit	**38,552**	**29.5%**	**36,074**	**31.2%**	**40,368**	**34.2%**	**2,478**	**-4,294**
EBIT	**4,684**	**3.6%**	**3,370**	**2.9%**	**2,836**	**2.4%**	**1,314**	**534**
Goodwill impairment		-		-		-	-	-
EBIT after goodwill impairment	**4,684**	**3.6%**	**3,370**	**2.9%**	**2,836**	**2.4%**	**1,314**	**534**
Amortization capitalized development	5,533	4.2%	6,236	5.4%	8,166	6.9%	-703	-1,930
Depreciation TFA and software	2,541	1.9%	2,045	1.8%	1,967	1.7%	496	77
EBITDA	**12,757**	**9.8%**	**11,651**	**10.1%**	**12,969**	**11.0%**	**1,107**	**-1,319**
Capitalized development	6,861	5.3%	5,194	4.5%	6,670	5.7%	1,666	**-1,475**
Capital expenditures TFA and software	3,654	2.8%	2,324	2.0%	1,551	1.3%	1,330	**772**
Segment assets	**110,756**		**104,407**		**100,368**			
Segment liabilities	**27,974**		**28,424**		**25,593**			

2.6 VENTURES

IN THOUSANDS OF EURO	2012		2011		2010		VARIANCE	
							2012-2011	2011-2010
Net sales	**112,173**	**100.0%**	**88,221**	**100.0%**	**92,125**	**100.0%**	**23,953**	**-3,904**
external sales	112,122	100.0%	88,062	99.8%	91,270	99.1%	24,060	-3,208
interdivision sales	51	0.0%	159	0.2%	855	0.9%	-108	-696
Cost of goods sold	-78,077	-69.6%	-62,775	-71.2%	-77,978	-84.6%	-15,303	15,203
Gross profit	**34,096**	**30.4%**	**25,446**	**28.8%**	**14,147**	**15.4%**	**8,650**	**11,299**
EBIT before goodwill impairment	**-249**	**-0.2%**	**-2,360**	**-2.7%**	**-24,672**	**-26.8%**	**2,110**	**22,312**
Goodwill impairment	-2,671	-2.4%	-10,000	-11.3%	-	-	7,329	-10,000
EBIT after goodwill impairment	**-2,920**	**-2.6%**	**-12,360**	**-14.0%**	**-24,672**	**-26.8%**	**9,439**	**12,312**
Amortization capitalized development	8,813	7.9%	7,020	8.0%	6,236	6.8%	1,793	784
Depreciation TFA and software	676	0.6%	799	0.9%	891	1.0%	-122	-92
EBITDA	**9,240**	**8.2%**	**5,459**	**6.2%**	**-17,545**	**-19.0%**	**3,781**	**23,004**
Capitalized development	7,405	6.6%	8,307	9.4%	6,787	7.4%	-902	1,520
Capital expenditures TFA and software	616	0.5%	1,079	1.2%	1,357	1.5%	-463	-278
Segment assets	**75,052**		**73,292**		**106,983**			
Segment liabilities	**25,721**		**24,955**		**36,575**			

2.7 RECONCILIATION OF SEGMENT INFORMATION WITH GROUP INFORMATION

IN THOUSANDS OF EURO	2012	2011	2010
EXTERNAL SALES			
Entertainment	479,562	431,407	328,455
Healthcare	206,371	192,157	175,129
Control Rooms & Simulation	227,565	213,946	184,685
Defense & Aerospace	130,364	115,672	117,461
Ventures	112,122	88,062	91,270
Total external sales segments	**1,155,984**	**1,041,244**	**896,999**
NET INCOME			
EBITDA			
Entertainment	87,278	63,824	60,205
Healthcare	23,809	33,110	28,365
Control Rooms & Simulation	26,392	16,180	14,758
Defense & Aerospace	12,757	11,651	12,969
Ventures	9,240	5,459	-17,545

IN THOUSANDS OF EURO	2012	2011	2010
NET INCOME			
Amortization			
Entertainment	8,382	5,811	6,494
Healthcare	8,817	6,501	5,580
Control Rooms & Simulation	11,566	12,209	13,860
Defense & Aerospace	5,533	6,236	8,166
Ventures	8,813	7,020	6,236
Depreciation			
Entertainment	4,720	4,031	3,040
Healthcare	3,947	3,383	3,165
Control Rooms & Simulation	4,242	3,830	4,218
Defense & Aerospace	2,541	2,045	1,967
Ventures	676	799	891
EBIT before goodwill impairment			
Entertainment	74,175	53,982	50,672
Healthcare	11,045	23,226	19,619
Control Rooms & Simulation	10,584	142	-3,320
Defense & Aerospace	4,684	3,370	2,836
Ventures	-249	-2,360	-24,672
Goodwill impairment			
Ventures	-2,671	-10,000	-
EBIT after goodwill impairment			
Entertainment	74,175	53,982	50,672
Healthcare	11,045	23,226	19,619
Control Rooms & Simulation	10,584	142	-3,320
Defense & Aerospace	4,684	3,370	2,836
Ventures	-2,920	-12,360	-24,672
Total EBIT after goodwill impairment	**97,567**	**68,359**	**45,135**
Interest income (expense) - net	1,089	-2,530	-1,510
Income taxes	-4,962	10,407	-
Net income from continuing operations	**93,694**	**76,236**	**43,625**
Share in the result of joint ventures and associates	547	-386	-
Net income	**94,241**	**75,850**	**43,626**
Non-controlling interest	-	-	-
Net Income attributable to equityholders of the parent	**94,241**	**75,850**	**43,626**

IN THOUSANDS OF EURO	2012	2011	2010
ASSETS			
Segment assets			
Entertainment	179,855	178,792	180,199
Healthcare	126,473	103,871	97,872
Control Rooms & Simulation	151,189	158,135	142,160
Defense & Aerospace	110,756	104,407	100,368
Ventures	75,052	73,292	106,983
Total segment assets	**643,325**	**618,496**	**627,582**
Investments	44,445	9,300	326
Deferred tax assets	61,948	56,763	41,742
Cash and cash equivalents	122,139	79,165	46,041
Other non-allocated assets	50,022	50,842	39,008
Total assets	**921,879**	**814,567**	**754,699**

LIABILITIES			
Segment liabilities			
Entertainment	139,241	116,312	87,182
Healthcare	50,980	47,872	52,370
Control Rooms & Simulation	64,975	65,439	65,343
Defense & Aerospace	27,974	28,424	25,593
Ventures	25,721	24,955	36,575
Total segment liabilities	**308,890**	**283,002**	**267,063**
Equity attributable to equityholders of the parent	538,050	460,703	395,590
Non-controlling interest	-	0	1
Long-term debts	12,695	19,014	12,674
Deferred tax liabilities	3,089	5,005	7,331
Current portion of long-term debts	4,105	1,691	2,643
Short-term debts	1,302	6,593	24,039
Other non-allocated liabilities	53,748	38,560	45,359
Total equity and liabilities	**921,879**	**814,567**	**754,699**

2.8 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 106 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 10% of the Group's revenue) concentration of Barco's revenues with one customer.

Sales to Belgium represent 43.7 million euro of the Group revenues.

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	2012		2011		2010	
Total assets						
Europe - Middle East - Africa - Latin America	621,730	67.4%	516,565	63.4%	484,470	64.2%
North America	155,895	16.9%	150,030	18.4%	140,584	18.6%
Asia-Pacific	126,457	13.7%	130,566	16.0%	122,983	16.3%
Group	17,796	1.9%	17,406	2.1%	6,662	0.9%
Total	**921,879**	**100.0%**	**814,567**	**100.0%**	**754,699**	**100.0%**
Capitalized development						
Europe - Middle East - Africa - Latin America	48,272	85.7%	38,947	83.8%	35,545	86.5%
North America	6,786	12.1%	5,871	12.6%	4,027	9.8%
Asia-Pacific	1,237	2.2%	**1,635**	3.5%	1,535	3.7%
Group	-	0.0%	-	0.0%	-	0.0%
Total	**56,296**	**100%**	**46,454**	**100%**	**41,107**	**100%**
Purchases of tangible and intangible fixed assets						
Europe - Middle East - Africa - Latin America	9,523	38.3%	16,213	79.9%	6,307	57.2%
North America	9,174	36.9%	1,556	7.7%	667	6.1%
Asia-Pacific	6,154	24.8%	2,533	12.5%	4,044	36.7%
Total	**24,851**	**100%**	**20,302**	**100%**	**11,019**	**100%**

3. INCOME FROM OPERATIONS (EBIT)

3.1. BASIS OF OPERATING SEGMENTS INFORMATION

EBIT increased steadily over the last years, climbing up from 5% on sales in 2010 to 8.7% in 2012. This is the result from a double digit sales growth (11% in 2012 versus 2011, 16% in 2011 versus 2010) at healthy gross profit margin levels whereby indirect costs as a whole were kept under control. Important positive note on the 2012 financials also concerns the lower share of net other operating income compared to 2011.
We refer to note 2.Segment Information and to the chapter Comments on the results for more explanation on sales and income from operations (see page 106).

IN THOUSANDS OF EURO	2012	2011	2010
Sales	1,155,984	1,041,244	896,999
Cost of goods sold	-780,351	-728,313	-609,484
Gross profit	**375,633**	**312,932**	**287,516**
Gross profit as % of sales	**32.5%**	**30.1%**	**32.1%**
Indirect costs	-278,435	-247,364	-234,932
Other operating income (expenses) - net	3,040	12,792	-7,449
EBIT before goodwill impairment	**100,238**	**78,359**	**45,135**
EBIT before goodwill impairment as % of sales	**8.7%**	**7.5%**	**5.0%**

Indirect costs and other operating income (expenses) - net

IN THOUSANDS OF EURO	2012	2011	2010
Research and development epxenses (a)	-84,124	-74,650	-71,371
Sales and marketing expenses (b)	-142,157	-122,493	-114,555
General and administration expenses (c)	-52,155	-50,221	-49,006
Indirect costs	**-278,435**	**-247,364**	**-234,932**
Other operating income (expenses) - net (d)	**3,040**	**12,792**	**-7,449**
Indirect costs and other operating income (expenses) - net	**-275,395**	**-234,572**	**-242,381**

Indirect costs, excluding the impact of net capitalized development expenses represent 24% of sales in 2012 and 2011 versus 26% in 2010, and remain as a whole well under control.

(a) Research and development expenses

IN THOUSANDS OF EURO	2012	2011	2010
Research & development expenses	**97,308**	**83,327**	**72,142**
Capitalized development expenses	-56,296	-46,454	-41,107
Amortization capitalized development expenses	42,138	36,448	39,058
Impairment of capitalized development expenses	973	1,328	1,278
Capitalized development, net	**-13,184**	**-8,677**	**-771**
Research & development expenses.net	**84,124**	**74,650**	**71,371**

Research and development cash expenses represent 8.4% of sales in 2012 compared to 8.0% of sales in 2011 and 2010. In 2012 the higher capitalization (58% of total research and development expenses in 2012, 56% in 2011, 57% in 2010) of development expenses compared to amortization expenses had a positive impact on the income from operations (EBIT) of 13.2 million euro (compared to a positive impact of 8.7million euro in 2011 and 0.8 million euro in 2010).

Impairment costs on capitalized development expenses are presented on the line 'Research and development expenses'. For more explanation on impairment costs on capitalized development we refer to note 9.

Research and development activities are spread over the divisions as follows:

IN THOUSANDS OF EURO	GROUP	CONTROL ROOMS & SIMULATION	ENTERTAINMENT
Research & development expenses	**97,308**	**20,825**	**26,821**
Capitalized development expenses	-56,296	-12,585	-15,453
Amortization capitalized development expenses	42,138	11,551	7,679
Impairment of capitalized development expenses	973	15	703
Capitalized development, net	**-13,184**	**-1,019**	**-7,070**
Research & development expenses	**84,124**	**19,807**	**19,751**

IN THOUSANDS OF EURO	HEALTHCARE	DEFENSE & AEROSPACE	VENTURES
Research & development expenses	**25,023**	**12,325**	**12,314**
Capitalized development expenses	-13,992	-6,861	-7,405
Amortization capitalized development expenses	8,817	5,533	8,558
Impairment of capitalized development expenses	-	-	255
Capitalized development, net	**-5,176**	**-1,328**	**1,409**
Research & development expenses	**19,847**	**10,997**	**13,723**

(b) Sales and marketing expenses

IN THOUSANDS OF EURO	2012	% OF SALES	2011	% OF SALES	2010	% OF SALES
Sales & marketing expenses	142,157	12.3%	122,493	11.8%	114,555	12.8%

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.

(c) General and administration expenses

IN THOUSANDS OF EURO	2012	% OF SALES	2011	% OF SALES	2010	% OF SALES
General and administration expenses	52,155	4.5%	50,221	4.8%	49,006	5.5%

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		2012	2011	2010
Exchange gains and losses (net)		-1,431	2,563	-3,093
Bank charges		-1,596	-2,021	-3,188
Bad debt provisions (net of write-offs and reversals of write-offs)		-1,541	1,991	-2,358
Other provisions (net of additions and reversals of provisions)		1,098	4,115	-2,333
Cost of share-based payments		-782	-676	-290
Gains on disposal of tangible fixed assets		24	278	89
Rental income		470	704	1,007
Investment grants		3,996	6,433	1,978
CTA on liquidation Barco Manufacturing SRO	(a)	3,735	-	-
Other (net)		-932	-595	740
Total		**3,040**	**12,792**	**-7,449**

(a) In 2012, the investment in Czech, Barco Manufacturing SRO has been liquidated, resulting in the realization of the foreign currency translation for an amount of 3.7 million euro (see note 'Other comprehensive income').

4. 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	2012	2011	2010
Sales	1,155,984	1,041,244	896,999
Material cost	-670,604	-585,245	-502,969
Services and other costs	-117,359	-137,461	-70,661
Personnel cost	-267,882	-247,562	-258,276
Capitalized development cost	56,296	46,454	41,107
Amortization and impairment of capitalized development	-43,112	-37,776	-40,336
Depreciation property, plant, equipment and software	-16,126	-14,088	-13,282
Other operating income (expense) - net (note 3)	3,040	12,792	-7,449
EBIT before restructuring and impairment	**100,238**	**78,359**	**45,135**

Personnel cost includes the cost for temporary personnel for an amount of 7.6 million euro (in 2011: 6.2 million euro, in 2010 8.2 million euro). Average number of employees in 2012 was 3.665 (versus 3,527 in 2011 and versus 3,296 in 2010), including 2.652 white-collars (in 2011 2,487; in 2010 2,345) and 1.013 blue-collars (in 2011 1,040 in 2010 951).

5. INCOME TAXES

IN THOUSANDS OF EURO		2012	2011	2010
Current versus deferred income taxes				
Current income taxes		-12,103	-6,647	-6,969
Deferred income taxes		7,142	17,054	6,969
Income taxes		-4,962	10,407	-
Income taxes versus income before taxes				
EBIT after goodwill impairment		97,567	68,359	45,135
Interest income (expense) - net		1,089	-2,530	-1,510
Income before taxes		98,656	**65,829**	**43,625**
Income taxes		**-4,962**	**10,407**	**-**
Effective income tax rate	%	-5.0%	15.8%	0.0%
Income before taxes		98,656	65,829	43,625
Theoretical tax rate		34%	34%	34%
Theoretical tax credit/(cost)		**-33,543**	**-22,382**	**-14,832**

IN THOUSANDS OF EURO		2012	2011	2010
Non deductible expenses/non taxable income for tax purposes				
Impairment of goodwill		-908	-3,399	-
CTA impact on liquidation Barco Manufacturing SRO	(d)	1,270	-	-
Other non-deductible expenses		-1,765	-1,295	-1,290
Government grants exempt from tax		944	**1,764**	**-**
Patent income deduction (PID)	(c)	6,627	**9,689**	**-**
Notional interest deduction (NID)	(e)	2,714	5,028	6,726
Investment allowances	(a)	872	741	1,620
Set-up of deferred tax assets, not recognised in prior years	(b)	14,627	16,262	10,841
Deferred tax assets, not recognised in current year	(b)	-938	-117	-2,723
Effect of different tax rates in foreign companies		3,740	2,138	151
Tax adjustments related to prior periods		1,399	1,978	-493
Reported taxes related to current income before taxes		**-4,962**	**10,407**	**-**

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

(b) See note 11

(c) The PID is applicable in Barco NV as of fiscal year 2010. The deduction in the consolidated figures is only included as from 2011 upon obtaining the formal approval from the tax authorities.

(d) In 2012, the CTA impact on Barco Manufacturing SRO has been taken in income in the consolidated figures when the related company was liquidated, but is non taxable for tax purposes.

(e) Notional interest deduction in 2012 only relates to the amounts which can be offset by the current year taxable result.

6. EARNINGS PER SHARE

IN THOUSANDS OF EURO		2012	2011	2010
Net income		**94,241**	**75,850**	**43,625**
Weighted average of shares		12,018,573	11,995,483	11,931,992
Basic earnings per share (in euro)		7.84	6.32	3.66
Basic earnings per share		**7.84**	**6.32**	**3.66**
Net income		94,241	75,850	43,625
Weighted average of shares (diluted)		12,560,900	12,217,326	12,180,770
Diluted earnings per share (in euro)	(a)	7.50	6.21	3.58
Diluted earnings per share	(a)	**7.50**	**6.21**	**3.58**

(a) The difference between the weighted average of shares and weighted average of shares (diluted) is due to exercisable warrants, which are in the money (which means that the closing rate of the Barco share was higher than the exercise price). For 2011 and 2010 the diluted earnings per share were recalculated excluding the exercisable warrants which were out of the money at that time.

For more detailed information concerning the shares and warrants, please refer to note 16.

7. INVESTMENTS

IN THOUSANDS OF EURO		2012	2011	2010
Investments	(a)	41,377	8,326	326
Interest in joint ventures	(b)	3,068	973	-
Total investments		**44,445**	**9,300**	**326**

(a) In 2012 investments include include entities in which Barco owns less than 20% of the shares as well as the acquisition of 61% of the shares of projectiondesign for an amount of 33.4 million euro, which took place 19 December 2012. The effective control was only transferred on 1 January 2013. In 2011 and 2010 investments represent entities in which Barco owns less than 20% of the shares.

(b) In 2011 the Group had a 50% interest in Barco Toyo Medical Systems Japan Co, a jointly controlled entity which is part of the Healthcare division and a 58% interest in CFG Barco (Beijing) Electronics Co., LTD, a jointly controlled entity which is part of the Entertainment division. In 2012 Barco acquired the remaining 50% interest in Barco Toyo Medical Systems Japan Co. The acquisition cost was limited (about 50 thousand euros). After the acquisition Barco Toyo has been merged with Barco Co, Ltd. The interest in joint ventures in 2012 therefore only includes the 58% interest in CFG Barco (Beijing) Electronics Co., LTD.

The Group's share of the assets and liabilities as at 31 December 2012, 2011 and 2010 and income and expenses of the jointly controlled entities for the year ended 31 December 2012, 2011 and 2010, which are accounted for using the equity method:

IN THOUSANDS OF EURO	2012	2011	2010
Share of the joint ventures' balance sheet:			
Current assets	28,060	6,652	378
Non-current assets	820	113	-
Current liabilities	25,812	5,792	306
Equity	**3,068**	**973**	**72**
Share of the joint ventures' revenue and profit:			
Sales	40,305	3,632	277
Gross profit	3,254	389	48
EBIT	812	-411	-31
Profit/(Loss) of the year	**547**	**-386**	**-42**

The Group has no share of any contingent liabilities or capital commitments as at 31 December 2012, 2011 and 2010.

8. GOODWILL

IN THOUSANDS OF EURO	2012	2011	2010
At cost			
On 1 January	80,057	79,027	58,401
Acquisitions	27,567	1,030	20,626
Translation (losses)/gains	-8	-	-
On 31 December	107,616	80,057	79,027
Impairment			
On 1 January	36,136	26,136	26,136
Impairment losses	2,671	10,000	-
On 31 December	38,807	36,136	26,136
Net book value			
On 1 January	43,922	52,892	32,265
On 31 December	68,809	43,921	52,891

Acquisitions in 2012 include goodwill related to the acquisition of JAOtech for 15.2 million euro and IP Video Systems for 11.3 million euro. On top additional earn-out payments on previous acquisitions of € 0.6 million euro are assumed to be probable and were added to the goodwill, and the acquisition of 50% of the remaining shares in Barco Toyo Medical Systems Japan Co resulted in 0.4 million euro additional goodwill.

In 2011, acquisitions fully consist of the CineStore business combination. In 2010, acquisitions 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.

In 2012 the impairment tests on goodwill resulted in impairment charges recorded for an amount of 2.7 million euro, fully related to Barco's Ventures, more specifically to dZine as a result of lower sales generated in the digital signage market compared to business plan targets at acquisition date.

The impairment tests on goodwill in 2011 resulted in impairment charges recorded for an amount of 10 million euro, fully related to Barco's Ventures, more specifically to Lighting. There is no remaining goodwill on Barco Lighting after this impairment was booked.
The global recession, which started end of 2008, had a profound impact on the fundamentals of the 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 acquisition 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. In the years after 2009, the events market recovered but Barco Lighting was not able to achieve a sales growth minimum required to assure a break-even EBIT result.

In 2010 no impairments on goodwill occurred.

See below 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. Therefore, impairment testing is performed at division level. An exception is made for the Ventures, where the impairment testing is performed on a business unit level, which is one level below the division level. Barco identified 6 activities in its portfolio, which needed more focus and autonomy in order to enhance their performance and to stimulate growth; these became Barco's Ventures. An impairment test is performed for each of the activities containing goodwill.

The carrying amount of goodwill (after impairment) has been allocated to the cash generating units as follows (in thousands of euro):

CASH GENERATING UNITS	2012	2011	2010
Control Rooms & Simulation	8,255	6,145	6,145
Entertainment	7,964	7,304	6,274
Healthcare	37,889	17,843	17,843
Defense & Aerospace	10,427	5,684	5,684
Ventures	4,273	6,945	16,944
Total goodwill (net book value)	**68,809**	**43,921**	**52,891**

The goodwill (net book value) of Barco's Ventures relates to the remaining goodwill on dZine and Orthogon. In 2012 the goodwill on the acquisition of IP Video Systems has been allocated to the divisions Control Rooms & Simulation for 2.1 million euro, Healthcare for 4.4 million euro and Defense & Aerospace for 4.7 million euro. The allocation of the goodwill towards the divisions is based on the business plan targets defined upon acquisition of IPVS. The JAOtech acquisition has been fully allocated to the Healthcare division.

The group performed its annual impairment test in the fourth quarter of 2012 consistently with prior years.

The group looks at the relationship between its market capitalization and its book value, amongst other factors, when reviewing the indicators of impairment. At 31 December 2012, the market capitalization of the group exceeded the equity of the group with more than 29%. As such, this general test does not show an indication for impairment.

The annual impairment tests were performed for each cash-generating unit. 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 9.9% (2011: 10.2%, 2010: 10.0%) and cash flows beyond the five year period are extrapolated using a conservative growth rate of 0% (2011: 0%, 2010: 0%).

The assumptions of the annual impairment test are consistent with external sources.

Based upon the outcome of the impairment tests, an impairment loss of 2.7 million euro has been recognized relating to Barco's Ventures, more specifically on Barco dZine. Management did not identify impairments for the other cash-generating units.

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 rate used over the projected period has been kept conservatively at zero percent for the cash-generating units within the business segments Healthcare and Entertainment, since even then there is no risk for impairment. For all other cash-generating units a growth rate of 3% per year is assumed for the 5 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 to 1.5 percentage point per annum was applied for all divisions, except for the Healthcare, Entertainment and for the Venture Orthogon.
For the Healthcare and Entertainment division and for the Venture Orthogon, a stable EBIT as percentage of sales is kept conservatively at 8% for the Healthcare division and at 10% for the other divisions over the whole budget period, which is below the average over the last three years, since even then there is no risk for impairment.

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 9.9% for the year 2012 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 Healthcare and Entertainment division and Orthogon (part of the Ventures), management believes, based on sensitivity analysis performed, that no reasonable 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 other divisions, per 31 December 2012, the estimated recoverable amount, after impairment of goodwill and capitalized development recorded, is closer to its carrying value and, consequently, changes in the key assumption could result in 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 Defense & Aerospace and Control Rooms & Simulation, changes in the sales growth rate during the budget period does not cause the carrying value of the division to materially exceed its recoverable amount. For dZine (part of the Ventures) no or negative sales growth over the budget period 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 Defense & Aerospace division, the Control Rooms & Simulation division and dZine a reduction of 4% of the long-term EBIT percentage on sales would result in an additional impairment.

Discount rates – change in the weighted average cost with 1% would result in an additional impairment for dZine. For the Defense & Aerospace division a change with 2% and for the Control Rooms & Simulation division a change with more than 3.5% would result in an additional impairment.

Growth rate estimate – even a decrease (which would result in a negative sales evolution) in the long-term rate used to extrapolate the projection would not result in an additional impairment, if the decrease would be less than 3%.

9. CAPITALIZED DEVELOPMENT COSTS

IN THOUSANDS OF EURO	2012	2011	2010
At cost			
On 1 January	355,680	322,708	268,376
Expenditure	56,296	46,454	41,107
Sales and disposals	-102,237	-15,017	-
Acquisition of subsidiary	-	957	12,651
Disposal of subsidiary	-	-	-
Translation (losses)/gains	-1,244	579	575
On 31 December	308,496	355,680	322,708
Impaiment			
On 1 January	19,088	17,760	16,482
Expenditure	973	1,328	1,278
On 31 December	20,061	19,088	17,760
Amortization			
On 1 January	267,571	245,570	197,459
Amortization	42,138	36,448	39,058
Sales and disposals	-102,237	-15,017	-
Acquisition of subsidiary	-	570	9,054
Disposal of subsidiary	-	-	-
Translation (losses)/gains	-1,017	-	-
On 31 December	206,456	267,571	245,570
Net book value			
On 1 January	69,020	59,378	54,434
On 31 December	81,978	69,020	59,378

Consistent with the tests performed in the previous years, Barco performed impairment tests in the fourth quarter of 2012. Based upon these tests, impairment costs have been recognized for an amount of 1 million euro. Similar impairment tests revealed the need to recognize impairment losses on capitalized development in 2011 and 2010 for 1.3 million euro in both years. 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 segments as follows:

IN THOUSANDS OF EURO	2012	2011	2010
Control Rooms & Simulation	15	302	714
Entertainment	703	416	-
Healthcare	-	220	-
Defense & Aerospace	-	-	564
Ventures	255	390	-
Total	**973**	**1,328**	**1,278**

10. OTHER INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

IN THOUSANDS OF EURO	2012										2011	2010
	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	29,983	5,358	**35,341**	66,125	93,303	37,046	9,074	3,821	**143,244**	**244,710**	246,222	219,817
Expenditure	1,883	8,264	**10,147**	1,271	5,472	6,405	877	680	**13,433**	**24,851**	20,302	11,019
Sales and disposals	-1,022	-	**-1,022**	-2,220	-5,656	-5,974	-262	-95	**-11,987**	**-15,229**	-27,440	-2,529
Acquisition of subsidiary	4,882	-	**4,882**	-	-	27	0	-	**27**	**4,909**	5,285	14,056
Disposal of subsidiary	-	-	**-**	-	-	-	-	-	**-**	**-**	-	-
Transfers	-	-	**-**	-	-	-	-	-	**-**	**-**	-	-
Translation (losses)/gains	-66	1	**-65**	-248	-510	-341	-247	-50	**-1,149**	**-1,461**	341	3,858
On 31 December	**35,661**	**13,623**	49,284	64,928	**92,608**	**37,163**	**9,441**	**4,356**	143,568	257,780	**244,710**	**246,222**
Depreciation												
On 1 January	20,776	-	**20,776**	35,556	79,617	29,157	6,991	-	**115,765**	**172,097**	181,467	160,432
Depreciation	4,564	-	**4,564**	2,240	4,857	3,704	760	-	**9,321**	**16,126**	14,088	13,282
Sales and disposals	-1,022	-	**-1,022**	-1,496	-5,342	-5,794	-260	-	**-11,395**	**-13,913**	-24,265	-1,522
Acquisition of subsidiary	-	-	**-**	-	-	23	-	-	**23**	**23**	369	6,939
Disposal of subsidiary	-	-	**-**	-	-	-	-	-	**-**	**-**	-	-
Transfers		-	**-**	-				-	**-**	**-**	-	-
Translation (losses)/gains	-128	-	**-128**	-116	-354	-266	-187	-	**-807**	**-1,051**	438	2,337
On 31 December	**24,192**	**-**	24,192	36,184	**78,778**	**26,825**	**7,304**	**-**	112,907	173,283	**172,097**	**181,467**
Carrying amount												
On 1 January	**9,207**	**5,358**	14,565	30,569	**13,686**	**7,889**	**2,083**	**3,821**	27,479	72,613	**64,755**	**59,385**
On 31 December	**11,470**	**13,623**	25,093	28,744	**13,830**	**10,338**	**2,137**	**4,356**	30,661	84,497	**72,613**	**64,755**

In 2012 the capital expenditures amount to 24.9 million euro, compared to 20.3 million euro in 2011 and 11.0 million euro in 2010.
Other intangible assets under construction relate for the major part to the further implementation of the new ERP package, for which the capital expenditures amount to 8.3 million euro in 2012.
The capital expenditures in the other tangible assets relate for the major part to R&D and IT equipment.

The net book value of the other intangible assets and tangible fixed assets acquired through acquisitions amounts to 4.9 million euro. This amount mainly consists of 4.7 million euro know-how, included in the other intangible assets. We refer to Note 1.2 on 'Acquisitions and divestments' and Note 23 on 'Cash flow statement: effect of acquisitions and disposals' for more details on these transactions.

11. DEFERRED TAX ASSETS – DEFERRED TAX LIABILITIES

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

	Assets			Liabilities			Net asset/(liability)		
IN THOUSANDS OF EURO	2012	2011	2010	2012	2011	2010	2012	2011	2010
Capitalized development cost	83	53	149	-8,222	-7,928	-7,961	-8,139	-7,875	-7,812
Patents, licenses, ...	-	205	-864	-	-	-	-	205	-864
Tangible fixed assets and software	2,146	1,944	1,883	-2,725	-2,820	-2,914	-578	-876	-1,031
Inventory	14,261	15,001	18,469	-725	-775	-804	13,535	14,226	17,665
Trade debtors	1,038	960	1,861	-739	-5,069	-3,527	299	-4,109	-1,666
Provisions	4,932	2,091	2,966	-24	-67	-273	4,909	2,024	2,693
Employee benefits	2,389	1,431	2,425	-	-	-	2,389	1,431	2,425
Deferred revenue	2,024	1,488	1,135	-35	-	-46	1,989	1,488	1,089
Other items	3,911	3,624	3,292	-2,225	-2,073	-3,250	1,686	1,551	42
Tax value of loss carry forwards	22,182	22,399	15,517	-	-	-	22,182	22,399	15,517
Tax value of tax credits	21,104	21,929	6,352	-516	-634	-	20,588	21,295	6,352
Gross tax assets/(liabilities)	**74,071**	**71,125**	**53,185**	**-15,211**	**-19,366**	**-18,775**	**58,860**	**51,759**	**34,411**
Set off of tax	-12,122	-14,361	-11,443	12,122	14,361	11,443	-	-	-
Net tax assets/(liabilities)	**61,948**	**56,764**	**41,742**	**-3,089**	**-5,005**	**-7,331**	**58,860**	**51,759**	**34,411**

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	-7,875	-351	-	-	87	-8,139
Patents, licenses, ...	205	-206	-	-	1	-
Tangible fixed assets and software	-876	326	-	-	-29	-579
Other investments	-	-	-	-	-	-
Inventory	14,226	-524	-	-	-166	13,536
Trade debtors	-4,109	4,406	-	-	2	299
Provisions	2,024	2,982	-	-	-98	4,908
Employee benefits	1,431	1,004	-	-	-46	2,389
Deferred revenue	1,488	588	-	-	-86	1,989
Other items	1,550	-175	-	151	161	1,686
Tax value of loss carry forwards	22,399	-201	-	-	-16	22,182
Tax value of tax credits	21,294	-706	-	-	-	20,588
Total	**51,757**	**7,142**	**-**	**151**	**-191**	**58,860**

On top of the tax losses and tax credits for which a net deferred tax is recognized (net deferred tax asset of respectively 22.2 million euro and 20.6 million euro), the Group owns tax losses carried forward and other temporary differences on which no deferred tax asset is recognized amounting to 69.8 million euro as of 31 December 2012 (at 34% tax rate resulting in a non recognized deferred tax asset of rounded 24 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 and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes as at December 31, 2012, it is probable that the group will realize all of the recognized benefits of these deductible differences.

12. INVENTORY

IN THOUSANDS OF EURO		2012	2011	2010
Raw materials and consumables		89,910	102,417	101,801
Work in progress		66,915	65,612	62,452
Finished goods		126,747	116,446	103,924
Contracts in progress		27,168	28,082	31,345
Write-off on inventories		-87,063	-78,628	-69,102
Inventory		**223,677**	**233,928**	**230,420**
Inventory turns	(a)	3.1	2.7	2.3

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

The amount of write-offs recognized as expense in 2012 amounts to 16.5 million euro (2011: 14.8 million euro and 2010: 9.2 million euro). The inventory turns improved considerably compared to the previous years, reaching 3.1 at the end of 2012.

13. AMOUNTS RECEIVABLE AND OTHER NON-CURRENT ASSETS

IN THOUSANDS OF EURO	2012	2011	2010
Trade debtors - gross	190.278	193.925	211.128
Trade debtors - bad debt reserve (a)	-7.196	-6.811	-10.145
Trade debtors - net (b)	**183.082**	**187.114**	**200.983**
V,A,T, Receivable	7.141	6.793	9.809
Taxes receivable	16.992	21.738	17.476
Interest rate swap (note 21)	-	-	4
Currency rate swap (note 21)	-644	40	287
Guarantees paid	1.484	1.613	603
Other	4.079	5.013	3.866
Other amounts receivable	**29.053**	**35.197**	**32.044**
Other non-current assets (c)	**18.041**	**19.134**	**17.339**
Number of days sales outstanding (DSO) (d)	48	56	59

Per 31 December 2012, the number of days sales outstanding decreased considerably compared to the two previous reporting periods, reaching 48 days at the end of 2012 as the higher fourth quarter sales did not result in higher outstanding trade debtors. The bad debt reserve in proportion to the gross amount of trade debtors remains under control: 3.8% per 31 December 2012 (2011: 3.5%, 2010: 4.8%).

(a) Movement in bad debt reserve

IN THOUSANDS OF EURO	2012	2011	2010
On 1 January	**-6,811**	**-10,145**	**-7,817**
Acquisition of subsidiaries	-83	-	-471
Additional provisions	-5,731	-1,279	-3,598
Amounts used	1,190	1,399	1,185
Amounts unused	4,189	3,229	1,283
Translation (losses) / gains	-50	-15	-727
On 31 December	**-7,196**	**-6,811**	**-10,145**

(b) At 31 December 2012, the aging analysis of trade receivables is as follows:

IN THOUSANDS OF EURO	2012	2011	2010
Not due	154,304	156,647	151,007
Overdue less than 30 days	19,146	17,424	24,790
Overdue between 30 and 90 days	8,337	10,414	16,629
Overdue more than 90 days	8,491	9,440	18,702
Total gross	**190,278**	**193,925**	**211,128**
Bad debt reserve	-7,196	-6,811	-10,145
Total	**183,082**	**187,114**	**200,983**

In 2012 total overdue amounts, especially in the categories more than 30 days overdue, decreased considerably compared to the previous periods to a total amount of 36 million euro (2011: 37.3 million euro, 2010: 60.1 million euro). In 2012 the bad debt reserve amounts to 85% of the trade receivables more than 90 days overdue (2011: 72%, 2010: 54%).

(c) Other non-current assets

The decrease in the other non-current assets during 2012 mainly relates to long-term receivables in the frame of vendor financing programs, amounting to 11 million euro per 31 December 2012, of which 7.1 million (see note 14) are offset by a long-term debt of the same amount (2011: 12.5 million euro, of which 9.8 million euro offset by a long-term debt, 2010: 3.2 million euro, of which 2.2 million euro offset by a long-term debt).

(d) Number of days sales outstanding (DSO)

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

14. NET FINANCIAL CASH/DEBT

IN THOUSANDS OF EURO		2012	2011	2010
Deposits	(a)	15,338	1,264	11,986
Cash at bank	(b)	106,706	77,817	33,983
Cash in hand		95	83	72
Cash and cash equivalents		**122,139**	**79,165**	**46,041**
Long-term financial receivables	(c)	7,129	9,768	2,172
Long-term debts	(c) (d)	-12,695	-19,014	-12,674
Current portion of long-term debts	(d)	-4,105	-1,691	-2,643
Short-term debts	(e)	-1,302	-6,593	-24,039
Net financial cash / (debt)		**111,166**	**61,635**	**8,857**

The net financial cash has increased with 102.3 million euro over the last two years. This is the net result of the free cash flow generated (121.6 million euro in 2012 and 81.2 million in 2011) and the cash outflows related to acquisitions and dividends paid out.

(a) Deposits

Deposits are short-term, highly liquid investments, which are readily convertible to known amounts of cash.
The short-term deposits do not carry a material risk of change in valuation.
At closing date, deposits include:

IN THOUSANDS OF EURO	2012	2011	2010
» deposits in INR, with an average interest rate of 8.31%	1,304	992	3,675
» deposits in EUR	10,000	0	5,091
» deposits in USD	3,790	0	2,245
» deposits in other currencies	244	272	975
Total deposits	**15,338**	**1,264**	**11,986**

The average rate of the 2012 deposits in EUR and USD is 0.01%.

(b) Cash at bank

Cash at bank is immediately available. Most of the cash is held on accounts with higher interest-yield compared to classical cash accounts.
It is denominated in the following currencies:

	2012	2011	2010
» EUR	57.3%	62.7%	49.7%
» USD	18.6%	17.3%	24.2%
» CNY	11.4%	5.0%	-
» INR	0.0%	1.5%	9.0%
» Other	12.7%	13.5%	17.1%

(c) Long-term financial receivables

During 2010, Barco entered into a specific vendor financing mechanism, resulting in long-term financial receivables for an amount of 2.2 million euro per 31 December 2010 and long-term debts for the same amount. During 2011, the amount increased to 9.8 million euro. Per end of 2012 the outstanding long term debt has decreased to 7.1 million euro.

The long-term financial receivables and the long-term debts 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. The long-term financial receivables are presented on the face of the balance sheet on line 'Other non-current assets'. The long term debts are presented on the face of the balance sheet on line 'Long-term debts'.

d) Long-term financial debts

The Barco Group has a total of 115 million euro committed credit facilities available, following a debt portfolio restructuring in December 2011. The portfolio consists of 2 major tranches:

- Barco NV received a 50 million euro research, development and innovation (RDI) Credit Facility from the European Investment Bank. The aim of the facility is to finance RDI activities for networked visualization connectivity and software in its Entertainment, Healthcare and Control Rooms divisions. The Credit Facility has a remaining availability period of 6 months expiring 30 June 2013. Drawings under the facility have a long-term tenor of minimum 4 years.
- Barco NV and Barco Coordination Center (as co-obligors) signed a number of bilateral committed Credit Facilities with a selected group of commercial banks for a total amount of 65 million euro. The Credit Facilities have an availability period of 3 years (expiring in December 2014). Drawings under the facilities have a short-term tenor.

As per 31 December 2012, no drawings under the 50 million euro research, development and innovation (RDI) Credit Facility from the European Investment Bank were outstanding by means of long term debt.

As per 31 December 2012, Barco is meeting all requirements of the loan covenants on its available credit facilities.

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

IN THOUSANDS OF EURO	2012	2011	2010
» EUR	2,781	4,813	6,079
» USD	11,186	15,570	8,237
» Other	2,833	322	1,001
Total	**16,800**	**20,705**	**15,317**

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

EFFECTIVE INTEREST RATE	MATURITY	31 December 2012	31 December 2011	31 December 2010
» variable, limited by cap-floor agreements				
Euribor 3M + 0.70%	2014	750	1,250	1,750
Euribor 3M + 0.75%	2014	750	1,250	1,625
Euribor 3M + 0.80%	2014	750	1,250	1,750
Euribor 6M + 0.89%	2014	0	0	512
» variable, swapped into fixed 3.86%	Later than 2017	4,548	6,705	6,492
» fixed (vendor financing, offset by long-term receivable)		7,129	9,793	2,172
» fixed (various)		2,874	457	1,015
Total long-term financial debts		**16,800**	**20,705**	**15,316**

The long-term debts (including interests due), excluding the current portion of the long-term debts, are payable as follows:

Per 31 December 2012		Per 31 December 2011		Per 31 December 2010	
Payable in 2014	7,982	Payable in 2013	9,783	Payable in 2012	2,354
Payable in 2015	576	Payable in 2014	3,659	Payable in 2013	2,270
Payable in 2016	355	Payable in 2015	259	Payable in 2014	1,444
Payable in 2017	176	Payable in 2016	259	Payable in 2015	114
Later	5,425	Later	7,999	Later	6,492
Total long-term debts	**14,514**	**Total long-term debts**	**21,958**	**Total long-term debts**	**12,674**

(e) Short-term financial debts

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

IN THOUSANDS OF EURO	2012		2011		2010	
	Effective interest rate	Balance	Effective interest rate	Balance	Effective interest rate	Balance
» EUR	2.0%	300	-	-	0.7%	20,000
» USD	3.0%	7	2.4%	5,796	3.8%	3,218
» CNY	-	-	-	-	-	-
» Other	2.8%	996	3.2%	797	-	821
Total		**1,302**		**6,593**		**24,039**

Limited usage per 31 December 2012 is mainly executed on uncommitted bank facilities. The available 65 million euro bilateral Credit Facilities that when used also translate in a short term debt position were almost completely undrawn (i.e. less than 1 million euro).

15. OTHER LONG-TERM LIABILITIES

IN THOUSANDS OF EURO		2012	2011	2010
Governmental loans		3,114	3,117	5,133
Earn-out payments	(a)	6,047	5,000	7,500
Deferred consideration	(b)	1,000	-	-
Other		-	-	655
Other long-term liabilities		**10,161**	**8,117**	**13,288**

(a) Earn-out payments

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. In 2012 and 2011 an earn-out portion of 5 million euro was paid. The other long-term liabilities hence still include a 2.5 million euro earn-out expected to be payable as of 2014, whilst the 2.5 million euro earn-out payable early 2013 is presented on the line 'Other current liabilities'.

The JAOtech acquisition contract provides for additional earn-out payments, which depend on the cumulative gross margin generated for the financial years ended 31 December 2012 to 31 December 2014. There are no minimum or maximum earn-out payments stipulated in the contract. Total earn-out payments of 3 million euro are assumed to be probable and are assumed to become payable early 2015. (see note 1.2)

(b) Deferred consideration

The JAOtech acquisition agreement further provides for a deferred consideration of 1 million euro, payable early 2014.

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

Per 31 December 2012		Per 31 December 2011		Per 31 December 2010	
Payable in 2014	3,914	Payable in 2013	2,533	Payable in 2012	3,642
Payable in 2015	3,140	Payable in 2014	2,533	Payable in 2013	3,005
Payable in 2016	0	Payable in 2015	33	Payable in 2014	2,995
Payable in 2017	0	Payable in 2016	33	Payable in 2015	496
Later	3,108	Later	2,985	Later	3,150
Total long-term debts	**10,161**	**Total long-term debts**	**8,117**	**Total long-term debts**	**13,288**

16. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

IN THOUSANDS OF EURO	2012	2011	2010
Share capital	54,631	54,532	54,169
Share premium	135,425	134,381	131,150
Share-based payments	4,936	4,154	3,478
Acquired own shares	-45,641	-45,641	-45,641
Retained earnings	427,107	345,348	282,166
Cumulative translation adjustment	-37,227	-30,546	-28,757
Derivatives	-1,181	-1,524	-975
Equity attributable to equity holders of the parent	**538,050**	**460,703**	**395,590**

1. SHARE CAPITAL AND SHARE PREMIUM

The following capital increases took place in 2012:

» Through the exercise of 2,480 existing warrants into the same number of new shares on 25 June 2012 with a resulting increase of the statutory capital of 11 ('000) euro and an increase of the share premium account of 94 ('000) euro.

» Through the exercise of 2,674 existing warrants into the same number of new shares on 26 September 2012 with a resulting increase of the statutory capital of 11 ('000) euro and an increase of the share premium account of 110 ('000) euro.

» Through the exercise of 18,216 existing options into the same number of new shares on 21 December 2012 with a resulting increase of the statutory capital of 78 ('000) euro and an increase of the share premium account of 840 ('000) euro.

As a result thereof the company's share capital amounts to 54.6 million euro on December 31, 2012, consisting of 12,778,046 fully paid shares. The share premium amounts to 135.4 million euro.

2. SHARE-BASED PAYMENTS

On 23 October 2012, 3 new option plans have been approved by the Board of Directors. These 3 option plans entitle the Board of Directors to grant maximum 140,000 stock options before December 31, 2012. Each stock option gives right to the acquisition of one (1) share. In 2012, 121,055 stock options have been granted to employees and management of the group based upon these option plans. On December 31, 2012, no options remained available for distribution under the 2012 stock option schemes given the expire dates of the plans per 29 December 2012.

Warrants exercisable under the warrants plans

The total number of outstanding warrants on 31 December 2012 amounted to 563,087, which can lead to the creation of 563,087 number of shares. Since 2010, stock options have been granted. During 2012, 23,370 warrants have been exercised; in 2011, 84,721 warrants have been exercised; no warrants were exercised in 2010. These warrants may be exercised under the following conditions: see table page 169.

The cost of these warrant/stock options plans is included in the income statement. The warrants/stock options are valued at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates and interest rates. The warrant/stock option 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 0.8 million in 2012 (2011: 0.7 million euro, 2010: 0.3 million euro).

Allocation date	End term	Exercise price (in euro)	Balance on 31 Dec 2011	Granted in 2012	Exercised in 2012	Cancelled in 2012	Expired in 2012	Balance on 31 Dec 2012
Warrants								
09/16/99	09/15/09[1]	93.58	120,985	-	-	-	-120,985	-
07/13/00	07/12/10[1]	91.92	128,720	-	-	-	-261	128,459
06/18/02	06/17/12[1]	42.01	31,462	-	-4,120	-	-4,260	23,082
06/24/02[2]	06/23/12	40.55	60	-	-	-	-60	-
11/04/02	11/03/12[1]	42.40	4,000	-	-553	-47	-	3,400
06/23/03	06/22/13	50.75	45,546	-	-8,317	-	-210	37,019
06/23/03[2]	06/22/13	50.50	380	-	-	-	-	380
09/15/03	09/14/13	57.52	800	-	-	-	-	800
03/29/04	03/28/14	67.00	58,082	-	-	-	-510	57,572
03/29/04[2]	03/28/14	66.50	585	-	-	-	-	585
09/12/05[2]	11/09/15	60.51	53,047	-	-	-30	-790	52,227
09/12/05	11/09/15	63.15	1,210	-	-	-	-	1,210
09/12/05[3]	11/09/15	61.35	8,750	-	-	-	-280	8,470
11/09/06	11/08/16	65.05	61,026	-	-	-375	-695	59,956
11/09/06[2]	11/08/16	66.15	1,185	-	-	-	-30	1,155
11/12/07	11/11/17	50.68	73,820	-	-6,350	-375	-1,050	66,045
11/12/07[2]	11/11/17	51.53	2,737	-	-	-	-	2,737
12/15/07	12/14/17	50.48	25,000	-	-4,030	-	-	20,970
05/28/09	05/27/19	19.62	88,000	-	-	-2,300	-	85,700
05/28/09[2]	05/27/19	24.00	13,620	-	-	-700	-	12,920
05/28/09[3]	05/27/19	23.57	400	-	-	-	-	400
Total number of warrants			**719,415**	**-**	**-23,370**	**-3,827**	**-129,131**	**563,087**
Stock options								
10/28/10	10/27/15	35.85	33,450	-	-	-1,150	-	32,300
10/28/10	10/27/20	35.85	35,250	-	-	-500	-	34,750
10/28/10[3]	10/27/15	41.75	21,400	-	-	-800	-	20,600
10/28/11	10/27/16	36.65	32,250	-	-	-350	-	31,900
10/28/11	10/27/21	36.65	29,435	-	-	-	-	29,435
10/28/11[3]	10/27/16	41.70	28,065	-	-	-650	-	27,415
10/31/12	10/30/22	52.37	-	55,260	-	-	-	55,260
10/31/12	10/30/20	52.37	-	26,860	-	-	-	26,860
10/31/12[2]	10/30/22	53.28	-	2,000	-	-	-	2,000
10/31/12[3]	10/30/20	53.00	-	36,935	-	-	-	36,935
Total number of stock options			**179,850**	**121,055**	**-**	**-3,450**	**-**	**297,455**

(1) For a large number of warrants this last exercise date was extended with three (3) 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

3. ACQUIRED OWN SHARES

Barco did not acquire own shares in 2012, 2011 and 2010. The number of own shares acquired by Barco NV up to December 31, 2012 remains unchanged at 737,963.

4. RETAINED EARNINGS

The change in retained earnings includes the net income of 2012 and the distribution of 12.5 million euro dividend, as approved by the general shareholders meeting of 25 April 2012.

5. CUMULATIVE TRANSLATION ADJUSTMENT

In 2012, exchange differences on translation of foreign operations have a negative impact of 6.7 million euro, mainly relating to the liquidation of the investment in Czech, Barco Manufacturing SRO, resulting in the realization of the foreign currency translation for an amount of 3.7million euro positive impact on the result of the year (see note 3 (d)). The remaining negative exchange differences mainly relate to the Indian Rupee (1.8 million euro negative impact on equity) and the American dollar (0.7 million euro negative impact on equity).

In 2011, exchange differences on translation of foreign operations have a negative impact on the consolidated equity of 1.8 million euro, mainly relating to the Indian Rupee (4.2 million euro negative impact on equity) offset by 1.1 million euro positive impact of the American dollar and the 1.3 million euro of the Chinese Yen.

In 2010, exchange differences on translation of foreign operations amounted to 9.0 million euro positive impact on equity, 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).

6. DERIVATIVES

Derivative financial instruments are disclosed in note 19.

17. TRADE PAYABLES

IN THOUSANDS OF EURO		2012	2011	2010
Trade payables		127,528	110,791	125,353
Days payable outstanding (DPO)	(a)	57	54	67

(a) DPO = trade payables / (material cost + services and other costs + inventory movement + purchases of (in)tangible fixed assets) x 365

18. PROVISIONS

IN THOUSANDS OF EURO		Balance sheet 2012	Acquisition of subsidiaries	Additional provisions made	Amounts used	Unused amounts reversed	Transfers (e)	Translation (losses) / gains	Balance sheet 2011	Balance sheet 2010
Technical warranty	(a)	27,480	742	3,821	-3,041	-2,670	-	-271	28,898	26,520
Risks on contracts in progress	(b)	-	-		-1,910	-	-	-	1,910	6,337
Pension obligations	(c)	7,003	-	1,307	-345	-4	622	-247	5,670	5,972
Restructuring provision	(d)	-	-						-	3,351
Social claims and severance payments		-	-	-	-	-	-622	-	622	466
Other claims and risks		4,905	184	4,249	-1,598	-3,033	-	128	4,974	5,627
Provisions		**39,388**	**927**	**9,378**	**-6,894**	**-5,707**	**-**	**-390**	**42,075**	**48,273**

(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. 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 2012, the defined benefit obligations are composed of:

» Early retirement plans in Belgium	1, 521
» Local legal requirements (mainly France, Japan, Korea and Italy)	5, 184
» A small number of individual plans	297
Total	7,003

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

The restructuring plans, initiated in 2009, have all been finalized during 2011.

(e) Other claims and risks

This provision relates to disputes with suppliers and specific customer warranty disputes. Barco can not provide details on the specific cases, as this could cause considerable harm to Barco in the particular disputes.

19. 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 2012, 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 almost 1 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 15 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 reached in 2012 a level close to 65%, comparable to 2011.

» 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 6 million US dollar (4.5 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 effective portion of the hedging instrument is therefore recognized directly in comprehensive income under hedge accounting treatment. The fair value of the swap for its non-effective portion (notional amount is 9.4 million US dollar or 7.1 million euro equivalent) is recognized in the income statement (2012: 0.6 million euro).

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 2.3 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 2.3 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 2011, Barco continued to conclude 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	2012	2011	2010
	Carrying amount / Fair value (approx,)		
Financial assets			
Trade receivables	183,082	187,114	200,983
Other receivables	29,053	35,197	32,044
Loan and other receivables	28,198	35,157	31,754
Interest rate swap	-	0	4
Currency rate swap	855	40	287
Other non-current assets	18,041	19,134	17,339
Cash and short-term deposits	122,139	79,165	46,041
Total	**352,315**	**320,610**	**296,407**
Financial liabilities			
Financial debts	15,453	18,492	15,317
Floating rate borrowings	5,730	8,605	14,302
Fixed rate borrowings	9,723	9,887	1,015
Other debts	10,161	8,117	13,288
Short-term debts	1,302	6,593	24,039
Trade payables	127,528	110,791	125,353
Dividends payable	2,121	2,946	2,142
Interest rate swap	17	1,843	1,134
Other liabilities	8,241	8,045	6,522
Total	**164,823**	**156,825**	**187,794**

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 into account for the expected losses of these receivables. As at 31 December 2012, 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 2012, the effective interest rate is not materially different from the nominal interest rate of the financial obligation.
- 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 2012, the Group held the following financial instruments measured at fair value:

IN THOUSANDS OF EURO	2012	2011	2010
Assets measured at fair value			
Financial assets at fair value through profit or loss			
Foreign exchange contracts - non-hedged	140	467	327
Interest rate swap	-	-	4
Financial assets at fair value through equity			
Foreign exchange contracts - hedged	-	-	-
Liabilities measured at fair value			
Financial liabilities at fair value through profit or loss			
Foreign exchange contracts - non-hedged	784	428	56
Interest rate swap	690	317	157
Financial liabilities at fair value through equity			
Foreign exchange contracts - hedged	-	-	-
Interest rate swap	1,162	1,526	977

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 2012, 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 following data:

IN THOUSANDS OF EURO	2012	2011	2010
Net financial cash / (debt)	111,166	61,635	8,857
Equity	538,050	460,703	395,591
% Net financial cash (debt) / Equity	20.7%	13.4%	2.2%

IN THOUSANDS OF EURO	2012	2011	2010
Equity	538,050	460,703	395,591
Total equity and liabilities	921,879	814,567	754,699
% Equity / Total equity and liabilities	58.4%	56.6%	52.4%

Barco had in 2012 a year of very strong cash flow generation, which has lead to a net cash position of 111.2 million euro per 31 December 2012 compared to 61.6 million euro as per end of 2011, even after the acquisitions done during 2012 (see 1.2). Thanks to the continued profitable growth, the solvency position and other current ratios further improved, thereby consolidating at very healthy levels.

Together with the enlarged committed credit facilities concluded per end of 2011, management considers that it has secured a very healthy liquidity profile and strong capital base for the further development of the group.

20. OPERATING LEASES

IN THOUSANDS OF EURO	2012	2011	2010
Non-cancellable operating leases are payable as follows:			
Less than one year	6,282	5,850	4,775
Between one and five years	10,320	7,209	8,808
More than five years	4,774	-	883
Total	**21,376**	**13,059**	**14,466**

Non-cancellable operating leases mainly relate to leases of factory facilities, warehouses and sales offices. During the current year, the total rent expenses recognized in the income statement amounted to 13.9 million euro, whereof 8 million euro relating to rent of buildings.

21. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

IN THOUSANDS OF EURO		2012	2011	2010
Guarantees given to third parties	(a)	11,566	19,303	23,351
Mortgage obligations given as security	(b)			
» book value of the relevant assets		3,001	3,600	3,819
» total of the mortgage		8,345	9,629	9,400
Buy back obligations	(c)	7,673	10,258	11,300

(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) The outstanding debts guaranteed by the mortgage obligations amount to 4.5 million euro per 31 December 2012.

(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 has decreased to 7.7 million euro (10.3 million euro in 2011 and 11.3 million euro in 2010).

22. 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 87 of the annual report.

23. 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 2012 acquisition relates to the IPVS and JAOtech business combinations. The 2011 acquisition fully relates to the Cinestore asset deal. 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.

IN THOUSANDS OF EURO	ACQUISITIONS			DISPOSALS		
	2012	2011	2010	2012	2011	2010
Non-current assets	**5,733**	**5,690**	**12,021**	**-**	**-**	**-**
Capitalized development cost	-	387	3,597	-	-	-
Customer list	-	-	5,000	-	-	-
Know-how	4,882	4,702	-	-	-	-
Tangible assets and other intangible assets	4	600	2,112	-	-	-
Deferred tax assets	846	-	1,299	-	-	-
Other non-current assets	-	-	13	-	-	-
Current assets	**9,603**	**2,859**	**21,848**	**-**	**-**	**-1,976**
Inventory	2,745	2,714	12,963	-	-	-
Trade debtors & other receivables	6,858	145	8,885	-	-1,992	-1,976
Non-current liabilities	**5,090**	**2,547**	**5,035**	**-**	**-**	**-**
Long-term debts, interest-bearing liabilities	4,000	-	-	-	-	-
Deferrred tax liabilities	164	-	1,991	-	3,452	-
Provisions	927	2,547	3,044	-	-	-
Current liabilities	**10,707**	**-2,672**	**11,615**	**-**	**-**	**-**
Trade payables	6,989	225	4,539	-	-	-
Other payables	3,718	-2,897	7,076	-	-	-
Net-identifiable assets and liabilities	**-461**	**8,673**	**17,218**	**-**	**-**	**-1,976**
Goodwill on acquisitions	**27,574**	**1,690**	**20,626**	**-**	**-**	**-**
Received / (paid) consideration	**-**	**-**	**-**	-	**-1,460**	**1,976**
Acquired cash	**882**	**-**	**382**	**-**	**-**	**-**
Purchase price	**27,994**	**10,363**	**38,227**	**-**	**-**	**-**

The total purchase price in 2012 relates to the acquisition of the IP Video Systems activities of 20 million USD and the JAOtech acquisition for an amount of 9.6 million euro upfront payment and current year's earn-out payment on the 2010 Fimi acquisition for an amount of 2.5 million euro.

The total purchase price in 2011, relates to the acquisition of the CineStore activities of 6.4 million euro and current year's earn-out payment on the 2010 Fimi acquisition for an amount of 2.9 million euro.

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 concerned earn-out amounts payable as of 2011.

The 2011 disposals relate to the remaining part of the sales price of the 2009 divestment of Barco's Advanced Visualization (AVIS) business, which was put in escrow and received in 2011, and the taxes paid in 2011 on the plus value realized on this sale. The 2010 disposal amount related to the first part of the escrow amount, which was released in 2010.

We refer to the Cash flow statement and note 1.2 on acquisitions.

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.

24. 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 2012

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 2012, 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 2012, 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 € 921,879 thousand and the consolidated statement of income shows a profit for the year, share of the Group, of € 94,241 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 2012 give a true and fair view of the Group's financial position as at 31 December 2012 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 additionalcomments, 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.

Gent, 4 February 2013

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Lieve Cornelis Partner	Jan De Luyck 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 2011 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	2012	2011	2010
Fixed assets	**762,327**	**706,089**	**667,750**
Intangible fixed assets	88,729	63,353	46,355
Tangible fixed assets	23,257	22,536	21,242
Financial fixed assets	637,292	606,238	588,162
Amounts receivable after more than one year	13,049	13,962	11,991
Current assets	**312,282**	**327,388**	**358,916**
Stocks and contracts in progress	113,002	133,222	133,329
Amounts receivable within one year	134,119	134,024	175,387
Investments (own shared)	45,845	45,845	45,845
Cash at bank and in hand	656	38	73
Deferred charges and accrued income	18,660	14,259	4,282
TOTAL ASSETS	**1,074,609**	**1,033,477**	**1,026,666**
Capital and reserves	**430,974**	**398,808**	**343,710**
Capital	54,632	54,532	54,169
Share premium account	135,425	134,381	131,151
Reserves	52,058	52,059	52,058
Accumulated profits	187,483	156,503	104,881
Investment grants	1,376	1,333	1,451
Provisions and deferred taxes	**15,737**	**19,656**	**24,412**
Provisions for liabilities and charges	15,737	19,656	24,412
Creditors	**627,898**	**615,013**	**658,544**
Amounts payable after more than one year	34,059	39,421	34,367
Amounts payable within one year	593,839	575,592	624,177
TOTAL LIABILITIES	**1,074,609**	**1,033,477**	**1,026,666**

The increase of the intangible fixed assets of 25 million euro in 2012 is mainly caused by 13.6 million euro extra capitalization of development expenses (net after amortizations), 5.4 million euro know-how purchased via the IPVS acquisition and 8.3 million euro relating to the purchase of SAP ERP-software. The know-how is amortized over five years in accordance with the underlying business plan. The capital expenditures related to the new SAP ERP-software are not yet depreciated as the project is still in the design phase of the global template and no roll-outs have been performed yet.

The financial fixed assets increase of 31 million euro in 2012 consists of the acquisition of the shares of JAOtech Ltd (10 million euro), the purchase of 61% of the shares of Projectiondesign (33 million euro) and the impairment of Barco AS (Denmark) (7.5 million euro) and JAOtech Ltd (7 million euro).

The liabilities mainly include intercompany debts (406 million euro), for the major part towards Barco Coordination Center NV.

INCOME STATEMENT

IN THOUSANDS OF EURO	2012	2011	2010
Sales	745,103	654,512	567,124
Operating income/(loss)	43,681	47,072	28,705
Financial result	-3,710	-5,166	-4,670
Extra-ordinary result	-14,345	12,358	77,834
Income taxes	5,354	9,839	-3
Profit/(loss) for the year	**30,980**	**64,103**	**101,866**

PROPOSED APPROPRIATION OF BARCO NV RESULT

IN THOUSANDS OF EURO	2012	2011	2010
Profit/(loss) for the year for appropriation	30,980	64,103	101,866
Profit brought forward	156,503	104,881	15,685
Profit to be appropriated	**187,483**	**168,984**	**117,551**
Profit to be carried forward	187,483	156,503	104,881
Gross dividends	0	12,481	12,670
Total	**187,483**	**168,984**	**117,551**

Barco NV sales in 2012 amounts to 745 million euro, which is 14% higher than in 2011 and 31% higher than the sales realized in 2010. In 2012, the performance of the Entertainment and Healthcare division are the main drivers for the sales and operating income.
The operating income decreased by 7% in 2012 to 43 million euro, compared to an operating income of 47 million euro in 2011.

The financial results increased mainly due to the lower interest expenses incurred in 2012.

The extra-ordinary charges in 2012 relate to the impairment on the investment in Barco AS (Denmark) for an amount of 7.5 million euro and on the investment in JAOtech Ltd for an amount of 7 million euro. The impairment on the investment of JAOtech Ltd is caused by the restructuring of the business activities from JAOtech Ltd to Barco NV. The business of JAOtech Ltd has been transferred to Barco NV as part of the integration plan.

The extraordinary income in 2011 related to additional gain (12.5 million euro) realized on the intercompany sale of shares of Barco Integrated Solutions NV to Barco Coordination Center NV, which happened in 2010 and on which an extra-ordinary income of 81 million euro was realized at that time. 2010 extraordinary result also included an impairment on the investment in Barco Denmark for 3 million euro.

The profit on Income Taxes of + 5.3 million euro in 2012 and +9.8 million euro in 2011 is related to a tax credit on research and development expenses.

The Board of Directors of Barco NV proposed a gross dividend of 1.40 euro per share relating to the result as of 31 December 2012.

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