share

Annual report 2014

BARCO

Visibly yours

share

- sharing a past and a vision for the future
- sharing a set of core values
- sharing involvement in the world around us
- sharing engagement, inspiration and energy
- sharing information and insights
- sharing technologies
- sharing ambition, a strategy and objectives
- sharing ideas and experiences

...to create share(d) value

LETTER FROM THE CEO

To Our Shareholders, Customers, and Colleagues,

Whereas 2012 and 2013 were exceptional years in terms of profitable top- and bottom-line growth, 2014 will go into our history books as a year in which Barco had to digest some adjustments and returned -in the second half of the year- to more realistic and more sustainable results.

During the first six months of the year, a strong euro teamed up with declining demand for Digital Cinema projectors, rapid conversions to LCD solutions in our Control Rooms businesses, and strong competitive forces in our LED markets to produce a disappointing first semester. Alarmed by these new realities, and helped by more favorable currency markets, we implemented measures to lower our operating costs and launched new growth initiatives to produce more robust EBITDA contributions during the second half of our fiscal year.

Moreover, we decided to focus the company on fewer core markets in which we foster the ambition to establish and maintain global leadership positions. Therefore, we opted to divest from our Defense and Aerospace activities to create sufficient financial leverage to fund accelerated investments in Barco's Entertainment, Enterprise and Healthcare core markets.

Last but not least, we ran into some unexpected headwind in our China operations, with customs authorities investigating the import practices of the local channel partner, which temporarily stalled our ability to capitalize on growth opportunities, particularly in our control rooms markets.

Nevertheless, while dealing with these challenges, the company streamlined its organization to increase its focus on the core markets and advanced on a number of growth initiatives to position Barco for renewed profitable growth.

THEMES THAT SHAPED 2014

ENTERTAINMENT & CORPORATE

Despite anticipated declines in Digital Cinema, our Entertainment & Corporate Division performed much in line with expectations. Robust growth in the Corporate segment – at healthy levels of profitability – produced very solid contributions to offset the impact of declining revenues in Digital Cinema. Barco continued to lead in Cinema with more than 50% global capture rates. Moreover, CinemaBarco initiatives introduced revolutionary concepts to enhance the movie-going experience, including the Barco Escape format, interactive advertising as well as the new laser projector.

Our Venues & Hospitality businesses held their ground in both revenue and profitability, and Barco continued to lead in projector technology as well as in digital consoles for the management of events. Both of our Awind and projectiondesign® acquisitions delivered on their strategic promises and helped us to position Barco firmly in the enterprise market.

> "We will increase our focus on the core markets and advance on a number of growth initiatives."

INDUSTRIAL & GOVERNMENT

Although we shipped more video channels than ever before, our revenues in I&G continued to decline as LCD systems steadily replaced rear projection cubes at a much lower price point. In addition, substantial delays and several debookings in China caused revenues to suffer further. Cost-reduction measures have been implemented and our product offering is being rejuvenated to cope with new market realities. As a result, this division delivered much better profit contributions in the second half of the year as compared to the first.

HEALTHCARE

Barco's traditional healthcare business continued to perform in line with expectations as we continued to lead in the high-resolution visualization segments of radiology and mammography. The division delivered solid contributions during the second half of the year, and Barco's recent introduction of the Coronis Uniti™ display met with enthusiastic customer response.

Finally, Barco's solutions for the digital operating room also met with positive support from the industry, although conversion and adoption rates of the system were somewhat slower than anticipated. In 2015, we expect our digital OR team to continue to add customers, to advance its market share, and to deliver on our growth expectations.

DEFENSE & AEROSPACE

After years of struggling to deliver robust contributions, Barco's Defense & Aerospace teams finally delivered on their promises as the division won and shipped several large contracts in all segments: Air Traffic Control, Defense, Avionics and Training. Still, this division will clearly benefit from being part of a larger and more focused US parent, and we wish them lots of continued success in their future endeavors with Esterline.

LIVEDOTS

Confronted with lower cost alternatives from China, Barco's LiveDots Venture had to downsize its operations and began to transition into an outsourced business model for LED panels. To capture economies of scale, this activity is being repositioned into the larger Entertainment group.

KEY INITIATIVES TO DRIVE THE COMPANY INTO 2015 AND BEYOND

Barco has already embarked on several important strategic initiatives to generate profitable growth and to increase shareholder value in the years to come.

STRATEGIC FOCUS ON JUST THREE VERTICALS

Pursuant to the divestiture of Orthogon and Defense & Aerospace, Barco will regroup its global resources with an increased focus on just three core industries: Entertainment, Enterprise and Healthcare. Barco's considerable financial resources will be used primarily to fund growth initiatives in this core.

GEOGRAPHIC FRONTLINE & SALES EXCELLENCE

In addition to a sharper focus on its core divisions, the company will reinforce its geographical frontline with increased local empowerment and governance to drive sales excellence, greater efficiency and customer intimacy.

A NEW ADVENTURE

For our colleagues who are joining the Esterline Group, a new chapter in their professional careers takes off. A promising adventure with a market leader in the area of Aerospace and Defense awaits them. Nevertheless, it is with mixed feelings that we wave off 600 loyal Barco employees.

I sincerely wish these colleagues the very best in their new roles and thank them for their belief in and support of the business. And of course, this is not a goodbye: we will have plenty of opportunities for a 'hello' in the (virtual) corridors.

> "We will sharpen our focus to drive sales excellence, greater efficiency, and customer intimacy."

TECHNOLOGY AND NEW GROWTH PLATFORMS

X20 EXPECTED TO START TO FLOURISH

In mid-2014, Barco acquired Montreal-based X2O Media to add advanced networking and connectivity capabilities to its display and projection technologies. This acquisition added the ability to link any content from any media to any device and triggered concrete interest for future business in all of Barco's markets.

CLICKSHARE

With a spectacular increase in top-line contribution, Barco's ClickShare collaboration tool has set a new standard in meeting room collaboration and has become an important component in our corporate solution range. In only two years, our installed base has passed 30,000 installations worldwide, while certain regions are still in the early stages of opening up the channel network. With enhanced functionalities and an expansion of the solution portfolio in our plans, we believe the segment is poised to grow further in the future.

CINEMA & LASER

In 2014, Barco reconfirmed its leadership position in digital cinema with an installed base of more than 50,000 digital cinema projectors across the globe. Digital cinema will remain a flagship market for Barco, and we are committed to leveraging our installed base, expanding our offering in this market, and helping to raise the movie experience to new exciting levels.

Our first-generation products set a new standard for image quality in the cinema industry – and now the exhibitor community is thrilled about the brand-new generation of projectors illuminated by a laser light source. Laser will be a game-changer over the next decade and will become an important contributor to Barco's business in cinema.

Other initiatives, with promising growth potential, such as Barco Escape and lobby enchantment, have been introduced and showcased in 2014 and are expected to trigger more interest in 2015.

PUSHING THE BOUNDARIES IN THE HOSPITAL

Barco has strengthened its technological leadership in diagnostic imaging by introducing a 12 MP display system for both PACS and breast imaging. The system delivers unparalleled image quality and a unified workflow for more accurate and more effective diagnostic imaging. Moreover, Barco's unique IP-based Nexxis solution for the operating room has been equipped with more extended functionalities and registered clear and steady progress in signing up new global and local integrators.

NEW SHAREHOLDERS AND A NEW CHAIRMAN

2014 was also marked by the entry of a set of new value-oriented shareholders. Our long-standing reference shareholder GIMV (since 1987) sold its remaining 10% position to Van de Wiele NV. With Van De Wiele as new reference shareholder, and with the support of other large value-oriented shareholders, the company is well positioned to meet the challenges of tomorrow and to continue along its strategic roadmap.

At the end of the year, Mr. Charles Beauduin succeeded Mr. Herman Daems as chairman of Barco's Board of Directors. We wish to express special thanks to Herman. Under his chairmanship, the company refocused around core divisions – under the slogan "Barco, Visibly yours" – and enlarged its footprint. In consideration of these major contributions to the company, we are honored to appoint Herman Daems Honorary Chairman of Barco.

ONE CAMPUS

The construction works on the Barco campus progressed well in 2014, and we're on track to open our new headquarters by the end of 2015. The entire Barco community is looking forward to its new home and headquarters, where new ways of working are expected to lead to greater levels of creativity.

The one campus will centralize all of Barco's Kortrijk activities in a single innovative concept, triggering greater operational efficiency and delivering an attractive work environment in which we will be delighted to welcome customers, partners, students, investors ... the entire Barco family!

80 REMARKABLE YEARS OF CONTINUOUS INNOVATION AND TRANSFORMATION NOW MOVING BEYOND VISUALIZATION, INTO NETWORKING AND COLLABORATION

Barco's 80^{th} anniversary in 2014 celebrated a remarkable journey, evolving from radio to television to becoming an international market leader in the visualization industry.

Building on its distinguished 80-year history, Barco is looking with confidence to the future. The company has the right technologies, the right brand and market position, and the right DNA and values to succeed in its strategic objectives.

In line with our vision 'to provide best-in-class networked visualization solutions that enable customers to run their business more effectively', we have been preparing the company for the digital economy. Barco is growing beyond visualization into networking and collaboration.

Projection and display technologies will remain core elements of our business proposition, but they will be complemented with software-enabled solutions exploring new business models that augment the current CAPEX-based approach – adding cloud and multimedia technologies to our offering and moving from products to solutions and systems. We are committed to this course and to creating sustainable value and profitable growth with all of our businesses in the markets we serve.

By raising our dividend to €1.60 per share, we want to express our gratitude to our shareholders as we prepare the company to meet its objectives of delivering renewed growth and stronger profits.

Let me conclude by thanking all of you for following and supporting this great company – I wish you a bright, healthy and prosperous 2015!

Eric Van Zele
CEO

A SPECIAL THANK YOU TO FORMER CHAIRMAN HERMAN DAEMS

At the end of 2014, Mr. Herman Daems decided to step down as Director and Chairman of Barco. The Board nominated Mr. Charles Beauduin to succeed Mr. Daems as Chairman.

We wish to express special thanks to Herman Daems, who has been a Director and Chairman of the Board of Barco NV for 15 years. Under Herman's chairmanship, the company transitioned from a conglomerate of seven divisions and a turnover of €700 million (in 1999) to today's company of three divisions and more than €1 billion in sales. He was also one of the driving forces to refocus the company around core divisions – under the slogan "Barco, Visibly yours" – and to enlarge the company's footprint.

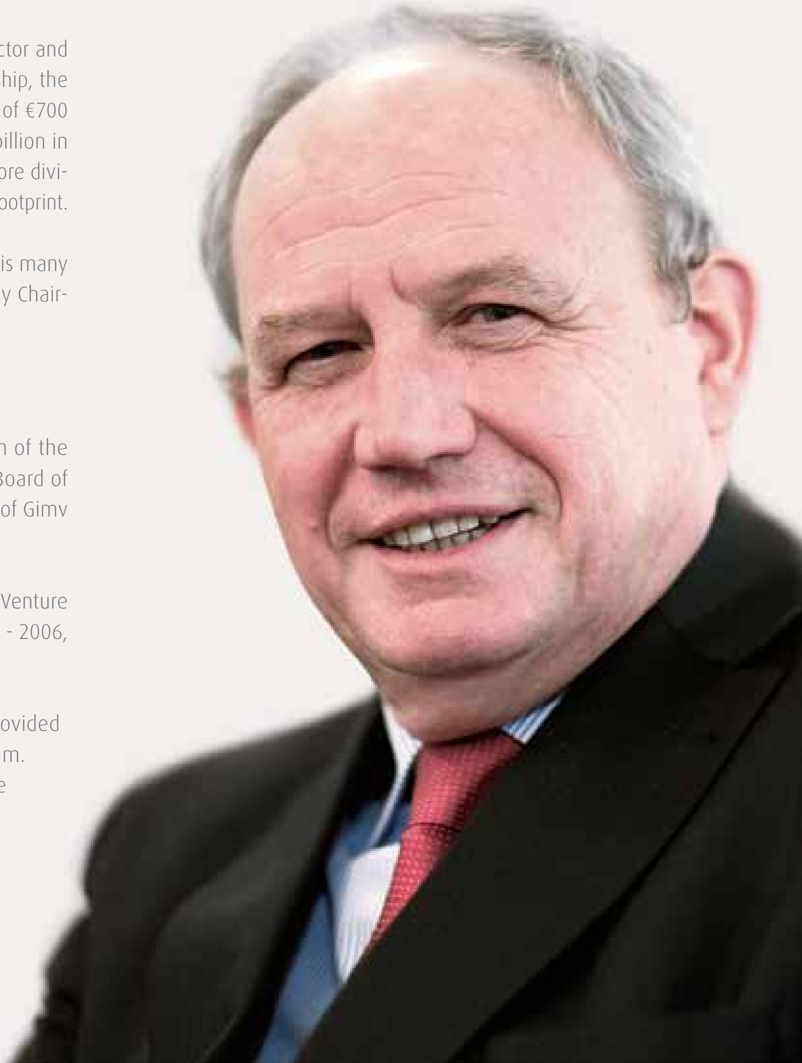
The company and the Board wish to express their greatest appreciation for his many years of service and are pleased to appoint Mr. Herman Daems as Honorary Chairman of Barco.

BIO HERMAN DAEMS (°1946)
Herman Daems is Chairman of the Board of BNP Paribas Fortis, Chairman of the Board of KU Leuven, and, until 31 December 2014, was Chairman of the Board of Barco. From May 1999 to June 2011, Mr. Daems was Chairman of the Board of Gimv (a publicly listed PE and VC firm on Euronext).

He was Chairman of EVCA – the European Association of Private Equity and Venture Capital – in 2004-2005, a member of EVCA's executive committee from 2002 - 2006, and Chairman of IPEV from 2005 to 2012.

He has chaired the Belgian Corporate Governance Committee which, as provided by law, sets the governance code for boards of listed companies in Belgium. Mr. Daems is also a member of the executive committee of the VBO/FEB, the Belgian employers association.

Mr. Daems made a career in academia, policy-making and consulting. He is an emeritus professor in the Faculty of Economics and Management at K.U. Leuven, Belgium.



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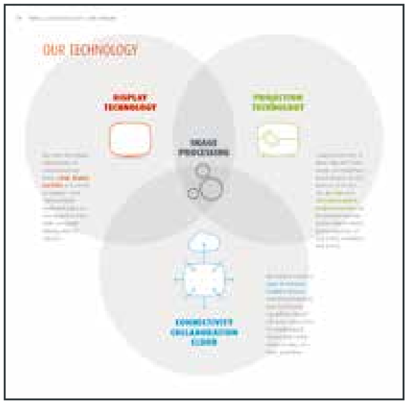

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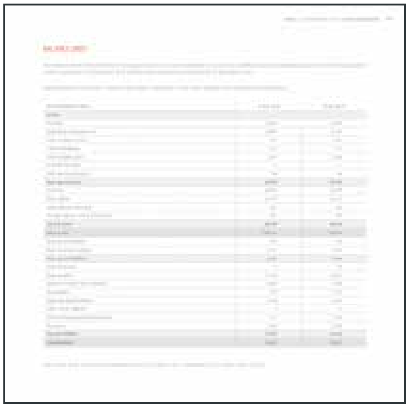

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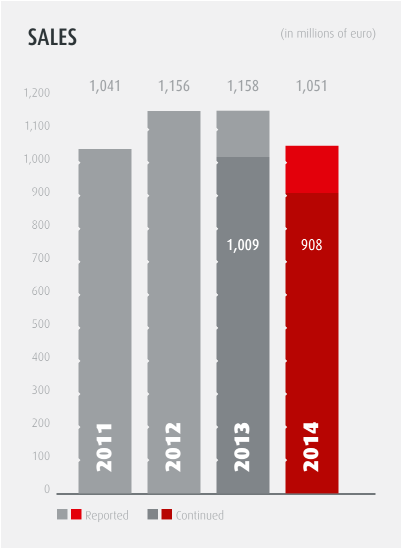
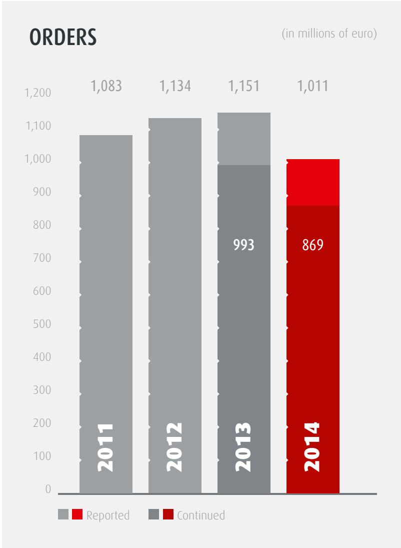
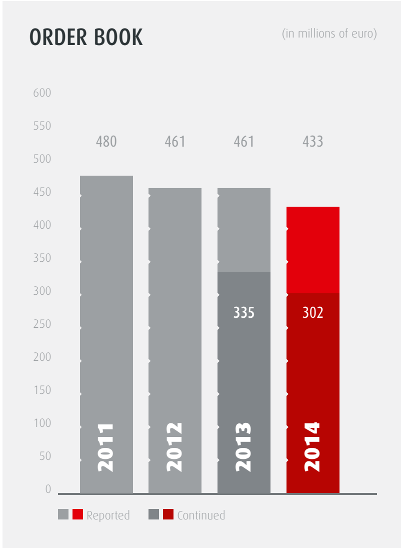
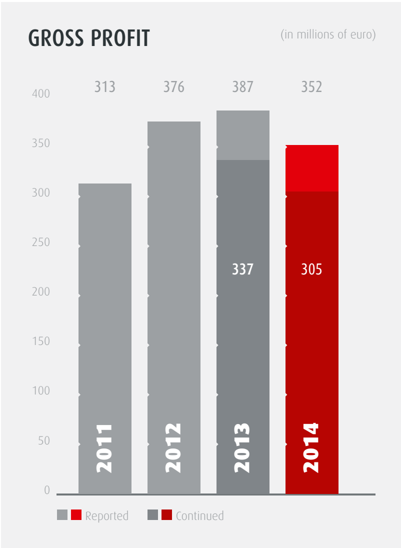
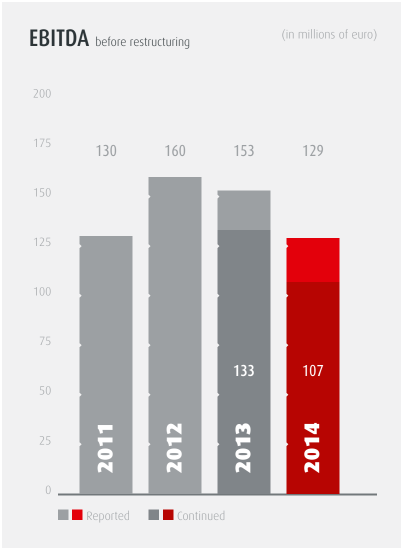
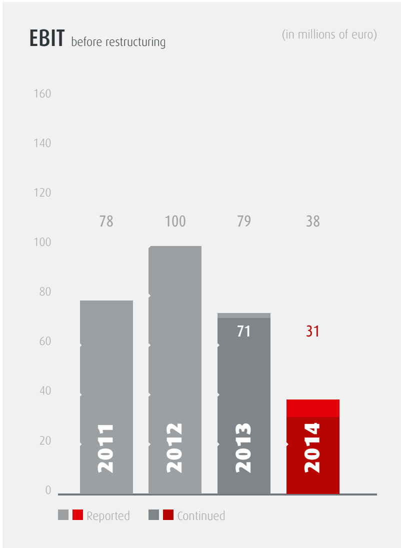

SALES
(in millions of euro)
1,041
1,156
1,158
1,051
1,009
908
2011
2012
2013
2014
Reported
Continued


ORDERS
(in millions of euro)
1,083
1,134
1,151
1,011
993
869
2011
2012
2013
2014
Reported
Continued


ORDER BOOK
(in millions of euro)
480
461
461
433
335
302
2011
2012
2013
2014
Reported
Continued


GROSS PROFIT
(in millions of euro)
313
376
387
352
337
305
2011
2012
2013
2014
Reported
Continued


EBITDA before restructuring
(in millions of euro)
130
160
153
129
133
107
2011
2012
2013
2014
Reported
Continued


EBIT before restructuring
(in millions of euro)
78
100
79
38
71
31
2011
2012
2013
2014
Reported
Continued

FINANCIAL HIGHLIGHTS

	REPORTED BUSINESS			CONTINUING BUSINESS	
(IN THOUSANDS OF EURO)	2014	2013	2012	2014	2013
Income statement					
Orders	**1,011,189**	1,150,470	1,133,781	**869,362**	993,402
Orderbook	**433,403**	460,856	461,157	**302,181**	334,533
Net sales	**1,050,959**	1,158,015	1,155,984	**908,368**	1,008,499
Gross profit	**351,472**	386,496	375,633	**304,709**	336,797
Gross Profit Margin	**33.4%**	33.4%	32.5%	**33.5%**	33.4%
EBITDA (1)	**128,559**	153,234	159,476	**107,386**	133,043
EBITDA margin	**12.2%**	13.2%	13.8%	**11.8%**	13.2%
EBIT (1)	**38,229**	79,024	100,238	**30,882**	70,596
EBIT Margin	**3.6%**	6.8%	8.7%	**3.4%**	7.0%
Net Income	**27,790**	59,403	94,241	**21,696**	56,383
Net Income Margin	**2.6%**	5.1%	8.2%	**2.4%**	5.6%
EPS (in euro)	**1.96**	4.68	7.84	**1.46**	4.43
Diluted EPS	**1.92**	4.53	7.50	**1.43**	4.29

(1) EBIT and EBITDA before restructuring

		REPORTED BUSINESS		
(IN THOUSANDS OF EURO)		2014	2013	2012
Share data				
Gross dividend		**1.60**	1.50	1.40
Net Dividend		**1.20**	1.13	1.05
Gross dividend yield	(a)	**2.75%**	2.60%	2.60%
Yearly return	(b)	**5.4%**	6.6%	44.2%
Pay-out ratio	(c)	**74.8%**	34.1%	19.0%
Price/earnings ratio	(d)	**29.7**	11.7	7.0

(a) Gross dividend / closing rate on 31 December
(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

	REPORTED BUSINESS			CONTINUING BUSINESS	
(IN THOUSANDS OF EURO)	2014	2013	2012	2014	2013
Balance sheet & Cash flow					
Equity	**594,561**	579,366	538,050	**594,561**	579,366
Balance Sheet Total	**1,075,385**	1,047,822	921,879	**1,075,384**	1,047,822
Free cash flow	**10,115**	70,172	121,577	**1,201**	60,168
Net financial cash/(debt)	**63,403**	104,435	111,166	**63,403**	104,479
Operating capital employed	**362,559**	466,653	389,569	**299,014**	252,071
Net working capital	**92,512**	54,782	95,425	**44,437**	2,843
Personnel on 31 December (2)	**3,836**	3,979	3,727	**3,245**	3,379

(2) Personnel numbers for the Continued Business are approximate numbers

	REPORTED BUSINESS			CONTINUING BUSINESS	
(IN THOUSANDS OF EURO)	2014	2013	2012	2014	2013
Ratios					
DSO	**63**	52	48	**62**	50
Inventory Turns	**2.7**	3.2	3.1	**2.9**	3.7
DPO	**63**	52	57	**63**	54
ROCE	**6%**	15%	24%	**6%**	16%

(IN EURO)	2014	2013	2012
Share data			
Average closing price	**56.19**	59.96	48.64
Highest closing price	**59.39**	69.95	58.75
Lowest closing price	**52.01**	52.58	36.52
Closing price on 31 December	**58.24**	56.70	54.5
Average number of shares traded daily (e)	**31,962**	29,213	30,830
Stock market capitalization on 31 December (in millions)	**756.5**	736.5	695.3
Number of shares (in thousands)	**12,988**	12,989	12,757

e) 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 84% of these trades were registered on NYSE Euronext and 16% on the alternative platforms combined.

30 JANUARY

Introducing immersive video wall for big data collaboration

X2O | media

19 MARCH

Acquisition of enterprise communication specialist X2O Media

25 MARCH

OBLX wins Red Dot Award 2014

MILESTONES 2014

9 JUNE

Van de Wiele acquires stake in Barco from Gimv

16 JUNE

Launch of Instant VideoWall

19 JUNE

+20,000 ClickShares installed

22 JULY

Our annual report lands bronze at the Vision Awards 2013 and is nominated for the German Design Award

1 AUGUST

Orthogon business sold to Exelis

12 SEPTEMBER

BARCO TURNS 80

16 SEPTEMBER

We are now a founding member of the International 3D & Advanced Imaging Society

19 SEPTEMBER

The Maze Runner: the first movie in Barco Escape

IOSONO
the future of spatial audio

24 SEPTEMBER

Joining forces with 3D audio expert IOSONO

Esterline
Featuring former BARCO products

29 SEPTEMBER

Barco reaches agreement with Esterline to sell Defense & Aerospace division

Debut of new Present-C business projectors

16 OCTOBER

Redefining the reading room with revolutionary Coronis Uniti™ display

12 NOVEMBER

First to bring 4K imaging to the digital operating room

24 NOVEMBER

Defining a color calibration standard for medical displays

17 DECEMBER

Kinepolis Group goes live with Barco's unique laser projection

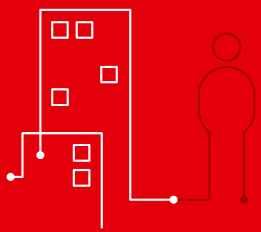
31 DECEMBER

NEW CHAIRMAN

Charles Beauduin succeeds Herman Daems as Chairman

OUR COMPANY

Company profile



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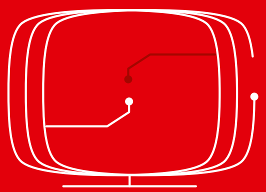
Our technology



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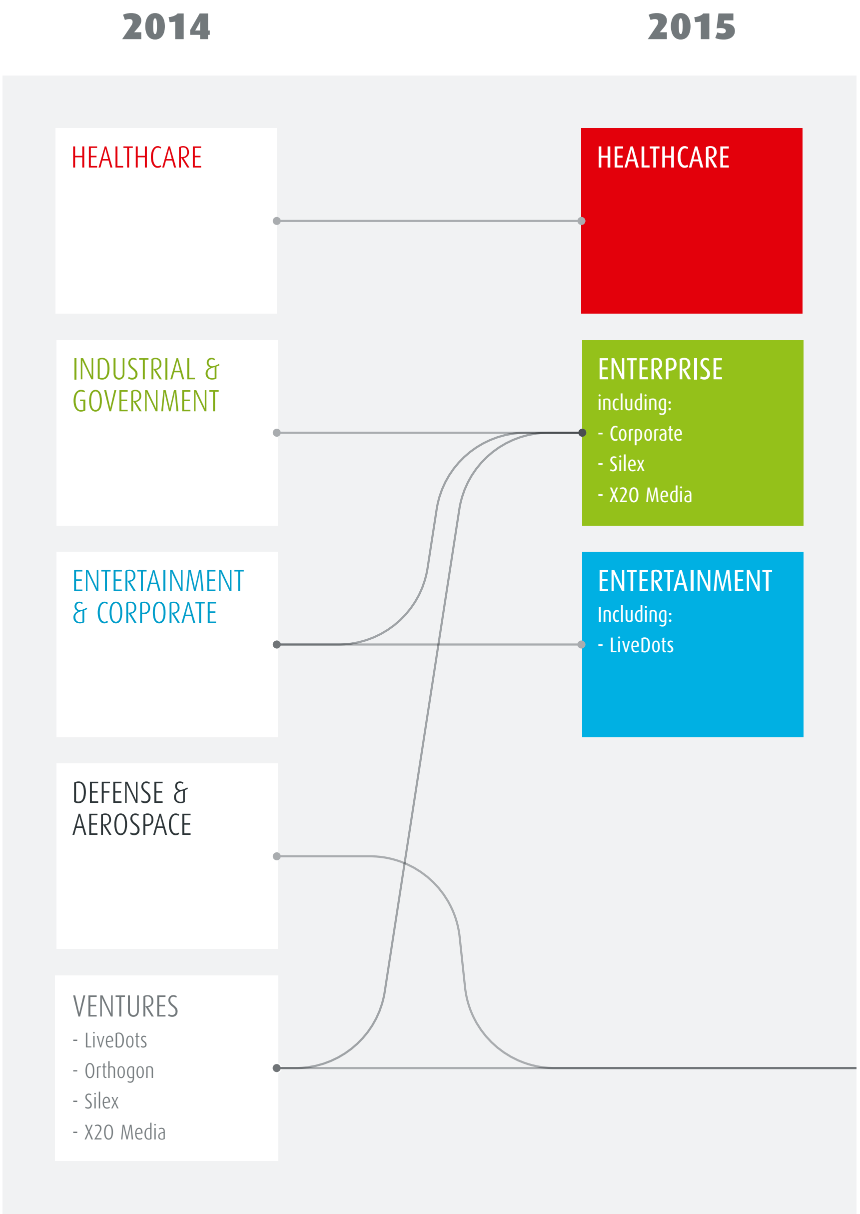
COMPANY PROFILE

Effective 1 January 2015, Barco took steps to sharpen its focus on markets by promoting the product and solution portfolios of all businesses and cross-selling throughout the company. To emphasize our market focus, the Entertainment & Corporate and Industrial & Government divisions have been reorganized, and the Ventures have been integrated into the core:

» Barco's Industrial & Government division is now called Enterprise and includes the Corporate business as well aw the Silex and X20 Media ventures.

» Entertainment & Corporate is now called the Entertainment division, including LiveDots.

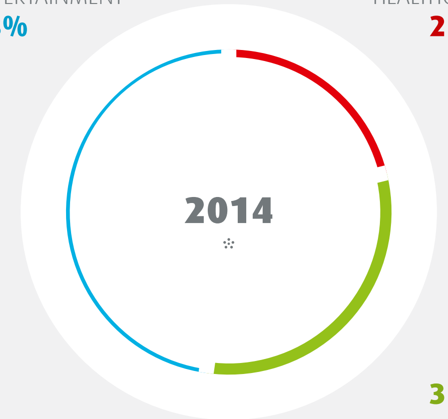
» Barco's Defense & Aerospace portfolio, including its integrated visual systems for the Training markets, has been sold to Esterline. Its Orthogon Venture has been sold to Exelis.



SALES PER DIVISION

ENTERTAINMENT
48%

HEALTHCARE
21%



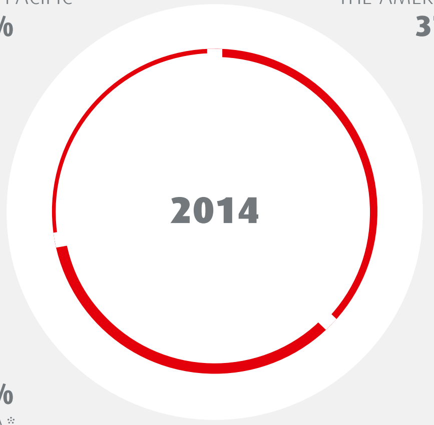
31%
ENTERPRISE

* Approximate percentages based on sales 2014

GEOGRAPHICAL BREAKDOWN OF SALES

ASIA-PACIFIC
28%

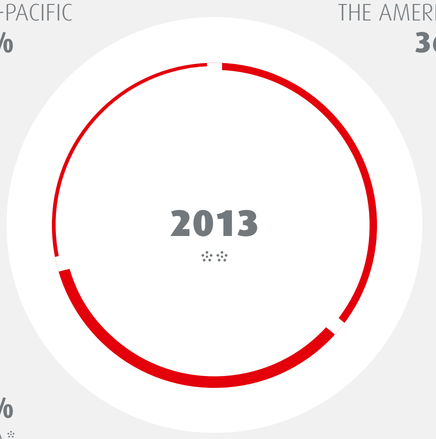
THE AMERICAS
37%



35%
EMEA*

ASIA-PACIFIC
29%

THE AMERICAS
36%



35%
EMEA*

* Europe, Middle East, Africa
** This is the sales distribution by region for the continuing business (excluding Defense & Aerospace)

GEOGRAPHICAL FOOTPRINT

R&D AND/OR MANUFACTURING FACILITIES

» Belgium
» Canada (X2O)
» China
» France
» Germany
» India
» Italy
» Norway
» Taiwan (Awind)
» United States

SITES

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

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

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

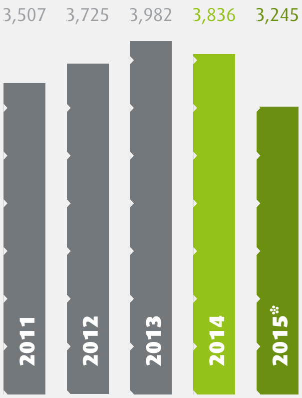
OUR MAIN BUSINESS AREAS

Entertainment
· Cinema
· Venues & Hospitality

Enterprise
· Meeting rooms
· Control rooms

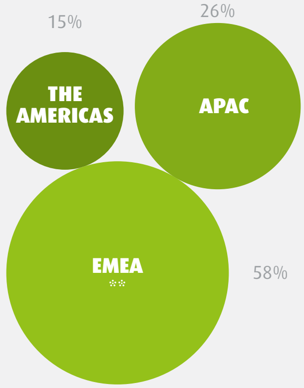
Healthcare
· Diagnostic Imaging
· Operating room

NUMBER OF EMPLOYEES



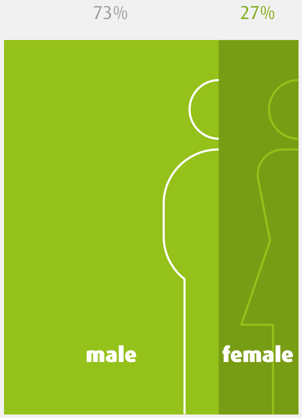
* situation on 2 February 2015

GEOGRAPHICAL DISTRIBUTION



** Europe, Middle East, Africa

EMPLOYEES BY GENDER



EMPLOYEES PER FUNCTIONAL GROUP

OUR TECHNOLOGY

DISPLAY TECHNOLOGY

We meet the highest requirements in visualization and bring a **wide display portfolio** to a variety of markets – from high-resolution medical displays, to rear-projection video walls, to tiled LCD and LED solutions.

PROJECTION TECHNOLOGY

Featuring one-chip or three-chip DLP® technology and brightness levels of up to 60,000 lumens, in 2D and 3D, our **high-end and mid-segment projector models** can be used for meeting rooms, digital cinema, post-production, virtual reality, simulation and events.

IMAGE PROCESSING

CONNECTIVITY COLLABORATION CLOUD

We bring to market a **suite of software-enabled systems**, including networking and cloud-based capabilities. Result? All-round connectivity for uninterrupted, shared, and mobile access to data, anytime, anywhere.

OUR VALUES

WE LEAD BY INNOVATION

A chat with Paul Matthijs, SVP China & Corporate Technology

For over 80 years, innovation and agility have been the cornerstones of growth at Barco. Yet in today's fast-paced, pressure-packed business climate, it may even be more crucial to embrace innovation than in the early Barco years. How does Barco put innovation into practice? Paul Matthijs explains that fostering entrepreneurship, making room for small-scale incubators and open innovation through partnerships are three keys to leading by innovation.

"To speed up the market launch of complex, advanced products, you need the predictable processes and risk management that are characteristic of large companies. At Barco, we classify these under the term NPI (New Product Introduction). However, a plethora of rules and processes may suffocate out-of-the-box ideas long before they get a chance to bear fruit," says Paul. In other words, large companies like Barco must combine initiatives that spark innovation with solid processes to support development and transform embryonic ideas into groundbreaking, new products.

> "For technology-driven companies like Barco, it's key to innovate. We invest generously in R&D to fuel the innovation pipeline at all times."

The Incubator way

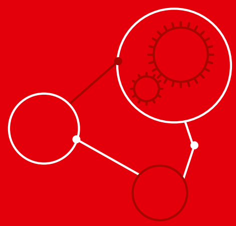
"A first requisite to achieve that objective, is to respect, cherish and encourage entrepreneurship," Paul continues. "As that's where it all starts: employees who are bitten by the bug of technology and innovation and want to convert their ideas into new solutions." Barco offers the opportunity to explore, research and develop new ideas by trial and error in technology or business 'incubators'. Paul: "Incubators are small start-ups that break out of the traditional mold to develop new solutions. What counts for them are milestones; not cash flow and immediate profits." ClickShare, for example, is the achievement of such an incubator. Once a prototype, it is now a revolutionary product that really changes the dynamics of meetings.

Open innovation

Paul further highlights the importance of open innovation: "What we need, is a framework for collaboration with universities and independent researchers, technology partners or even customers and suppliers. We are currently thinking of supporting third-party innovation initiatives that encourage talented individuals to share ideas with us, which we could help realize. Of course, it's easiest to cherish innovation in good times," he concludes. "Yet for technology-driven companies like Barco, it's especially dangerous not to innovate in challenging times. We therefore do our utmost to invest generously in R&D in order to fuel the innovation pipeline at all times."

OUR STRATEGY

Our strategy



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Our objectives 2014

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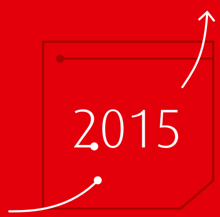
Strategy 2015 and beyond



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OUR STRATEGY

OUR AMBITION

Our ambition is to be a global leader in collaborative visualization systems for professional use by offering best-in-class, networked visualization solutions that help our customers run their businesses more effectively.

OUR STRATEGY

In order to realize our ambition, we have worked hard, over the past few years, **to consolidate our global leadership** (2011-2012) and **gear up for growth in networked visualization** (2013-2014). Thanks to these efforts, Barco now has a strong foundation for further growth.

We are a **technology** and a **market leader**, with a **strong brand** and a **global presence**. Our continued focus on **operational excellence**, our **solid financials** and our **people** add to our leadership, thus providing us with an excellent competitive position.

Based on these **core assets**, we can take it one step further. We have decided to divest from Defense & Aerospace to sharpen our focus on three core activities. We have aligned our organizational structure to take the strategy to the next level and will also use the proceeds of the divestment to drive the growth of the company and to **strengthen our global leadership positions in the three target markets:** Entertainment, Enterprise, and Healthcare.

OUR CORE ASSETS

PEOPLE

OPERATIONAL EXCELLENCE

GLOBAL PRESENCE

2011-2012

Consolidate global leadership

2013-2014

Gear up for growth in networked visualization global leadership

2015-2017

Strengthen global leadership by investing in three target markets

STRONG BRAND

TECHNOLOGY LEADERSHIP

SOLID FINANCIALS

LEADERSHIP IN CORE MARKETS

OUR OBJECTIVES 2014

Our growth strategy is deployed on three domains: **capabilities**, **markets** and **geographies**. To support these three strategic axes, we create value by a continued focus on **operational** excellence.

For each of the domains, we set forth a series of objectives in 2012 and 2013 and defined our progress, as we did for 2014 too.

	GENERAL OBJECTIVES	KEY OBJECTIVES 2014
CAPABILITIES	· Lead in technological innovation on the visualization core · Expand visualization product portfolio with software-enabled systems, including networking, collaboration and services · Include cloud-based as well as premise-based solutions in the portfolio	· Strengthen our leadership in the visualization core with solid-state illumination solutions · Focus on corporate AV opportunities · Extend the ClickShare channel network worldwide, add strategic partners and double the installed base
MARKETS	· Sustain and reinforce leadership position in Entertainment, Enterprise and Healthcare markets · Expand into the mid-range segment of our focus markets · Extend our offer to include connectivity (networking) and interactivity (collaboration) · Expand to volume markets to increase scalability and competitiveneess	· Defend leadership position in Barco's core markets and expand the share of wallet · Grow channel sales worldwide and expand the number of strategic partnerships · Continue to expand the mid-segment product offering in all divisions
GEOGRAPHIES	· Consolidate leadership position in traditional markets in Western Europe and the US · Increase revenue from growth markets by continued focus on BRIC and emerging countries	· Increase our installed base in the emerging markets – China, Russia, Middle East and Latin America
OPERATIONS	· Focus on operational excellence throughout the company · Strengthen the company's global position through an optimized organization	· Continue to build 'factory of the future' capabilities with an increased focus on economically, socially and ecologically sustainable solutions · Continue with cost-reduction program across the board

PROGRESS	HIGHLIGHTS
	· Launch of our laser-illuminated projectors and Coronis Uniti™
	· Completion of the Corporate Projector range · Development of the corporate channel program "Connect" in Western Europe and North America
	· Breakthrough of ClickShare in the corporate world with over 30,000 installations worldwide · Launch of the ClickShare solution in Latin America and in China
	· Leadership in Entertainment with a 50% capture rate in Digital Cinema · Leadership in Healthcare with a 40% market leadership in diagnostic imaging and reconfirming our leadership position with the launch of the new Coronis Uniti™ display
	· Roll-out of Barco's "Connect" program outside Western Europe in North America, Latin America and the Middle East
	· Launch of clinical review displays in Healthcare, Barco Alchemy, low-cost projectors for meeting rooms and rental and staging
	· Strong capture rate in Entertainment in the emerging regions with wins for digital cinema in China, India and Latin America. · Started manufacturing modality displays for the domestic market in China
	· Good progress made on Barco's new campus to host all Belgian activities · Increased design of platform-based products to increase flexibility, modularity and competitiveness of product portfolio · Progress on a green supply chain with supplier sustainability program
	· Gross profit margin remained stable and healthy despite a declining topline · Cost reduction programs in LiveDots, Healthcare and Industrial & Government started to yield better results in 2H14

STRATEGY 2015 AND BEYOND

CORPORATE STRATEGY

TO DRIVE OUR GROWTH TOWARDS 2017 AND BEYOND, WE HAVE REFINED OUR STRATEGY:

Barco will strengthen its global leadership **by investing in the target markets: Entertainment, Enterprise and Healthcare**. For each of the markets, our strategy will focus on the **'base business'** where our current business activities are providing strong fundaments for our future.

Yet we also want to step up our strategy to include **growth initiatives** and grasp new or adjacent opportunities in Barco's core markets focused on key customer needs. These initiatives will help grow sales and boost profit in the years to come.

The proceeds of the divestment we made in 2014 (Defense and Aerospace division) will be invested into **these growth initiatives** and into selected **mergers and acquisitions**. Our acquisition efforts will focus on opportunities that add substantial value to Barco, i.e. that help us grow sales and profitability and support the roll-out of our growth initiatives by providing expertise and/or assets which complement the Barco competencies and assets.

	STRATEGY
ENTERTAINMENT	Invest to strengthen global leadership position and generate future profitable growth by leveraging the install base and launching growth initiatives
ENTERPRISE	Drive innovation in the video wall and corporate markets, gradually build new growth platforms for the next decade and target the corporate unified communications and collaboration markets
HEALTHCARE	Leverage existing business, while growing digital operating room solutions worldwide and repositioning interactive patient care, and explore further geographical growth

"Barco will regroup its global resources with an increased focus on just three core industries: Entertainment, Enterprise and Healthcare. Barco's considerable financial resources will be used primarily to fund growth initiatives in this core."

Eric Van Zele, CEO

KEY OBJECTIVES BY SEGMENT

CINEMA
- Leverage the install base in Cinema, with an increased service portfolio and with new initiatives which enhance and transform the cinema going experience
- Continue to lead in Cinema, capturing the ongoing opportunities in the emerging markets such as China, India and Latin America, including e-cinema and rural cinema opportunities
- Strengthen Barco's leadership position in laser and add more reference customers and installations while extending the product offering

VENUES AND HOSPITALITY
- Continue to grow and increase market share in the Rental & Staging domain with an increased level of product differentiation including new high-brightness projectors and image processing solutions
- Grow Barco's large venue fixed installations market position
- Strengthen the Venues & Hospitality value proposition by integrating Barco's advanced networking solutions and LED solutions

CONTROL ROOMS
- Turn around existing control room activities to increase profitability
- Drive innovation for video walls with next-generation LCD solutions and high-brightness rear projection
- Build new platform for connectivity and collaboration in the control room segment
- Explore synergies in the corporate meeting room and control room market

CORPORATE
- Continue to invest in the channel network model targeting the corporate market
- Continue to innovate Barco's corporate projector portfolio, including solid-state illumination solutions and networked capabilities
- Expand portfolio of meeting room solutions, develop platform for unified collaboration based on X20's capabilities, and launch next-generation ClickShare to further expand into the wireless collaboration domain

DIAGNOSTIC IMAGING
- Reinforce and leverage leadership position in diagnostic imaging and tap into the Coronis Uniti™ display potential
- Increase the profitability in our healthcare markets
- Develop the modality business in emerging markets and in China for the domestic market with local production

SURGICAL & PATIENT CARE
- Expand the opportunity space of Nexxis with enhanced 4K capabilities, creating additional inroads to cathlabs and endoscopy applications
- Further grow the digital operating room footprint worldwide by teaming up with global and local integrators
- Relaunch Interactive Patient Care solution

ESU command center in Colombia testifies on the value of Barco's networked visualization solutions in their control and crisis rooms.

yammer.com/barco

Barco Company Presentation May 2014

by Barco in Technology

SlideShare.net/Barconv

Connect • Share • Grow

facebook.com/barco

29,142

the Barco LinkedIn page reached 29,000+ likes

INTERVIEW

"In Silicon Valley, we could have easily raised EUR 100 million in an IPO for ClickShare, our wireless presentation system."

Eric Van Zele, CEO of the visualization group since 2009

http://www.tijd.be/ondernemen/technologie

Today is a special day for us #Barconians: we are celebrating 80 years of constant #innovation. Happy Birthday @Barco!

twitter @barco

OUR VALUES

WE TRUST EACH OTHER

A chat with Dave Scott, General Manager at Esterline

“They’re exactly the same as we are,” that was Dave Scott’s first thought when he left the exploratory meeting with aerospace and defense expert Esterline in early 2014. Ten months later, Esterline acquired Barco’s Defense & Aerospace division. Dave, General Manager of the division, explains how Esterline’s corporate culture played a key role in Barco’s decision to join forces: “Sharing the same values inspired mutual trust, which was a solid foundation for our negotiations.”

“For some time, we had been looking for a ‘new Parent’ for our D&A division, so that Barco could concentrate on its core businesses,” Dave recalls. “Our first requisite was to find a company with more D&A focus than Barco. Five companies met that criterion, yet Esterline stood out as they were the only one with a corporate culture similar to ours. Sharing the same values made it easy to respect and trust each other during the negotiations. After all, you can’t document every word you say during meetings. That’s where trust has to prevail. Our many open, honest discussions resulted in an agreement that everyone feels comfortable, even happy with.”

Sustaining trust

The moment the purchase agreement was signed, Dave updated his team about the changes: “Esterline knew that Barco had been looking into acquisition opportunities for quite a while already and that a deal was imminent. However, we had to remain discrete until the deal was formally struck, in spite of our commitment to openness. Throughout those months of uncertainty and hear-say, Barco did its best to sustain the trust of the team. We tried to make them feel involved and ‘in-the-know’ by sharing the little information we could and, most importantly, by reassuring that we’d take care of their future.”

> “You can’t document every word you say during the negotiations. That’s where trust has to prevail.”

Walk the talk

Customers, too, have been well informed about the Esterline acquisition so that they don’t lose confidence in their trusted Defense and Aerospace supplier. “We feel confident that this merger is built on very solid foundations. Now that the first commitments have been made, it’s up to the management team to lead the way and walk the talk, thus consolidating the trust that is crucial to make this story a success,” Dave concludes.

OUR ACTIVITIES

Sharing experiences

ENTERTAINMENT
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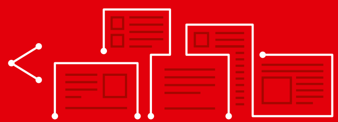
Sharing information & ideas



ENTERPRISE
page 50

Sharing insights

HEALTHCARE
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SHARING A PAST ...

At the end of 1933, Jules and Lucien De Puydt, father and son, founded the Belgian American Radio Corporation (Barco). Their mission: to purchase, manufacture and sell all types of electrical and radio equipment and associated items. ‘The family’s indispensable friend,’ as Lucien called the radio in the first advertisements, found its way into countless households. 15 years later, Barco was the first Belgian company to introduce prototype televisions...

1948

ENTERTAINMENT

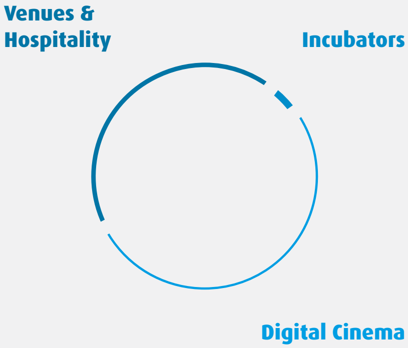
... AND A FUTURE

De Puydt's passion for innovative technology and entertainment never faded. Today, Barco develops projectors so bright that they wow audiences at the world's biggest events, in prestigious concert halls and museums and at the most exciting amusement parks. And we are definitely setting the tone in the world of cinema. Thanks to our CinemaBarco approach – including laser-illuminated projectors, Barco Escape, immersive sound, interactive advertising, etc. - we help cinemas create the ultimate movie-going experience.

2014...

"Our unique blend of capabilities and experience puts us well ahead of the competition, all around the world."

Wim Buyens,
General Manager
Entertainment & Corporate



* approximate distribution based on sales 2014

Proud and enthusiastic: that is how Wim Buyens, General Manager of the Entertainment & Corporate divisions, looks back upon fiscal 2014. And he's full of ambition for the future: "2014 has been a year of milestones. A year in which we put ourselves firmly on the map as a thought leader that is constantly looking for new ways to redefine the concept of entertainment. The door is wide open now for yet more exciting developments."

Cinema has been a booming business for Barco, yet the number of screens that still need to convert to digital is shrinking fast?
The switch to digital is indeed nearing end of game, as we had expected. This did not, however, impact our business: in 2014 we managed to further raise our capture rate from 54% to 57%. That growth is partly due to sales in emerging countries. We shipped 500 digital cinema projectors to Brazil, which started catching up with digital in 2014. In addition, many new cinemas – both multiplex cinemas and smaller ones in rural areas – are being built in China. The professional organization we

BRINGING TECHNOLOGY AND VISION TOGETHER TO CREATE A TRUE ENTERTAINMENT HUB

have in place there greatly helps us to serve the local market. Also key to last year's success were the investments of the big cinema chains. We can provide them with the solutions they need to offer customers an experience that is miles ahead of the one they can have at home.

Such solutions include more than digital cinema projectors?
Absolutely. For years now, we've been working hard to strengthen our position in the digital cinema projector market. With an installed base of over 50,000 projectors, we are the clear market leader. That means it's time to move onto the next stage.

Which is CinemaBarco?
Indeed, CinemaBarco, the concept that we launched at CinemaCon, adds a whole new dimension to our solution portfolio. It bundles our visualization technology with our immersive sound format, next-generation advertising and interactive concepts for audience engagement. In this way, CinemaBarco wants to help cinema exhibitors transform the 'passive' cinema visit into a magic and immersive storytelling experience. In fact, CinemaBarco highlights our ambition to be a holistic player that brings its technology and its vision together to create a true entertainment hub. The Barco Escape technology that we introduced in 2014 was just the beginning of a whole series of exciting developments.

With the new laser-illuminated projectors as part of that story?
Our DP4K-60L projector delivers images so bright, so rich in contrast and so intense that it really impacts the cinema experience, creating a truly immersive feeling. It took us many years to develop and fine-tune this technology and we believe that it is bound to redefine the industry standard. Building on the experience we gained, we hope soon to expand our laser offering to include 10,000- and 20,000-lumens solutions for smaller screens too. In this way, we will be able to offer our customers exactly those projectors they need. After all, Barco does not want to focus on the niche market of premium, large-format screens. We're here to offer an interactive experience to as many people as possible.

> "We're here to offer this interactive experience to as much people as possible."

How about the venues & hospitality business? Does Barco have plans to extend its entertainment concept beyond cinemas?
Visitor engagement and interactivity are just as important to big events, retail, museums, etc. as they are to theaters. So yes, we have the expertise and the technology to create exciting, new ways for people to interact and engage with content, be it in shops, trade shows, museums, visitor attractions or during concerts. Our unique blend of capabilities and experience puts us well ahead of the competition, all around the world.

MARKET TRENDS

DELIVERING THE ULTIMATE ENTERTAINMENT EXPERIENCE

With more and more entertainment being offered on ever better-quality televisions, on-demand videos, PCs, tablets and smartphones, what will get people out of their homes into the world's concert halls, museums, shopping malls and multiplexes in the coming years? Entertainment has always been about creating 'exceptional experiences' and it still is today.

Event organizers, museum directors and cinema exhibitors are therefore constantly seeking new ways to indulge their audiences. Technology has a vital role to play in this. There's a huge push today to develop **sophisticated systems that ensure an event experience far superior to anything people can get at home**. Projectors help display the brightest possible images; media servers provide designers with ever more creative possibilities and the possibilities of digital Out-of-Home (DOOH) advertising are increasingly interactive.

'Immersion' and 'interaction' are arguably the number-one keywords when it comes to creating exceptional entertainment experiences, these days. Movie theaters are the environments par excéllence to engage with the audience; before, during and after the show. From interactive digital signage solutions, immersive laser projection and immersive sound through to smart social media applications: the technology is ready to envelope the visitors in a world of storytelling.

The immersive, interactive concept that is gradually finding its ways into cinemas is also extended into areas like museums, events and shopping malls. It's a major opportunity for every entertainment-related organization to attract (new) audiences and generate premium revenues. ■

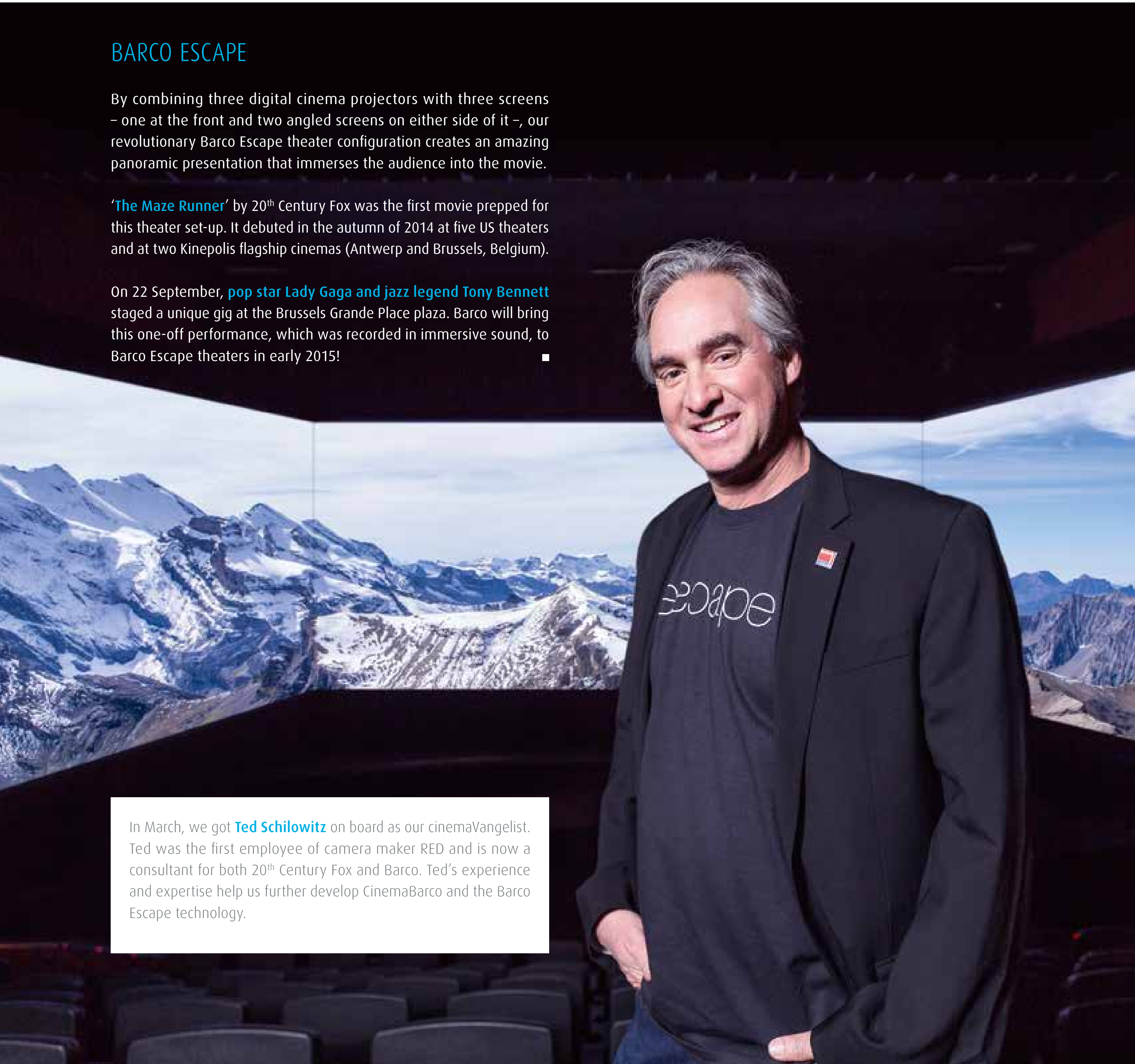
CinemaBarco, which was launched at CinemaCon 2014, **brings back the magic to the movies**. The brand-new concept combines a rich array of technologies - interactive content leveraging technologies, digital signage, immersive visualization and audio, etc. - that transform the 'passive' cinema visit into a magic and immersive storytelling experience, from the moment the moviegoers enter the lobby.

BARCO ESCAPE

By combining three digital cinema projectors with three screens – one at the front and two angled screens on either side of it –, our revolutionary Barco Escape theater configuration creates an amazing panoramic presentation that immerses the audience into the movie.

'**The Maze Runner**' by 20th Century Fox was the first movie prepped for this theater set-up. It debuted in the autumn of 2014 at five US theaters and at two Kinepolis flagship cinemas (Antwerp and Brussels, Belgium).

On 22 September, **pop star Lady Gaga and jazz legend Tony Bennett** staged a unique gig at the Brussels Grande Place plaza. Barco will bring this one-off performance, which was recorded in immersive sound, to Barco Escape theaters in early 2015! ■



In March, we got **Ted Schilowitz** on board as our cinemaVangelist. Ted was the first employee of camera maker RED and is now a consultant for both 20th Century Fox and Barco. Ted's experience and expertise help us further develop CinemaBarco and the Barco Escape technology.

MARKET TRENDS

LASER IS THE NEW LAMP

Cinema exhibitors are always looking for **more brightness and luminance**. But in spite of the conversion to digital projectors, the industry continues to rely on a 60-year-old technology: xenon electric-arc lamps whose brightness fades over time. Is laser projection technology the perfect alternative? Over the past few years, this new technology has been receiving quite a lot of interest. Yet it was not until 2014 that it started to make its way into mainstream cinemas.

Because the benefits of laser-illuminated projection – higher resolution, greater brightness and a high dynamic range, at a lower operating cost - will make the largest and most immediate improvement in cinema exhibition, this is the market that is currently being targeted by projector manufacturers. **Yet the technology could be used for many other applications too**. Having a lot of light emanate out of a single projection lens is definitely just as appealing for sporting events, concerts, projection mapping, theme parks, etc.

Laser pioneers around the world:

- Santikos Theaters, Texas, USA
- Kinepolis, Lomme, France
- Kinepolis, Brussel, Belgium
- Kinepolis, Madrid, Spain
- JT Bioscopen, Hilversum, Netherlands
- JinYi Media Corporation (JinYi), Guangzhou, China
- Pacific Cinema, Chengdu Eying, China
- Henan Oscar, Urumqi and Wuxi, China

Our laser-illuminated projector won the **BIRTV Award** (China) and the **Lumière™ Award** from the International 3D Society

Barco's DP4K-60L laser-illuminated projector was launched at CinemaCon 2014, after many years of research and testing. Its **fully integrated set-up** and **compact design**; its capability to show **4K content at 60 fps and 3D movies in full 4K resolution** and its **DCI compliance** make it unique in the market. Barco considers the DP4K-60L a first in a brand-new series of laser-illuminated products.

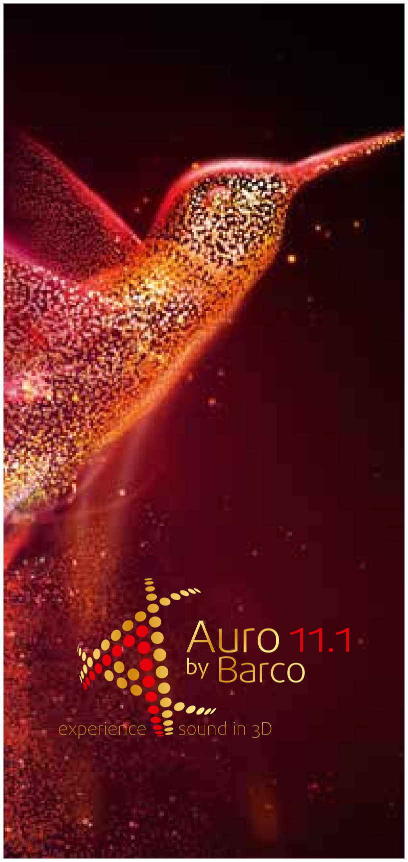
INTERNATIONAL™ 3D & ADVANCED IMAGING SOCIETY

Our innovation and our vision for entertainment earned us a seat in the executive board of the **International 3D Society & Advanced Imaging Society**. Since September 2014, we've been working together with Walt Disney Studios, DreamWorks Animation, Paramount Studios, Dolby Labs, etc. to advance the success of exhibitors, studios and everyone involved in the entertainment industry.

We hired laser industry veteran **Bill Beck**, co-founder and former chairman of the Laser Illuminated Projector Association and founder of Laser Light Engines. Our **'Laser Guy'** works with Barco's product development teams to evaluate and integrate the best laser-related technologies into future products.

"Our collaboration reflects a shared vision focused on achieving not only the best image quality, but also a commercially attractive laser projector that ensures safety, reliability, energy efficiency and a long lifetime. Their diligence in all of these areas is why I joined the Barco team."

Bill Beck
the Laser Guy



50,000

50,000 installed digital cinema projectors equals a 40% market share, making us a clear leader in our class.

550

550 screens are now equipped/will soon be equipped with Auro 11.1 immersive sound.

MARKET TRENDS

THE RISE OF ENTERTAINMENT IN EMERGING MARKETS

Growing incomes, a surging middle class and rapid urbanization are slowly yet steadily boosting consumption of recreational and leisure goods across emerging markets. The **cinema is a favorite pastime in all of the countries**. India leads the world in this, while Brazil, China and Russia are ranked among the top ten countries with highest cinema attendances globally[1]. Across these regions, the cinema landscape is developing rapidly: multiplexes spring up, existing cinemas catch up on digitization and new technologies like 3D and immersive sound are becoming widely embraced.

On current trends, the aggregate purchasing power of the emerging economies will overtake that of the G7 by 2030[2]. While the per household expenditure on entertainment is still fairly low and uneven today, the **potential for growth is enormous**. Not only in multiplexes, but also in rural cinemas and in the entire entertainment industry, including concert and music halls, (sporting) events, theme parks, DOOH, etc. ■

[1] Euromonitor 2014

[2] PWC: Global Annual Review 2014, Shift in global economic power, Silas Yang

In Brazil, we closed a deal with system integrator Quanta DGT to supply **485 digital cinema projectors**. While Brazil is the world's tenth most important cinema market – in admissions – the digitization percentage has been low until 2014. Recent public policies encouraging exhibitors to digitize their screens, including the VPF program, are now bearing fruit.

Auro 11.1 by Barco keeps conquering India, with installations at:

- Metro Cinema, Mumbai
- Mahashwari Theater, Bangalore
- EVM Group, Kerati and Kothamangalam
- Hidil Entertainment, Mumbai
- PRV Cinemas, New Delhi
- Whistling Woods International Institute for Film, Television and Media Arts, Mumbai

132%

is the expected growth of the BRIC leisure and recreational services market, over 2014 – 2030.

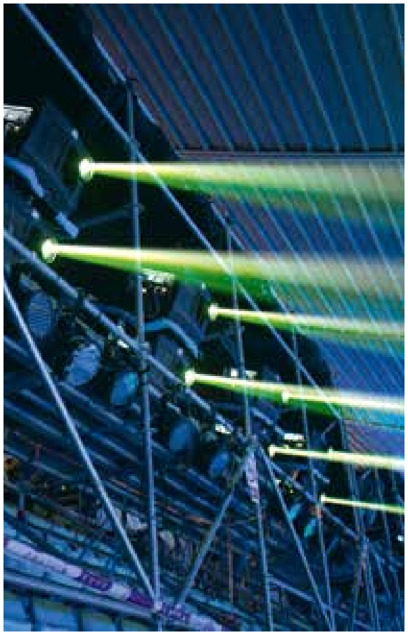
800

Over the next few months, **800 Barco digital cinema projectors** will be deployed in theaters of the China Film Group (CFG, the country's largest film company).

112 HDF-W26 projectors, supported by 56 High End Axon HD Pro media servers, were used for the opening event of the second **Summer Youth Olympic Games in Nanjing (China)** in August 2014.

"Barco's projectors enable the image processing necessary for this kind of large-scale stage performance. That gave us the confidence to avoid using large numbers of LED screens, which helped us save costs."

Mr Sha Xialoan
Chief lighting and video designer



Awards

- Barco LiveDots and Niles Creative Group won a **Silver Apex Award at Digital Signage Expo 2014** for their innovative LED display at the George W. Bush Presidential Center in Dallas, Texas.
- Barco **CineCare Web**, our connected services tool, won **the Internet of Things Excellence award**.
- The 2014 DailyDOOH Award in the **'Best Overall Retail Experience'** category was for Barco LiveDots. Our striking 250m² curved LED display helps Unibail-Rodamco enliven the shopping experience at Les Quatre Temps in Paris, Europe's largest shopping center.

Fête des Lumières 2014 projection mapping with 5 @Barco projectors driven by #ADMFirePro GPUs.

twitter @ADMFirePro

8,244

the @barco twitter feed reached 8,000+ followers

@Barco Laser comes to France! C'est formidable, ça! Et c'est aujourd'hui Brussels et Mercredi prochain, Madrid.

twitter @BillTheLaserGuy

Laser guy Bill Beck on laser projection

663 views

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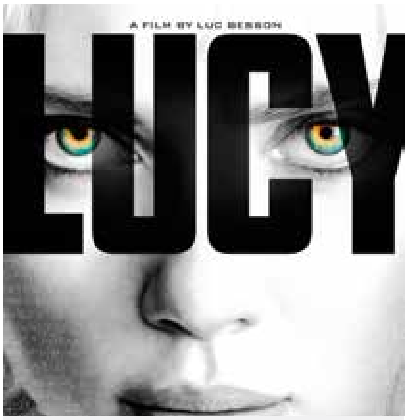
YouTube Channel barcoTV



Watch Lucy mixed in #Auro 11.1 by #Barco

facebook.com/barco

Discover Barco Escape in Kinepolis Antwerp!

facebook.com/Kinepolis

OUR VALUES

WE ENCOURAGE TEAM PLAY

A chat with Olaf Stepputat, Director at Barco Audio Technologies

How does it feel for a small-sized company to become part of the large Barco family? Since Barco took over the audio business of German sound expert IOSONO in September 2014, Olaf Stepputat and his team have become Barco employees. Do they recognize their team values within Barco? And do they feel that Barco really encourages team play?

"IOSONO – Barco Audio Technologies – and Barco share a set of characteristics and core values: we're both passionate about technology, eager to innovate and committed to delivering high-quality, reliable solutions that delight our customers. That common spirit and corporate culture was key for me to start exploring the cooperation possibilities between our two companies, in 2013," says Olaf. "Yet, no matter how enthusiastic I was about joining forces, I would never have taken the step without the approval of my team."

Openness and transparency

Since he joined IOSONO in 2007, Olaf had assembled a strong team of 24 creative, intelligent and motivated people in Erfurt, Germany. How did he encourage team play? "Openness and transparency, from top to bottom and vice versa, are, without doubt, key to building a fantastic team, as is trust," he explains. "At IOSONO we celebrated success and weathered bad times together. Whatever the challenge, I always insisted on tackling it as a team. This hasn't changed now that we are Barco Audio Technologies: I involve every single employee in the merging process, just like I engaged them in my decision to join forces."

One team

"I was happy to see that Barco values team play just as much as IOSONO did," Olaf continues. "The integration of our teams was a smooth one: everyone in Germany feels that they are part of Barco now. Kortrijk has become a second home to us, as we frequently share ideas and best practices with team members from Sales and Marketing, Product Development and Operations during live meetings at the Barco headquarters. To make sure that everyone on the German team feels at one with the colleagues in Belgium, they will all spend two days in Kortrijk and Kuurne soon to meet colleagues, see the new campus and experience the company culture. And to taste Belgian beer, of course. After all, as we work hard, we want to play hard too... - that's another secret to gelling a great team."

> "As we work hard, we want to play hard too ... that's another secret to gelling a great team."

SHARING A PAST ...

Barco designed its very first black/white monitors in 1967, based on the chassis of the popular portable Barco television. Its wide-ranging knowledge about the production of television screens and the close contacts between the Barco board and the heads of the BRT, Belgium's national broadcaster, opened up an entirely new professionally oriented activity – the very beginning of Barco's control room business. In the early 1980s came the first Barco projectors ...

1967

ENTERPRISE

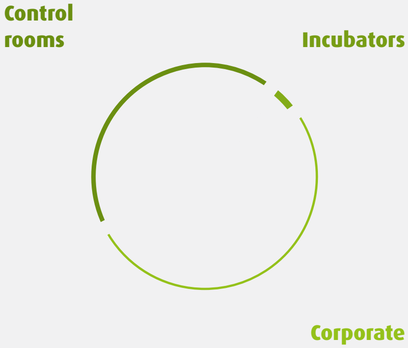
... AND A FUTURE

Today, Barco is the global market leader in designing, equipping, integrating and connecting control room solutions for any market and environment – from traffic management, over security and telecom, to utilities and process control systems. In smaller corporate environments like meeting rooms, boardrooms or classrooms, our solutions invite people to engage and collaborate, in order to take better decisions. Building on the experience of hundreds of successful installations per year of virtually any size, we help enterprises create a smarter tomorrow, anywhere around the world.

2014...

“While the origins and the approach of our businesses differ, our solutions all aim at helping enterprises to foster collaboration and raise productivity.”

Jacques Bertrand, General Manager Industrial & Government
Wim Buyens, General Manager Entertainment & Corporate



* approximate distribution based on sales 2014

In 2014, Barco decided to bring its ‘control rooms’ and ‘corporate AV’ businesses together in the ‘enterprise’ division. While the origins and the approach of the businesses differ greatly, both have a common objective and market: meet the visualization – and collaboration – needs of enterprises and organizations. Did they meet that goal in 2014? And what is their roadmap for the future? We asked Jacques Bertrand, General Manager Industrial & Government, and Wim Buyens, General Manager Entertainment & Corporate.

Let’s start with the control room business. What struck you most in 2014?

Jacques: The shift from rear-projection to LCD video walls in mission-critical environments. LCD walls have lowered the threshold to installing a video wall, as they are less expensive and take up less space. Thanks to this trend, Barco managed to increase its market share.

COMMITTED TO FOSTERING ENTERPRISE COLLABORATION AND IMPROVING WORKFLOWS

While the control room business is deeply rooted in Barco's DNA, the corporate portfolio is relatively new. How was 2014?
Wim: We had set ourselves very modest goals in the first three years, as we knew this would not be a quick win. Competition is fierce and the business requires a robust distribution model. Our No. 1 objective was to leverage the Barco brand in the corporate market, with a clear focus on the meeting room. Our efforts to promote ClickShare as a unique, trendsetting solution are now paying off: with over 30,000 units installed, 2014 was the year of ClickShare's breakthrough. Add to that the growing success of our business projectors and we can say that we're getting a foothold in the market.

> "Nurturing innovation and differentiation is crucial to our continued success."

How do you want to push the business in the coming year(s)?
Wim: By continuing to invest in our distribution model, in targeted marketing and definitely also in product development. We want businesses to see Barco as a frontrunner that delivers exciting solutions to help people collaborate in a fun and productive way. Nurturing innovation and differentiation is crucial to our continued success.

Does this approach also apply to the control room business?
Jacques: Absolutely. In 2014, we started differentiating our product line to consolidate our foothold in the control room market, which is growing significantly in line with the rise of smart grids, smart cities, etc. In addition, we're working to broaden our reach and cater to our customers' visualization needs in other environments than just control rooms. By diversifying our target group to include, for example, break-out rooms, visitor centers or educational facilities, we'll be able to create economies of scale. A third pillar of our future strategy is to redefine the operator workspace in control rooms by integrating the information from different displays into one, single desktop. Of course, our connectivity solutions run like a leitmotif through our entire business concept, as they drive true collaboration.

Collaboration is another touch point with the corporate offering, isn't it?
Wim: While the control room business targets a niche market where visualization is essential to the mission of an organization, like in utilities or security, the corporate solutions are widely available. Yet while the approach differs, the solutions indeed all aim to foster collaboration and improve workflows, which is key in the enterprise of the future.

Jacques: The project at French telecom operator SFR nicely illustrates how our solutions blend. SFR initially came to Barco for a new control room solution. Today, their new campus features Barco projectors, a LED display and hundreds of ClickShare units, besides two video walls. ■

MARKET TRENDS

COLLABORATION, INTERACTION AND ENGAGEMENT ARE KEY

Real-time, good-quality data is the basis of sound decisions. In control rooms and security environments, immediate access to real-time data can even make a difference between life or death. However, as the amount of information explodes, organizations have difficulties to manage the plethora of data and convert it into valuable insights. The key to smart data management? Advanced, flexible visualization and collaboration tools that enable every stakeholder to explore data from internal and external sources, interact with it and share it in the best possible way – whether in **control rooms, in product development departments or in educational environments**.

Also on a smaller scale, in **meeting and boardrooms and in congress centers**, there is a continuing shift towards collaboration – both locally and remotely. Today's employees are no longer attendees passively sitting at an event or in a meeting but engaged participants who want to have their say. Organizations are therefore turning to increasingly advanced tools and processes to improve productivity and **boost interaction and collaboration** among employees (both at the office and remotely), customers, suppliers, etc. ■

A study at 'The Center for Human Computer Interaction' at Virginia Tech indicates that **display size and resolution really matter**. When slides and tables can be read at a glance, the audience will absorb the information more quickly. And as the display focuses the group's attention on the information displayed, it helps to align the team.

PRESENT-C

Ensuring high resolutions and a high contrast ratio, our **ten new Present-C projectors** help team members to easily share complex data sets, drawings and other information. More pixels equal more information that can be shown on screen, leading to **better teamwork and higher productivity**.

MARKET TRENDS

ALL THINGS CONNECTED AND INTEGRATED

Improving communications and collaboration is more than selecting the right tools. In today's world of rapid change, it's all about connectivity and integration. The optimum **control room solution** features an 'any source, anywhere' **networked visualization platform** that can handle unlimited inputs and outputs, distribute the abundance of data, correlate it and present it wherever it is needed, both inside and outside the control room.

In meeting rooms, presentation tools that are integrated with other systems in the room and work seamlessly together with whatever devices make everybody's lives a lot easier. If an installed fleet of devices can be managed remotely and centrally, it will save valuable time for facility administrators. And, ideally, devices are also fully integrated into an existing company network to ensure greater security and full connectivity.

The trend towards integration and connectivity is also apparent in the **increasing number of embedded technologies**, in the development of **single operator workspaces** that integrate a multitude of separate workstations and, of course, in the soaring number of devices connected to the internet (**The Internet of Things**). ■

OSV SERIES

In January, we launched a brand-new immersive, seamless video wall series for **big data collaboration**: the **OSV series**.

CLICKSHARE INSIDE

'**ClickShare Inside**' can be integrated under the hood of our Present projectors, allowing users to wirelessly share their content on-screen. 'ClickShare Inside' is the first in a row of optional modules to integrate future-proof and simple collaboration technology.

INSTANT VIDEOWALL SOLUTION

Developed with **interoperability** and collaboration in mind, our new **Instant VideoWall solution** bundles visual performance (tiled LCD set-ups), our award-winning mounting structures and our state-of-the-art display management software. Optionally, the packages include Barco's integrated IP video streaming for basic sensor and collaborative applications or Barco's TransForm family of video wall controllers.

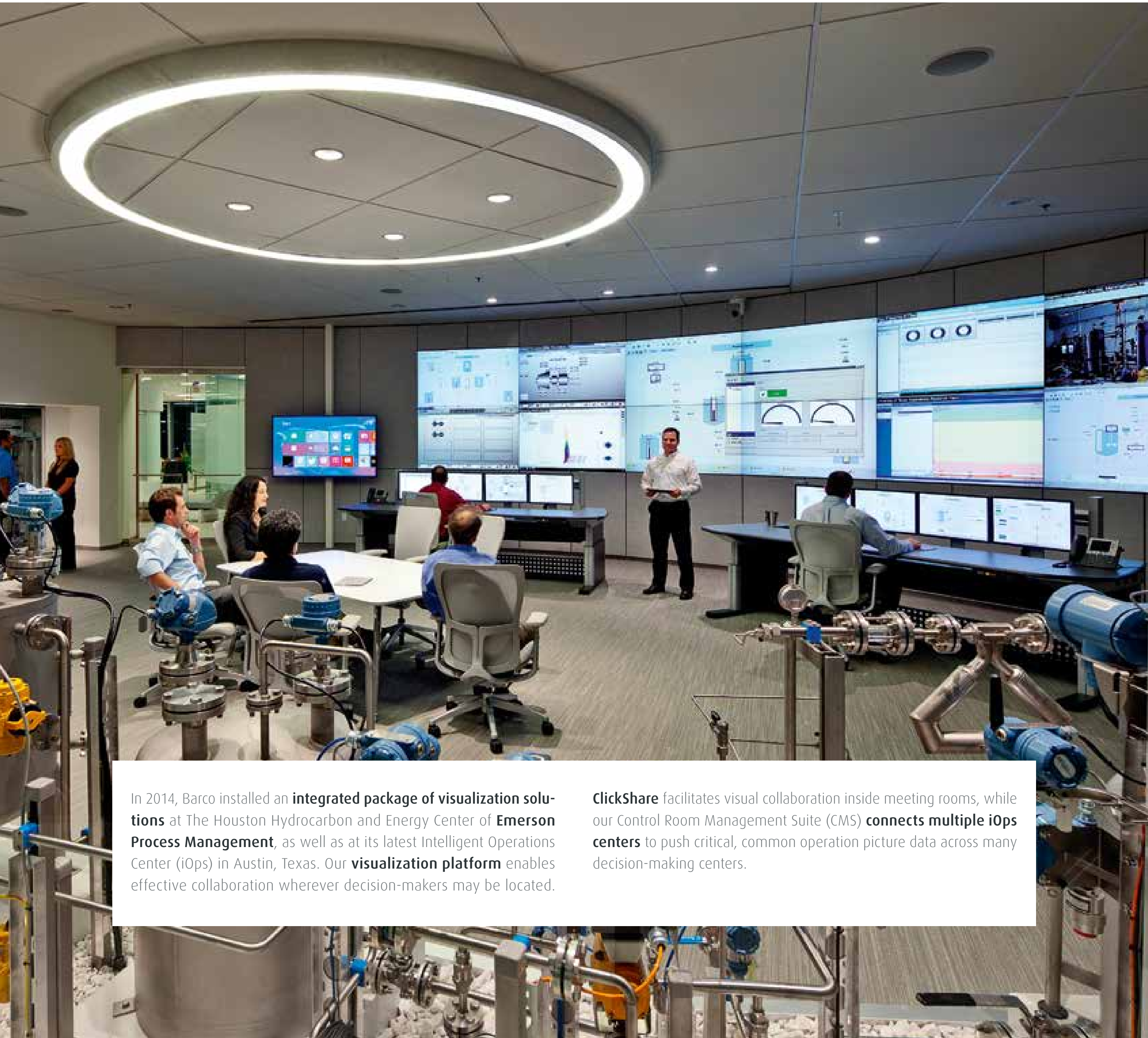
2014 AWARD WINNERS:

ClickShare:
- Good Design Award in Japan
- ClickShare inside: Rental & Staging award
- rAVe Readers' Choice Award

OBLX freestanding video wall:
- Red Dot 'Best of the Best' design Award 2014
- 'Special Mention' German Design Award for excellent product design

"In the networked world of AV/IT there are numerous solutions on the market, however Barco, along with their high-end projector and video wall solutions, brings a solution where only few can compare. In emergency services, utilities operations and more, Barco's solutions allow you to expand without limits and control, collaborate and distribute anywhere, making for a well-rounded market visualization solution — all wrapped up in a strategic networked package."

Corey Moss
in rAVe Pubs
(17 November 2014)



In 2014, Barco installed an **integrated package of visualization solutions** at The Houston Hydrocarbon and Energy Center of **Emerson Process Management**, as well as at its latest Intelligent Operations Center (iOps) in Austin, Texas. Our **visualization platform** enables effective collaboration wherever decision-makers may be located.

ClickShare facilitates visual collaboration inside meeting rooms, while our Control Room Management Suite (CMS) **connects multiple iOps centers** to push critical, common operation picture data across many decision-making centers.

CLICKSHARE MOBILE

The new software update of Barco's ClickShare CSC-1 Base Unit includes the unique feature to **mirror the screen of any iOS device**. This means users can show the content from their iPhone or iPad directly on the central meeting room display.

MARKET TRENDS

THE CONSUMER IS IN THE DRIVING SEAT

While new IT systems and products were traditionally introduced at corporate levels and trickled down to consumers, today's consumers are in the driving seat, introducing their devices into the workplace (Bring your own device). According to a large-scale Gartner survey, 70% of mobile professionals will conduct their work on personal smart devices by 2018. By 2020, more than 10 billion personal mobile devices are expected to be in use.

This '**consumerization**' has a huge impact on enterprise systems. Businesses need solutions that are compatible with the devices their workers are bringing in. There is, for example, an increase in smartphones being used for the **control of AV systems**. In addition, users demand **intuitive solutions** that are easy to work with and make their work more enjoyable.

Besides tablets and smartphones, it's striking how other consumer technologies are also entering the corporate world. Modern LCD video walls, for example, have now become the preferred technology for demanding, mission-critical environments, as they have overall high resolution with a relatively low initial investment and lower maintenance costs.

LCD WALLS

Control room environments demand reliable technology, 24/7, without the slightest chance of downtime. Exceptionally durable and featuring a hot-swappable power supply, **our new, affordably priced OVD/KVD range of 46" and 55" LCD video walls** ensures around-the-clock availability. Thanks to the automatic wall calibration functionality, the walls always produce the same high-quality visuals. And operating and maintaining the LCD walls is a breeze.

+30,000

+30,000 **ClickShares** installed

+30%

Thanks to the shift from rear-projection to LCD video walls, Barco raised the **volume of installed cubes** by 30% in 2014.

The amazing @Barco corporate projectors just got even better. Contact us to find out how!

twitter @ImagoGroupPLC

+950,000 VIEWS

Barco's YouTube Channel **BarcoTV** reached 950,000+ views

Last day Cisco Belux partner workshop. Come and discover #Barco #reddotdesignawards winning OBLX #videowall

facebook.com/barco

the new Holy Grail for enterprises? #collaboration: making teams work together in a better way.

twitter @barco

28 Nov 2014

Meetings in the 21st century: The Collaboration dilemma

www.barco.com/switch

OUR VALUES

WE ARE ACCOUNTABLE

A chat with Arne Dormaels, Senior Researcher at INNOS

"Everyone said that our idea was impossible, except for Barco. And they delivered on their promise," says Arne Dormaels. As a researcher at INNOS, the new Belgian Innovation Center for Security, Arne is responsible for bringing together authorities, private companies and educational and research institutes to elaborate innovative security solutions. During the very first INNOS project, Barco proved to be a trustworthy partner; from the first brainstorming sessions right through to the implementation and debriefing stages.

On 28 October 2014, Europe commemorated the beginning of World War I on Belgian soil, exactly 100 years earlier. With important heads of state attending the remembrance ceremonies, security was a crucial topic for the organization. Which made the event the ideal opportunity for INNOS to set up its first pilot project. Arne and his colleagues were happy to get Barco on board to work with Securitas and the local police forces: "Visualization is crucial in security and we knew that Barco is a leader in that market. We were therefore confident that they'd bring valuable insights to the table, which they did. In spite of the challenging time-frame – barely one and a half months –, they eagerly stepped into the project."

> "I was impressed with the commitment of the Barco team and their passion for their job."

Knowledge sharing

"Our idea was to install a temporary command center, where images coming from mobile camera units, the police helicopters, etc. would be shared on a large video wall. While everyone had thought this would be impossible, Barco confirmed that they could help," Arne continues. "The unique, extraordinary set-up required us to really think out of the box. The Barco people enthusiastically shared their know-how and tried to explain the complex technology in the simplest way possible, to ensure that we could all think along."

Just like they had promised

Once agreed on the design, everyone worked long (weekend) hours to get the installation up and running. Arne: "I was impressed with the commitment of the Barco team and their passion for their job. They went all the way to make everything work smoothly, like they had promised. Just recently, we met again at the Barco offices to discuss the lessons learned and explore future partnerships. We'd be delighted to continue collaborating with them in the future." ■

SHARING A PAST ...

Building on over 50 years of expertise and experience in display technology, Barco started opening up to new, specialized markets like healthcare in the 1980s. The first medical displays, which had their picture tube technology in common with the rugged solutions for the Command & Control and Avionics industries, were soon off to a flying start. The precise image quality and the unique DICOM calibration system made Barco's medical displays technologically superior from the very first years.

1998

HEALTHCARE

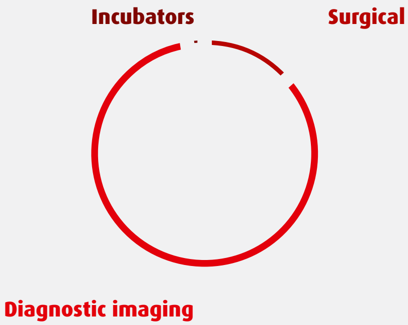
... AND A FUTURE

Today, Barco is a trusted brand in hospitals worldwide. Barco provides an integrated approach to patient care across the hospital enterprise, boosting clinical performance in every department via a connected network of display systems. Barco solutions help hospitals and healthcare practitioners at every patient touch point: from the imaging exam to the radiology reading room, to specialist consultations and treatment planning, to the surgical or interventional radiology suite and to education at the patient's bedside.

2014...

"The results of the 2013 customer loyalty survey were already amazing and we did even better in 2014."

Filip Pintelon
General Manager Healthcare



* approximate distribution based on sales 2014

In December 2014, Filip Pintelon, Barco's Chief Operating Officer, took over the helm of Barco Healthcare from Piet Candeel, who had been heading the division for over 10 years. He explains why 2014 was a challenging yet exciting year, in which Barco Healthcare made solid investments in its future.

The operating results for fiscal 2014 reveal that it was no easy year?

Especially the first half-year was hard indeed. In Europe particularly, organizations put their investments on hold out of fear for the governments' cost-cutting measures. Both North American and European hospitals were – and still are – facing budget challenges. To weather the harsh economic climate, we kept optimizing our organization, containing costs and driving profitability. And most importantly: we never stopped investing, neither in our sales network nor in R&D. That led to some wonderful results, like the launch of Coronis Uniti™.

The first reviews of which are very positive?

The market has immediately spotted the poten-

BUILDING A SOLID FOUNDATION FOR FUTURE GROWTH IN HEALTHCARE

tial of Coronis Uniti™. We are confident that this brand-new tool will revolutionize the way radiologists work, helping them cope with their increasingly stressful job. If you ask us, this revolutionary display system reconfirms our technology leadership position.

Besides Coronis Uniti™, where do you see more potential for Barco Healthcare in the future?

We will, of course, keep expanding and optimizing our range of display systems, both in our core markets and in emerging markets. In South America, where the importance of high-quality healthcare is clearly on the rise, we are seeing great interest in our solutions. In China, the need for medical displays systems is growing too. Business in the custom solutions segment also continues to grow. Projects with the leading vendors in the healthcare industry will yield good business for the years to come.

How about the growth opportunities of the surgical suite?

The Nexxis OR management suite was totally new for Barco so we anticipated a slow but steady growth, which is exactly what we got. We expect that the advent of 4K will boost sales further in 2015. When launching Nexxis, we promised it would be a future-proof solution – an investment for the next 15 years. 4K proves that we were right: we are the first supplier to bring 4K technology to the digital operating room.

What should we expect from interactive patient care in 2015?

As our interactive patient care solution includes both soft- and hardware and requires solid integration with many other hospital IT systems, it took a while before we had all the right business processes in place. Yet we've learned a lot and are now ready to go forward.

System integration will be increasingly important in the future anyway, won't it?

Indeed, in our communication with hospitals, IT departments are getting more involved. Hospitals want connected solutions that help doctors collaborate, share information and work more efficiently. Nexxis and our solutions for interactive patient care perfectly cater to that need. By launching Coronis Uniti™, we further underscored our commitment to help hospitals work more productively and, consequently, cut costs.

> "Coronis Uniti™ reconfirms our technology leadership position."

In other words: the prospects are good?

Absolutely. We have optimized our processes and launched some groundbreaking new solutions. Moreover, our customers have remained faithful to us. In 2014, the results of the 2013 customer loyalty survey were already amazing and we did even better in 2014. All together, we can say we're in perfect health for 2015 and beyond.

QUALITY MATTERS (A LOT) YET BUDGETS ARE TIGHT

Today's ageing population and the increase in people suffering from chronic diseases such as diabetes, chronic pulmonary disease or cancer, are **boosting demand for healthcare services** in 2015 and beyond.

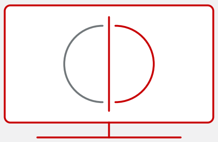
At the same time, governments and other institutions are looking for ways to cut healthcare costs. Hospitals are therefore under tremendous pressure to work with **tight budgets**, while today's **empowered patients** – and their families – demand increasingly better care. To be able to deliver better outcomes at lower cost, healthcare CEOs are putting operating efficiency at the top of their agendas.

While in a financially stretched healthcare market, technology is a large investment, hospitals realize that using the right technology can actually make medical care more efficient, safe and effective. Advanced visualization solutions that **speed up and improve diagnostic readings**, for example, can significantly raise efficiency, thus decreasing the high cost burden on the healthcare system. ■

RADIOLOGY SURVEY

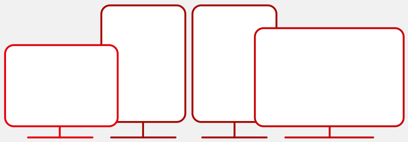
WHAT MAKES A GOOD READ?

According to a recent survey by The Marke-Tech Group amongst 223 European and North American radiologists, improved image quality, a more efficient workflow, and better display ergonomics help enhance the radiological reading experience.



84%

84% of US and 63% of European radiologists read **both mammography and color PACS**



85%

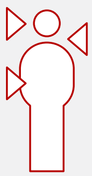
85% of radiologists **use three displays** or more

CORONIS UNITI™

Coronis Uniti™ is the very first diagnostic display explicitly designed for both PACS and breast imaging. With this solution, Barco accomplished something that hasn't been possible before. By bringing PACS and breast images together - in grayscale and color, in 2D and 3D, static or dynamic - on one single display, Coronis Uniti™ will forever change the way radiologists work.

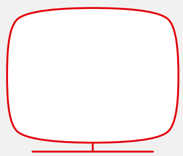
"The Coronis Uniti™ display is the first to deliver on the promise of 'one display, any image' for a truly unified workflow, making it an investment that will last a lifetime."

Lynda Domogalla, Vice-President of Product Marketing for Barco's Healthcare division.



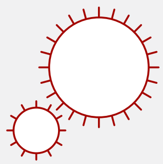
87%

87% of radiologists **experience physical discomfort, such as eye fatigue, neck strain and back pain** when reading images



91%

91% believe **image quality** is the most important display aspect that impacts reading performance



77%

77% believe **efficient workflow** impacts reading sessions

PRODUCTIVITY TOOLS

To increase focus during reading sessions, improve reading ergonomics, and accelerate radiologists' workflow, we launched a set of **productivity tools** that work seamlessly with our high-end diagnostic display systems.

19%

Researchers at the Montefiore Medical Center found that our our market-leading Coronis Fusion 6MP display system **increases productivity by up to 19%**. The new productivity tools that we added to our Coronis Fusion 6MP in 2014 will further boost reading productivity and viewing comfort.

990,000

990,000 Barco medical displays used by over 2,500 accounts, in 70 countries around the world.

INNOLIFE

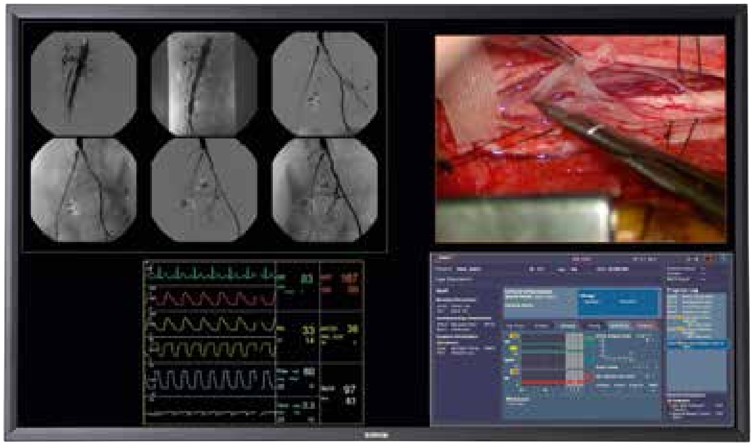
Since December 2014, Barco has been a project partner in InnoLife, a European consortium selected by EIT as a **knowledge center on Healthy Living and Active Ageing**. Over the next seven years, we will work with iMinds, Ghent University, KU Leuven, GIMV, Intel and Philips to develop innovative products, education programs and services addressing the challenge of demographic change in Europe.

MARKET TRENDS

4K: READY TO REVOLUTIONIZE THE SURGEONS' PRACTICE

With technology continuing to advance at a rapid pace, new medical procedures are emerging that require sophisticated high resolution, flexible image composition and larger display solutions. Imaging technologies that give the surgeon **greater precision and more control and flexibility**, e.g. during minimally invasive surgery, will become ever more important. After all, the more detail the surgical team can see, the greater the accuracy and efficiency of the surgical procedure, and thus the higher the **potential for error-free surgery**.

Offering a pixel array of 3840x2160 to yield a total of 8,294,400 pixels – **four times that of HD imaging** – 4K imaging lends itself perfectly to high-quality and future-ready surgical procedures. 4K not only provides astonishing detail, but also more nuance, a high contrast ratio, truer levels of black and smoother images. In short, 4K may well dramatically transform surgical procedures for good.



Building on its rich legacy of 4K projection in the digital cinema division, Barco launched a 58″ **4K medical display**, specifically designed for 4K imaging in the cath lab, interventional suite and hybrid OR. The complete 4K-ready portfolio will be introduced in the beginning of 2015.

Ted Schilowitz, Futurist for 20th Century Fox and CinemaVangelist for Barco, was part of the team that captured the **first 4K surgical procedure on video** – providing a resolution which is four times that of HD. He is convinced that "Hollywood's cinematic tools will revolutionize the digital operating room."

MARKET TRENDS

THE CONNECTED HOSPITAL: SHARING INFO WITH PEERS AND PATIENTS ALIKE

KFMC won the '2014 Hospital Build & Infrastructure Award' in the category **'Best Technology Initiative'**.

As the world is ever more connected, hospitals too **are breaking down their information silos to become connected ecosystems** where healthcare professionals and patients come together. Patient records, diagnoses and other vital information move from the hospital into the cloud, so that doctors can consult them at their home office, discuss treatments with colleagues or share results with patients. And surgical procedures are recorded on video so that other healthcare professionals can learn from them and patients can understand the practices.

By connecting people and sharing information, healthcare professionals are able to work more productively and need **less time to make good decisions**. Moreover, hospitals are empowering their patients to track, understand and maintain their health on their smartphones or tablets and make informed decisions about their treatments. This patient engagement, which is driven by technology, – the **'consumerization of healthcare'** – will be a step-change for a marketplace where businesses used to transact solely with other businesses. It will help hospitals to **enhance the wellbeing of patients** and open many new possibilities to not only cure people, but also keep them healthy. ■

"The patients really appreciate the interactive services: they can watch television, listen to the radio and surf the Internet. Clinical staff, for their part, now have instant access to patient data at the point-of-care, which significantly improves the workflow and, consequently, the quality of care. Moreover, as records are updated in real time, the error margin has dropped significantly,"

The hospital team at the King Fahad Medical City (KFMC) hospital in Saudi Arabia, which deploys 140 of our bedside terminals.

The Shandong Provincial Hospital group chose Barco to implement a comprehensive **telemedicine** system across 204 hospitals and clinics in China's Shandong province.

Each hospital will feature two **Eonis 22" clinical displays**, thus enabling the group to extend its highly rated medical care to more patients in the region.

+450

Over 450 operating rooms around the world are equipped with Nexxis for video-over-IP integration.

Nexxis for OR, our fully IP-centric solution for image distribution in the operating room, allows high-quality audio and video to be shared at any time during a surgical procedure, enabling perfect real-time communication with other operating rooms.

MARKET TRENDS

EMERGING MARKETS ARE RESHAPING THEIR HEALTHCARE LANDSCAPE

The nominal GDP growth rates of emerging markets like Brazil, China and India have a significant impact on the demand for and provision of healthcare services. Moreover, the population is ageing and chronic diseases like cancer and cardiac diseases are becoming commonplace. Over the last decade, Latin America, China and India have therefore made substantial efforts to reshape their healthcare landscape and translate their growing wealth into better health. The health reforms are just as diverse as the countries, yet **the market for medical equipment is growing in each country**. According to recent research[1], the Diagnostic Imaging Equipment Market is estimated to grow at a CAGR of 10.5% and reach USD 7.6 billion by 2018.

1 'The Diagnostic Imaging Equipment Market by Modality [Digital X-ray Imaging, Ultrasound (Color Doppler, Portable), Magnetic Resonance Imaging, CT Scanner (Low-, Mid-, & High-end), Mammography, PET, SPECT] - Emerging Markets (BRIC - Brazil, Russia, India, and China)- Global Trends & Forecasts to 2011-2018'

+40%

Our sales reps at RSNA 2014 reported a 40% growth in leads from South America.

Our #Nexxis solution has arrived at CHU de Charleroi via our partner. @Econoom_Belux! See it in action

twitter @BarcoHealth

Your #radiology room is about to change in ways you would never have expected. Sign up for the countdown. #BarcoUniti

facebook.com/barco

We like this - an interesting infographic showing the importance of #mammography via @AuntMinnie and @RadiologyACR

twitter @BarcoHealth

Testing in premiere the new ##BarcoUniti 12 MP diagnostic screen, impressive!

twitter @eranrad

OUR VALUES

WE DELIGHT OUR CUSTOMERS

A chat with Willy Rose, Head of Marketing IT EMEA at Agfa HealthCare

Do we succeed in delighting customers? No one better to answer that question than one of our customers himself: Agfa HealthCare. For years now, Barco and Agfa have been joining forces to deliver advanced healthcare solutions. Just in 2014, we renewed our partnership. What makes Agfa HealthCare choose Barco over the competition? We asked Willy Rose, Agfa HealthCare's Head of Marketing IT EMEA.

"In the medical imaging business, customers expect nothing less than the best possible image quality, for both diagnostic and non-diagnostic purposes. The quality of products and solutions is therefore key at Agfa HealthCare," Willy begins. "More than that, we want every third-party component to meet just the same high-quality standards as our own hard- and software. That is why we combine our Computed Radiography (CR)/Digital Radiography (DR) line of products and our PACS solutions with display solutions from Barco."

Surprising innovation

"For years now, Barco has been delivering top-class products that ensure superior image quality, outstanding brightness, high contrast and a wide viewing angle – all features that our customers greatly appreciate. And year after year, Barco surprises us with new, more innovative solutions. The new Coronis Fusion 6MP diagnostic color display system, for example, found its way to our customers pretty fast. More recently, Barco really amazed us with the brand-new Coronis Uniti™. I'm sure our radiology customers will love this new display system."

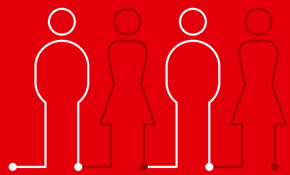
From vendor to trusted partner

Thanks to its long-term relationship with Barco, Agfa HealthCare has easy access to new Barco technologies. Moreover, both teams work closely to get Barco products validated in Agfa solutions. As a result, Agfa HealthCare can provide its customers with well-tested and documented systems, without nasty surprises or unknown side-effects. Last but not least, Willy also praises Barco's exemplary customer services: "I shouldn't forget the great sales and marketing team. The Barco key account manager ties in closely with Agfa HealthCare departments such as procurement, validation and verification and sales and marketing and the local Barco reps are always there to support people at our local offices."

> "Year after year, Barco surprises us with new, more innovative solutions."

OUR SUSTAINABILITY PLAN

Our people



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Our world

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Our planet

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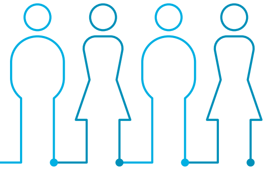
OUR PEOPLE



OUR PLAN: YOU ARE YOU+. AND TOGETHER WE ARE ONE

Just like our solutions are designed to engage people and foster collaboration, we are committed to bringing our employees together in one, single, strong team – across divisions, roles, countries and continents. To achieve that aim, we harmonize and unify our technology, our procedures and our facilities ('Smart at Work'). At the same time, our human resources initiatives focus on 'to be one', while helping every employee put his/her unique talents and ideas to work and feel energized, inspired and engaged. Moreover, our commitment to 'being one' also guides the way we reach out to our stakeholders.

SMART AT WORK

Technology, equipment, processes and facilities: they can all help to bring people together, let them share ideas and information and inspire each other, in order to boost productivity and spark innovation ...

4,699

We performed **4,699 Gemba walks** between 2011 and 2014, of which 1,377 during 2014.

SMARTER MEETINGS, AROUND THE GLOBE

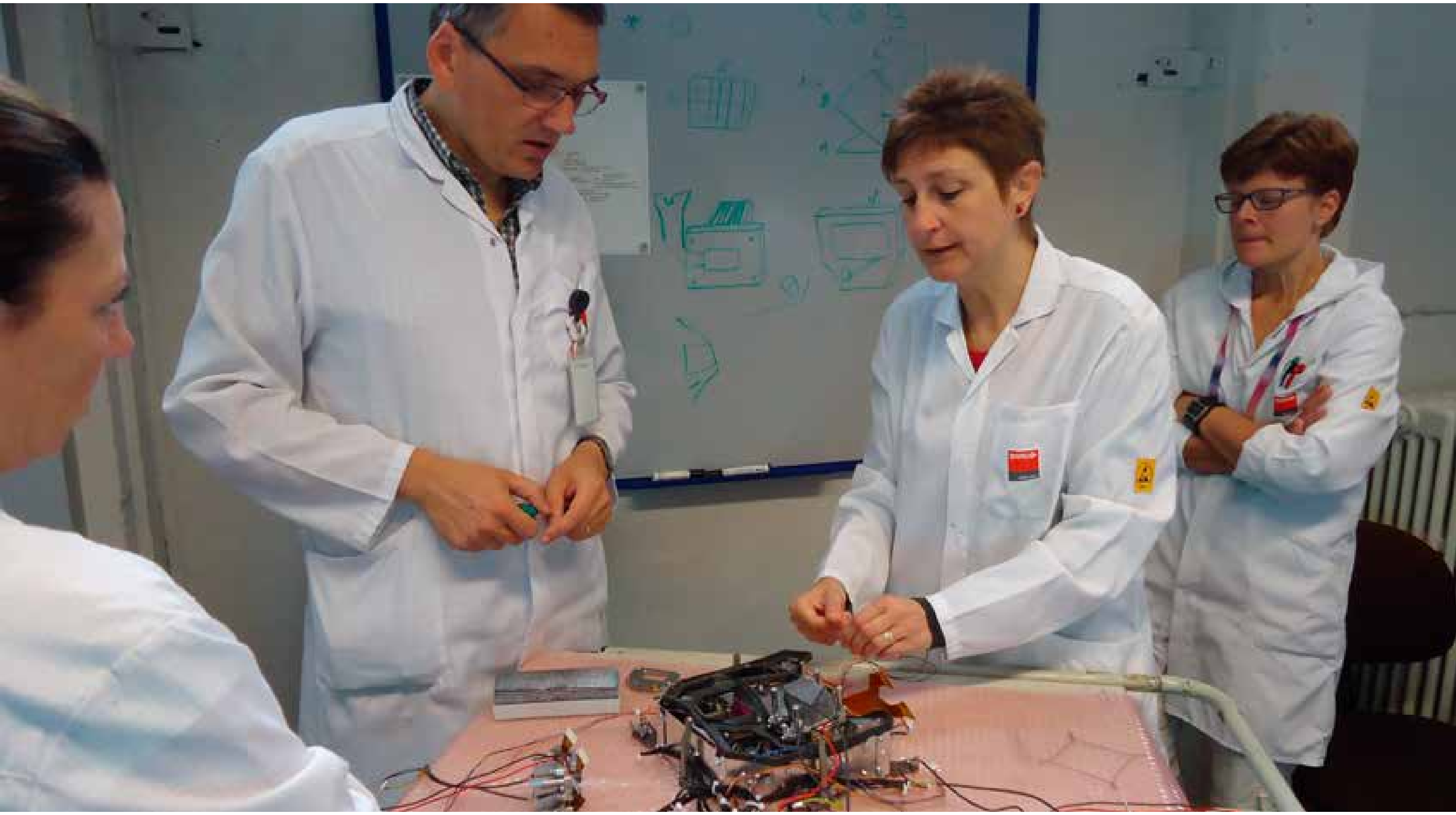
In 2014, we swapped our conference call solution for a **Virtual Meeting Room**. Barco employees around the world can now hold video meetings: everyone can hear and see each other, as well as share presentations.

ONE, SINGLE IT SYSTEM

The implementation of SAP is still on track: in the course of 2015, we will have **a global SAP-based ERP platform** to standardize, simplify, and synchronize all our business processes. Belgium, Germany, Turkey, Russia and UAE will kick-off the go-live on 1 July 2015.

15,231

Since 2011, Gemba has triggered **15,231 suggestions** for improvement, of which 12,245 proposals were implemented (i.e. 5.22 proposals per operator). 4,822 proposals were accepted in 2014.



A SMART, LEAN COMPANY

In 2009, Barco Operations introduced **'Gemba'** – a unique, global project aimed at **continuously improving processes** to make Barco a lean company. Year after year, the initiative has been reviewed and expanded, adapting to Barco's ever-changing needs. In 2013, Gemba became iGemba, to include initiatives that foster innovation. In 2014, we added the dimension of 'Green' into the program. The basic concept, however, remains unchanged: (i)Gemba puts operators – in Kuurne, Kortrijk, Noida, Beijing and Duluth – at the heart of the improvement ideas. In this way, they feel empowered and engaged; they keep questioning themselves and they work hard, every day, to continue growing as an organization.

"iGemba not only brought improvements and cost savings. A very strong and positive side effect has been improved employee engagement through working together and achieving results. It's an excellent example of a shop-floor initiative which fits in perfectly with the company's global Operational Excellence strategy."

ONE CAMPUS

2014 was the year when Barco's One Campus in Kortrijk (Belgium) took real shape. By the end of 2015, all our activities in Belgium will be centralized in one single campus, which will include the spanking new The Circle and the existing building. Both buildings will have exactly the same look and feel to inspire a feeling of togetherness. Moreover, **flexibility** will be key on the new campus: employees will have the freedom to choose where they want to work. We strongly believe that this approach will **foster collaboration** and that the chance encounters will lead to **innovation**.

1,200

By May 2015, around **1,200 people will have visited our One Campus**, on 60 guided tours.

58,000 M²

The new building – covering 58,000 m² – will unite 1,600 Barco people by 2016.

YOU ARE YOU+

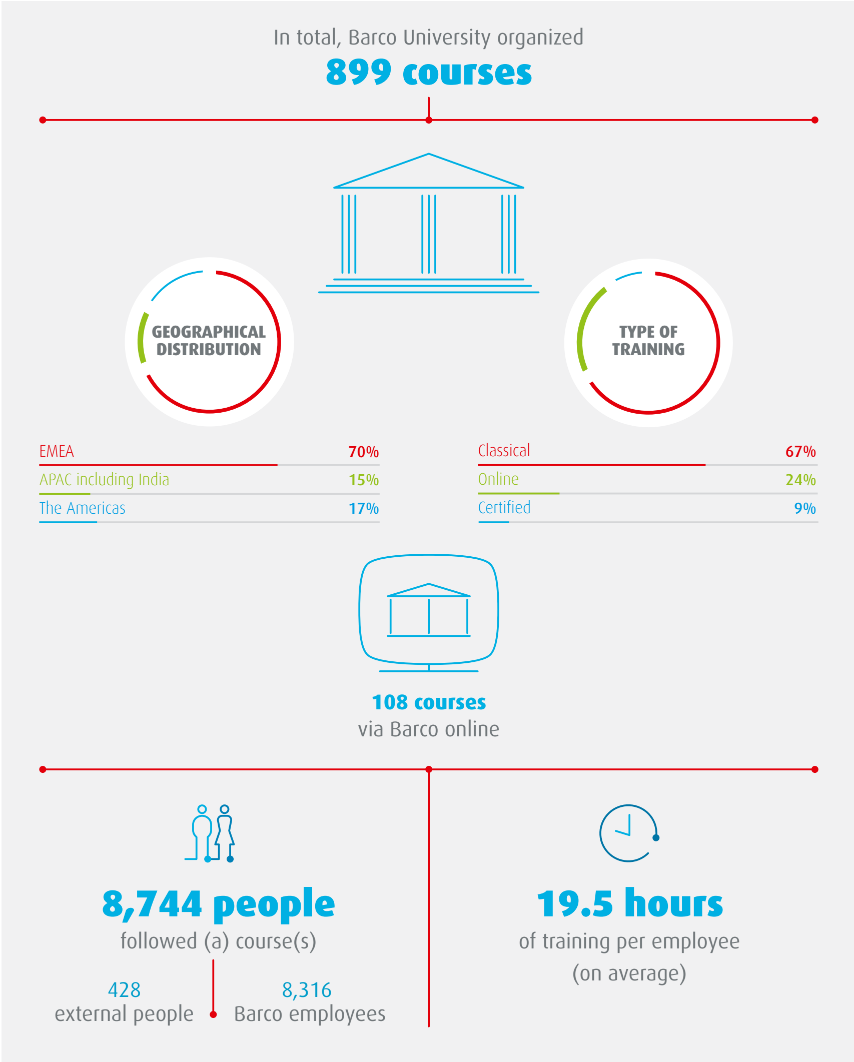
In 2014, we started updating our HR investments to launch the new 'You are you+' approach. Through initiatives that inspire, engage and energize our people, we want them to feel strong, happy and valued Barco employees.

RECOGNIZING AND REWARDING TALENT

As a good team is only as good as the people that make it, our human resources team helps all Barco employees to discover and develop their talents by means of an advanced performance management process and **high-level training opportunities**. Moreover, through talent development, we invest in **sustainable employability**, within and beyond Barco.

"I would never have swapped my job as Controller Global Operations for that of Director Logistics without the support of HR and management. Yet I'm so glad I took the chance. It was definitely a challenge and it's hard work, each and every day, to grow in this entirely new role, but this gives me so much energy."

Thomas Serbruys,
Director Logistics, on his atypical career switch in 2014



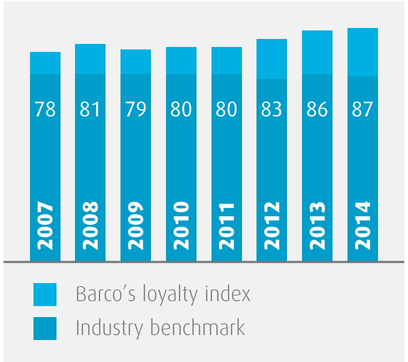
BE ENERGIZED

In 2014, we reinforced our commitment to active, healthy living and the wellbeing of our team around the globe with a number of tailored activities and programs, including:

- **Health and Wellness fairs** in April at all Barco US offices, where staff were invited for a free biometric screening and had the opportunity to meet with massage therapists, chiropractors, fitness coaches, etc.
- **North America Employee Appreciation Week:** a full week of fun activities – breakfast in the park, a dress-up day, contests, movies, etc. – at all Barco US offices
- The **'How does Toby energize you?'** photo contest: Barco employees around the world took fun pictures with Toby at moments when they felt energized

REACHING OUT TO OUR STAKEHOLDERS

Our commitment to be one reflects our ambition to create a culture that can be shared not only by our employees, but also by our customers, partners and shareholders.



The 2014 **customer loyalty survey** showed that customers and business partners truly appreciate the quality of our products and services: the loyalty index rate increased slightly, just like the year before.

BARCO CONNECT! PROGRAM

Partners of our **Connect! Program** can rely on a direct communication link with our channel account and marketing managers. Beginning of March, over 50 leading partners from 11 countries – including Japan, China, Korea, Thailand, Vietnam and Australia—gathered in Jakarta for the APAC Rental Partner Meeting.

OUR VALUES

WE CARE ABOUT OUR PEOPLE

A chat with Jan Van Acoleyen, Senior Vice President and Chief HR Officer

Jan Van Acoleyen has seen Barco in both buoyant and challenging times, since he joined the company eight years ago. His vision on people management, however, has always remained unchanged: a combination of inspiring leadership, transparent communication and continuous learning is a great formula to engage people and, as a result, make them and the organization stronger.

"Of course, caring for our employees starts by ensuring a good workplace where everyone is treated fairly and with respect," says Jan. "Yet these essentials alone won't yield exceptional results. Flourishing companies are those where everyone feels empowered and involved, so that they're happy to go the extra mile. Barco is a company in transition, just like the world around us. As we realize that employees feel more challenged in this climate, we updated our HR investments. Under the motto 'You are you+', we're working to inspire, engage and energize our people, so that they feel valued."

> "When everyone feels empowered and involved, they're happy to go the extra mile."

Keep the people close

"Good leadership is a first requisite to reach our objectives," Jan continues. "Our people should be led by coaches – rather than chiefs – who inspire and engage their teams. In addition, open communication and a strong feedback culture are key. By explaining to people where we are going, providing feedback and involving them in our decisions, we can cultivate employee engagement. This transparency and dialogue is, by the way, just as important in our cooperation with suppliers, customers, etc."

Flexible, agile and open to change

Another facet of Barco's concern for its people is its continual focus on learning. Barco encourages its staff to develop their skills and put their talents to work. "We strongly adhere to the principle of sustainable employability: we try to make our people flexible and agile, we foster learning and stimulate them to think about how they want to contribute today and tomorrow and how they see their future career – even beyond Barco –, rather than gluing them to their chairs. This is not always easy but people who are open to learning and change, feel more engaged and more energized."

Inspiring, engaging and energizing the workforce, to help everyone step up their performance, together: that's the Barco HR way of caring about people! ■

OUR WORLD

OUR PLAN: TO SUPPORT COMMUNITIES THROUGH FUNDING AND COLLABORATION

As a good corporate citizen, we wish to make long-term, positive contributions to the communities in which we live, work and do business. Through fundraising and donations, we support charity and relief projects worldwide. In addition, we sponsor initiatives and events that are often linked to our business, like cultural happenings or activities that foster innovation and promote technology. Our people play a key role in these efforts: we choose to sponsor charities and cultural events that are suggested by our employees, thus fostering engagement and strengthening the feeling of 'one team'.

80 YEARS BARCO: ANNIVERSARY FUNDRAISING

On 12 September 2014, Barco turned 80. More than celebrating the anniversary in our offices, we wanted good causes the world over to share in our festivities too. Local Barco employees set up fundraising activities and the amount they raised was matched by Barco! In total, the global initiative yielded €15,500 for different causes.

€15,500

€2,400 - Belgium
Relay for Life for the Belgian Foundation against Cancer

€4,000 - US
Relay for Life for the American Cancer Society

€2,700 - India
Women's rights organization + the 'Bring a Smile' initiative to help deprived children

€730 - Germany
'Kinderschutzbund Karlsruhe', an alliance that protects children

€1,700 - Mexico
NGO Angeles de Esperanza, which helps pregnant teenage girls

€4,350 - Greater China (Taiwan)
Hui Ming School for the Blind's adoption system

CHANGE THROUGH CHARITY AND CULTURE

With cash, product and in-kind donations, we help people around the world build a better future. That commitment is complemented by support programs for the arts and culture. Projects supported in 2014 include:

Financial support for **`Ondernemers voor Ondernemers'** (Entrepreneurs for Entrepreneurs), a Belgian non-profit organization committed to fostering sustainable economic growth in developing countries.

Barco donated a dozen Eonis dental displays to support **Henry Schein Practice Solutions'** new Center of Excellence, where it provides free oral care to Utah's underprivileged population.

Barco India raised money for `**Medecins Sans Frontier - India**' and donated clothes, stationary, and blankets to GOONJ (winner of the 2014 India NGO of the year award).

In Brazil, Barco took the magic of the movies into the favelas. We donated a digital cinema projector in support of the **Favela Creative project**, which aims to bring social and cultural projects to people living in the favelas.

Also Barco went **Ice Bucket Challenge**: many Barco employees raised money for the ALS Association.

AjKo, a Belgian organization that supports vulnerable teenagers, received a Barco LCD display to give the youngsters access to films, educational activities, etc.

During **`Barco Play Day'** in Kortrijk, 30 volunteers welcomed 86 children from poor families and homes for a fun day full of games, dancing and movies.

Cultural events and organizations that we supported in 2014 include Film Fest Gent, Berlinale, La Monnaie theater, Cinemuzee, Filmmuseum Roeselare, the Flanders Fields Memorial Garden and a series of summer events in De Haan and Wenduine (Belgium).

SUPPORTING TECHNOLOGY AND FOSTERING INNOVATION

To highlight our passion for technology and our commitment to innovation, we sponsored the following initiatives in 2014:

- Barco was the visualization partner to the **Creativity World Forum** 2014, Europe's leading conference about entrepreneurial creativity.
- The '**Kyotomobiel**', a mobile office that travels through Limburg, Belgium, to provide advice on energy-efficient housing features a Barco projector and display.
- 15 Barco employees participated in the **FIRST® LEGO® League** (FLL®), a global science and technology competition with over 250,000 young people taking part each year.
- Students of the Faculty of Engineering Technology (**Formula Group T**) at Leuven University were given a Barco LCD display.

BARCO FOUNDATION

In 2014, we took the first steps towards setting up the **Barco Foundation** - a new initiative aimed at boosting our sustainability efforts, while improving the quality of life of the society around us. The strategy and principles will be further fine-tuned in 2015. We did, however, already decide to dedicate (financial and other) resources to **nurture innovation and support education**. Barco employees will, for example, voluntarily share their experience in secondary schools, thus arousing the students' enthusiasm for sciences and entrepreneurship.

OUR PLANET

OUR PLAN: TO REDUCE OUR ENVIRONMENTAL FOOTPRINT

As we are committed to contributing to a better planet, we work hard to minimize the impact of our products and operations on the environment — without, of course, sacrificing quality, customer safety or innovation. More than meeting the regulatory requirements in each country, we take voluntary steps to proactively comply with the most stringent rules and regulations, before they are enforced. Through training sessions and internal newsletters, we strive to raise awareness about sustainability among our approved suppliers and employees. The Corporate Social Responsibility (CSR) steering committee that we established in 2013 will drive our sustainability efforts forward, in the years to come.

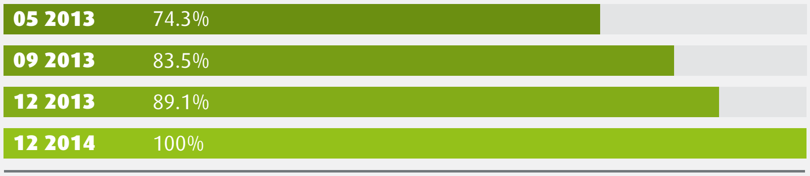
Consisting of 13 members, under the leadership of Carl Vanden Bussche, the **CSR steering committee** was set up to define, oversee, review and drive Barco's sustainability efforts. The committee met on a bi-monthly basis in 2014.

ENGAGING OUR SUPPLIERS IN OUR SUSTAINABILITY EFFORTS

Supplier awareness and engagement are crucial for building a sustainable company. Through our Supplier Sustainability Program, our Code of Conduct on Sustainability and our training sessions, we aim to build commitment among our suppliers.

SUPPLIER SUSTAINABILITY PROGRAM

Our **Supplier Sustainability Program** encourages suppliers to share environmental information within the supply chain and phase out non-compliant or at-risk components from product design by 2016. By the end of 2014, all our suppliers complied with the Program.



RESPONSIBLE SOURCING PROGRAM

As an internationally operating company, Barco purchases goods in the global marketplace from countries with varying regulatory structures and standards of business practice. Through our Responsible Sourcing Program, we aim to sustainably source all our raw materials, components and packaging. The program resulted in:

- Adopting a conflict minerals policy, due diligence frameworks and a management system and requiring the same from our core and key suppliers.
- Conducting a worldwide survey in the supply chain, involving over 1,000 suppliers, to improve the transparency and traceability of metals in our supply chain.
- Collecting data about the tin, tungsten, tantalum and gold and about the smelters used in our supply chain for 24,132 parts.
- Taking timely action and following up those suppliers who use smelters connected to the armed conflict in the Democratic Republic of Congo in order to switch to conflict-free smelters.

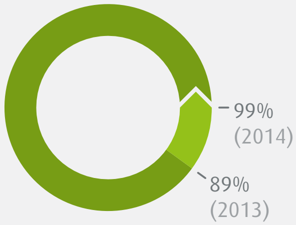
The exploitation of minerals to fund extreme violence and human rights atrocities in the Democratic Republic of Congo and adjacent countries has led to international initiatives, including the adoption of the US Dodd-Frank Act. We have proactively responded to these calls for action, undertaking not to source products and components which we know contain **conflict minerals**.

SUPPLY CHAIN TRANSPARENCY ON HAZARDOUS SUBSTANCES

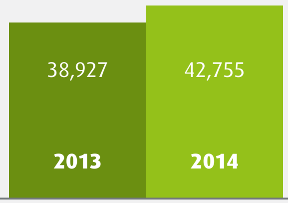
In 2014, we have significantly intensified our efforts to collect data about chemicals and materials in our supply chain. The highlights:

+1,200

+ **1,200 suppliers** are involved

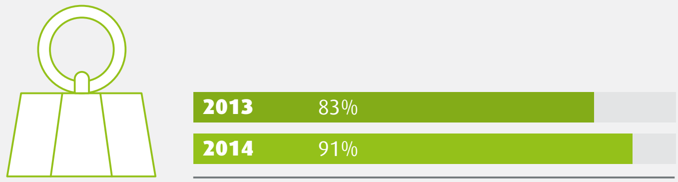


Coverage of environmental data: from 89% (2013) to 99% (2014)



Environmental database with information for 42,755 components (38,927 in 2013)

Phase-out of **128 components** containing REACH Substances of Very High Concern



Collection of weight information for 91% of our parts and components

DESIGN FOR THE ENVIRONMENT

Through the Design for the Environment Program, we wish to enhance the sustainability of our products. The Program focuses on three main pillars: reducing the toxicity of our products, enhancing the amount of recyclable parts and making our solutions more energy-efficient.

OUR ROADMAP TO PROACTIVELY REDUCE PRODUCTS' TOXICITY:

2005 - 2012
- Restrictions on RoHS substances
- Start of worldwide data collection for RoHS, REACH, Conflict minerals and Full Material Declarations

2013
- Start of phase-out of DEHP, DBP, HBCDD Tris(2-chloroethyl) phosphate and Lead Oxide

2014
- Adoption of Barco Substances List
- Use of halogen-free cables (healthcare products)
- Survey on phthalates and PAHs
- Start of phaseout of mercury backlights

2015
- Start of phase-out of phthalates and PAHs

DESIGN FOR RECYCLABILITY

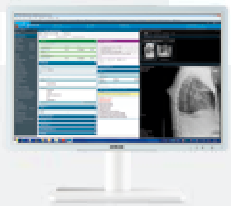
Since 2011, Barco has been a major partner in the GreenElec project, which actively develops the strategies and processes needed for the efficient recycling of electronics equipment. Our extensive research into ways to **increase the recyclability of our products** led to a list of requirements to take into account in the development stage. The **Coronis Fusion 4MP** is the very first Barco display system to result from these efforts:

- Mercury-free thanks to the use of LED technology
- Weight reduction
- Dematerialization
- Ease of dismantling
- Reduction of fixed connections
- Use of more recyclable materials
- Chromium-free
- Use of halogen-free cables

ENERGY EFFICIENCY

Over the past few years, Barco displays have become considerably more energy-efficient:

50% energy reduction
for Coronis Fusion displays



51% energy reduction
for Clinical Review displays

75% energy reduction
for Nio displays

RAISING AWARENESS ABOUT SUSTAINABILITY

In 2014, we organized a broad array of training sessions to raise awareness about sustainability and engage our suppliers in our green initiatives. For employees, we launched the 'Green Zone' portal and significantly increased the reach of the 'Barco Green light' newsletter.

1,700

In its second year of publication, our **Barco Green Light newsletter** reached 1,700 readers.

ca. 300

In 2014, over 200 Barco employees and 89 suppliers participated in Barco training **courses about environmental sustainability**. In addition, we set up two international webinars on environmental compliance, eco-design and corporate social responsibility addressing all core and key suppliers.

REDUCING THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS

Sustainability is a key guiding principle during the construction of our One Campus. In addition, Barco is also working on eco-friendly transportation and reducing energy consumption, throughout its supply chain and operations. The efforts taken in 2013 have been sustained throughout 2014. In 2015, we will kick off a dedicated project to assess the carbon footprint of all our R&D and manufacturing sites.

SAVING 7.5 TONS OF CO_2 EMISSIONS

In September 2014, 80 Belgian Barco employees joined the '**Testkaravaan**' – a unique project that encourages people to temporarily swap their cars for sustainable vehicles (e-bikes, delivery bicycles, folding bikes, rail and bus passes, etc.) to go to work. In the space of three weeks, they travelled 57,000 kilometers, thus saving 7.5 tons of CO_2 emissions.

"De Testkaravaan did trigger our enthusiasm to bike to work ... we may even consider buying an e-bike next spring!"

Roos Baekelandt, Data Development Engineer, and Karen Temmerman, Executive Assistant, drove 500 km on their e-bikes

OUR VALUES

WE DEAL OPENLY AND ETHICALLY

A chat with Geert Maes, Risk and Compliance Manager, and Lieven De Wandel, Regulatory Affairs Officer

Whether it is with our customers, suppliers, colleagues or stakeholders, Barco is committed to working in an open, ethical and socially responsible manner. It is not always easy, though, in a company of our size and scope, which is subject to increasingly tough global and local legislation and rules. Geert Maes and Lieven De Wandel explain how they help Barco deal openly and ethically.

Both Geert and Lieven – and their teams – have a long list of responsibilities. Yet every task comes down to this one, single objective: ensure that Barco complies with legal, corporate and local policies and procedures, as well as with its Code of Ethics. “That means keeping up to date on rules and regulations and converting them into best practices for Barco,” Geert explains. “Besides, we transparently communicate about all the requirements with everyone involved. After all, compliance rules affect every employee, whatever their role. One small act or incident can put our company’s reputation – and the future of employees, customers, suppliers, etc. – at risk.”

Proactive approach to compliance

The web of global and local legislation and rules is immense. Moreover, Geert and Lieven have witnessed how regulations have become increasingly complex and tough, over the past few years. Lieven: “And yet Barco does even better in many fields, as we voluntarily adopt more stringent rules on aspects like product safety, sustainability or quality. The European RoHS II directive, for example, has restricted the use of six hazardous chemical substances in medical devices since July 2014. Barco banned those substances from its medical displays over six years ago.”

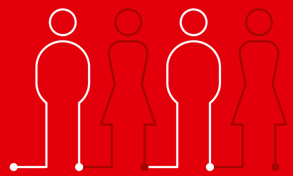
> “Barco voluntarily adopts more stringent rules on aspects like product safety, sustainability or quality.”

The entire Barco ecosystem

Working ethically also implies that Barco sources its raw materials, components and packaging responsibly and doesn’t trade with customers, contractors or suppliers who don’t share its commitment to ethics. “We therefore seek information on our business partners, on how they will use our technology, in what countries they operate, etc. before we team up. In 2014, all our core and key suppliers signed our Code of Conduct on Sustainability, promising to observe a wide range of standards in the areas of human rights, health and safety, etc. This definitely brings us another step closer to the ethical business that we aspire to be.”

DIRECTORS' REPORT

Corporate governance statement



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Comments on the results

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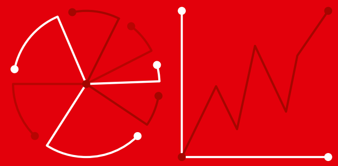
Information about the share



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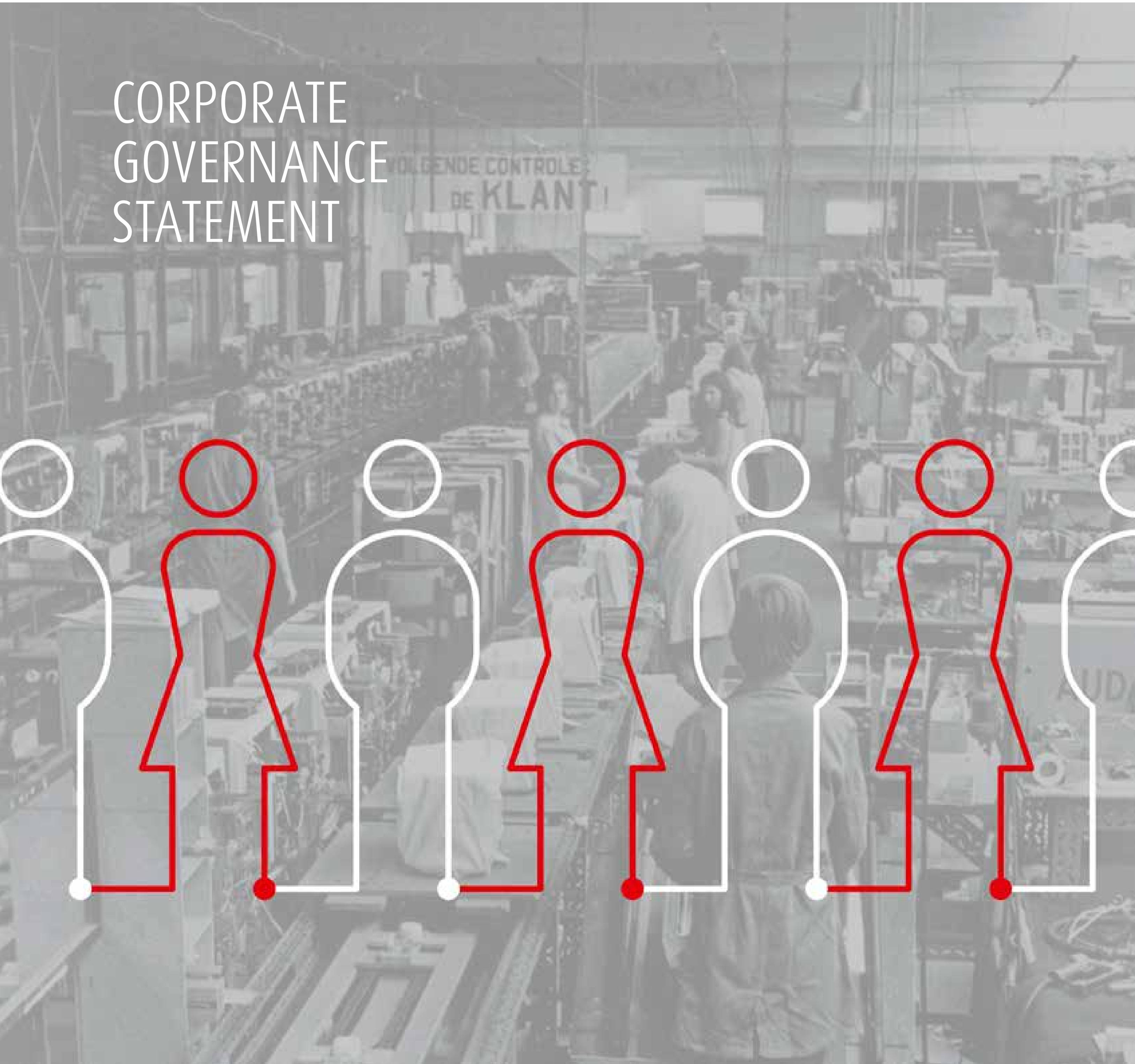
CORPORATE GOVERNANCE STATEMENT



BOARD OF DIRECTORS, BOARD COMMITTEES AND CORE LEADERSHIP TEAM

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DECLARATION REGARDING THE INFORMATION GIVEN IN THE ANNUAL REPORT 2014

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 2014, the capital amounted to 55,573,383.96 euro, represented by 12,998,042 shares. Ownership of the company's shares was as follows:

Michel Van de Wiele NV	12.01%	(1,560,049)
ACF IV Investment S.à.r.l.	5.07%	(658,915)
Templeton Investment Counsel, LLC	4.90%	(636,239)
Norges Bank (the Central Bank of Norway)	3.15%	(409,262)
GO Investment Partners LLP	3.06%	(397,419)
3D NV	3.02%	(392,500)
Barco NV	6.88%	(895,374)
Public	61.91%	(8,048,284)
Total	**100%**	**(12,998,042)**

Fully diluted		
Michel Van de Wiele NV	11.87%	(1,560,049)
ACF IV Investment S.à.r.l.	5.01%	(658,915)
Templeton Investment Counsel, LLC	4.84%	(636,239)
Norges Bank (the Central Bank of Norway)	3.12%	(409,262)
GO Investment Partners LLP	3.02%	(397,419)
3D NV	2.99%	(392,500)
Barco NV	6.81%	(895,374)
Public	62.34%	(8,194,299)
Total	**100%**	**(13,144,057)**

REMUNERATION REPORT

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RISK MANAGEMENT AND CONTROL PROCESSES

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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 4 February 2014, the Board of Directors decided to delete the age limit for directors in art. 1.1 of the company's Corporate Governance Charter.

Below is an overview of the articles of the Corporate Governance Code which Barco does not comply with, as well as an explanation for such non-compliance.

- Art. 7.7 The 2014 remuneration of the then Chairman Mr. Daems includes fixed pension benefits. These benefits have been granted since 1 August 2006 prior to the entry into force of the Corporate Governance Code. They are not performance related.
- Art 8.4 Barco makes the information defined in this article only available on its website. An analysis of the website visit revealed that this information is searched for on the web pages themselves, rather than in the Corporate Governance Charter which is also available on the website.

Barco's Corporate Governance Charter is available for download at http://www.barco.com/en/CorporateGovernance/GovernanceCharter.

BOARD OF DIRECTORS, BOARD COMMITTEES AND CORE LEADERSHIP TEAM

BOARD OF DIRECTORS

Situation on 1 January 2015

Chairman	**Charles Beauduin** (1)	2016*
President & CEO	**Eric Van Zele** (3)	2018*
Directors	ADP Vision BVBA (represented by **Antoon De Proft**) (2)	2015*
	Praksis BVBA (represented by **Bruno Holthof**) (2)	2018*
	Luc Missorten (2)	2018*
	Oosterveld Nederland B.V. (represented by **Jan P. Oosterveld**) (1)	2016*
	Kanku BVBA (represented by **Christina von Wackerbarth**) (2)	2016*
	Adisys Corporation (represented by **Ashok K. Jain**) (2)	2017*
	Hilde Laga (2)	2018*
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

Situation on 1 January 2015

Christina von Wackerbarth [04]

Jan P. Oosterveld [02]

Ashok K. Jain [01]

Luc Missorten [05]

Hilde Laga [03]

Eric Van Zele [06]
President & Chief Executive Officer

Bruno Holthof [08]

Antoon De Proft [09]

Charles Beauduin [07]
Chairman of the Board of Directors

BOARD OF DIRECTORS

Charles Beauduin (°1959)
[07] is CEO and owner of Michel Van de Wiele NV since 1993. Van de Wiele is an international technology player and leader in solutions for the textile industry. Mr. Beauduin holds several positions in trade associations and employer organizations. He holds a Master in Law from the KU Leuven and an MBA from Harvard Business School. Mr. Beauduin has a broad international management experience with professional experiences in Asia and the United States.

Eric Van Zele (°1948)
[06] has been President and CEO of Barco 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 post-graduate degrees in Management from Stanford University.

Antoon De Proft (°1960)
[09] holds a Master's degree in Electrical Engineering and a post-graduate degree in Medical Engineering. Mr. De Proft is CEO of Septentrio, a manufacturer of highly accurate GPS systems and he serves on several Boards, including a position as Chairman of IMEC and Quest For Growth and a board position at TKH. Previously, he has been President & CEO of ICOS Vision Systems.

Bruno Holthof (°1961)
[08] 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. He is also a Board member of bpost, Belgium's postal service. Mr. Holthof holds an MBA from Harvard Business School and an MD/PhD from the K.U. Leuven.

Luc Missorten (°1955)
[05] was CEO of Corelio, a leading Belgian multimedia company, until September 2014. He is currently member of the Board of Directors of Ontex, Gimv, Corelio and Mediahuis. He served on the Boards of LMS, Vandemoortele 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.

Jan P. Oosterveld (°1944)
[02] 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 (°1954)
[04] has held several top positions at VNU Belgium, VNU Magazines International, Sanoma WSOY and the Flemish public broadcaster VRT. Today, she is active as international Consultant and Executive Coach at INSEAD Leadership Development center and in private practice for major global firms in many industries. She has served on various boards, among other telecom operator Mobistar in Belgium and Tamedia in Switzerland. Ms von Wackerbarth holds a degree in linguistics, a diploma AMP at INSEAD (France), a certificate in Financial Management at UAMS (Belgium), a Ms Sc in Consulting and Clinical Coaching at HEC (France) and the same diploma at INSEAD (France).

Ashok K. Jain (°1955)
[01] 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 in February 2012. He currently is a General Partner at Co=Creation=Capital LLC. Mr. Jain is of Indian origin and has US citizenship.

Hilde Laga (°1956)
[03] Hilde Laga holds a Ph.D. in Law and lectures corporate law at the University of Leuven. She is one of the founding partners of the law firm Laga which she led as managing partner and head of the corporate M&A practice until 2013. Hilde Laga joined the Board of Directors of of Barco NV and NV Greenyard Foods in 2014. She's a member of the Belgian Corporate Governance Committee and served as a member of the supervisory board of the F.S.M.A. (former C.B.F.A) until 2014.

Kurt Verheggen (°1970)
serves as Company Secretary of the Board. He is the 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 2014, Mr. Eric Van Zele, Praksis BVBA represented by Mr. Bruno Holthof, Lumis NV represented by Mr. Luc Missorten and Oosterveld Nederland B.V. represented by Mr. Jan P. Oosterveld were reappointed by the shareholders.

At the same meeting, the shareholders appointed Mrs. Hilde Laga as a new director.

In September 2014, Lumis NV resigned and the Board of Directors appointed Mr. Luc Missorten personally for the remaining term of his mandate.

In December 2014, after 15 years of service, Mr. Herman Daems decided to resign. The Board of Directors has appointed Mr. Charles Beauduin as director for the remaining term of Mr. Daems' mandate effectively 1 January 2015 and will propose his definitive appointment by the shareholders at the general meeting of 2015

The Board of Directors has meanwhile elected Mr. Charles Beauduin as its chairman.

All non-executive directors hold or have held senior positions in leading international companies or organizations. Their biographies can be found on pages 98 - 99 of this annual report.

BOARD COMMITTEES

Further to the changes in the Board, the composition of the strategic committee has also been adapted accordingly.

STRATEGIC COMMITTEE

The members of the strategic committee are Mr. Charles Beauduin (Chairman), Eric Van Zele, Jan P. Oosterveld, Bruno Holthof, Antoon De Proft and Ashok K. Jain.

AUDIT COMMITTEE

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 98 - 99. 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 used the possibility to combine the remuneration committee and the nomination committee into a single committee.

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.

CORE LEADERSHIP TEAM

Situation on 1 January 2015

Jacques Bertrand [01]
Senior VP - General Manager
Industrial & Government

Paul Matthijs [02]
VP – Corporate Technology
& General Manager China

Carl Peeters [04]
Senior VP
Chief Financial Officer

Piet Candeel [03]
Senior VP – EMEA

Wim Buyens [05]
Senior VP - General Manager
Entertainment & Corporate

Ney Corsino [06]
Senior VP – Americas

Jan Van Acoleyen [08]
Senior VP
Chief Human Resources Officer

Johan Heyman [07]
VP - Operations & Logistics

Filip Pintelon [09]
Senior VP – General Manager Healthcare

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. In 2011, Mr. Bertrand became Chief Sales Officer of Barco and moved back to Belgium. In August 2013, he was appointed President of the Industrial & Government division.

Paul Matthijs [02]
Paul Matthijs leads Corporate Technology combined with the responsibility for the Barco China region. Prior to this position, he held several positions in R&D, product management and general management in the Medical Imaging and Entertainment division and the Retail and Advertising Venture of Barco. Mr. Matthijs holds a Master's degree in Electronic Engineering and an MBA from the Vlerick Business School.

Piet Candeel [03]
is heading the EMEA region for Barco. Prior to his present position, he was the General Manager of the Healthcare division for over 10 years. Preceding that assignment he held several positions in marketing, sales and general management in a variety of business units in Barco.
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). He is also a graduate of Stanford University's Executive Program (SEP).

Carl Peeters [04]
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, where he held several general management positions. He was appointed CFO in 2010. He holds a Master's degree in Applied Economics and a post-graduate degree in Business Administration. He is also a graduate from Stanford's Executive Program.

Wim Buyens [05]
is General Manager of the Entertainment & Corporate 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.

Ney Corsino [06]
is the Regional President of The Americas. Prior to this, he managed the International Sales and Sales Operations of Barco. Before joining Barco, he held several management positions at Philips, through various industry segments, in foreign assignments around the globe. Mr Corsino is originally from Brazil and holds a University degree in Electronic Engineering with post-graduate studies in Economics. He further extended his executive education at Insead and Kellogg School of Management.

Johan Heyman [07]
Johan Heyman is Vice President Operations & Logistics, managing the Manufacturing sites worldwide as well as the Logistics teams and the global Procurement team. He joined the company in 2008. Before joining Barco, he held several management positions in the semiconductor industry at Alcatel Microelectronics, AMI Semiconductor and ON Semiconductor. Mr. Heyman holds a Master's degree in Electronic Engineering from the University of Ghent (U.G.) as well as a post-graduate degree in Industrial Management from the same university.

Jan Van Acoleyen [08]
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.

Filip Pintelon [09]
joined Barco in 2008 as President of Avionics & Simulation and President of Media, Entertainment & Simulation, before assuming the roles of COO and General Manager of the Networking division. Prior to joining Barco, he held top positions at LMS, Andersen Consulting and The Boston Consult- ing 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.

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 in the calendar year 2014:

	Board of Directors	Audit committee	Remuneration & nomination committee	Strategic committee
Eric Van Zele (3)	9	5	4	2
Herman Daems (1)	9			2
Bruno Holthof (2)	9	5		2
Luc Missorten (2)	8	5	4	1
Jan P. Oosterveld (1)	9	5		2
Christina von Wackerbarth (2)	9		4	1
Antoon De Proft (2)	8		4	2
Ashok K. Jain (2)	9			2
Hilde Laga (2)	6			

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

BOARD OF DIRECTORS

In 2014, the Board of Directors met 9 times. One of the meetings was held in Ghent (Belgium).

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 2013 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. It deliberated on and subsequently approved the acquisition of X2O as well as the divesture of Barco Orthogon GmbH and the Defense & Aerospace division. 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, discussed and decided the break-out strategy for the company and approved the 2015 financial budget.

The Board closely monitored the implementation of strategic projects such as the carve-out of the D&A division, the consolidation of the company's activities in Kortrijk on one campus and the implementation of one common ERP-system. Finally, the Board has also attended several demonstrations of new technologies in areas such as medical imaging.

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 2014, the audit committee convened 5 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 they reported on the results of their 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 three times per year, as well as whenever the committee needs to address imminent topics within the scope of its responsibilities. An annual review cycle is defined with regards to remuneration policies, senior leadership remuneration, critical successions and nominations and human resources policies. 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. In the recent membership renewals the committee took this into account. 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 2014, the remuneration & nomination committee met 6 times, the members of the committee were compensated for their attendance at 4 meetings only.

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 2014 bonus review as well as the 2013 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 performance as well as succession of the senior leadership team were also on the agenda.

With regard to the stock option plan 2014, the committee confirmed the 2013 plan guidelines. Particular attention was drawn to the balance between the different components of the senior management remuneration and the relative weight of the equity based part,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.

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 of the Board 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 and 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 2014, the strategic committee met twice but its members were also consulted individually and in brainstorm sessions for an exercise on Corporate Strategy that was conducted by Barco's Core Leadership Team.

The Core Leadership Team 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 https://www.barco.com/en/Corporate%20governance

REMUNERATION REPORT

On 24 April 2014, pursuant to article 17 of the articles of association, the general meeting set the aggregate annual remuneration for the year 2014 at 2,369,325 euro for the entire Board of Directors. This amount also includes the remuneration for the executive director. The balance of the amount was apportioned amongst the other members of the Board in line with its internal rules.

Also in line with the internal rules, a fixed remuneration of 20,500 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 2,550 euro. The Chairman of the audit committee receives an attendance fee of 5,125 euro per meeting. These remunerations are charged as general costs.

The then Chairman of the Board receives a fixed remuneration of 161,000 euro and an annual fixed contribution of 44,000 euro in an individual retirement plan introduced 1 August 2006. The contribution is not performance related. As of 2015 the chairman remuneration will be limited to a fixed remuneration and no longer include a retirement plan component.

Directors do not receive any remuneration linked to performance or results.

There were no shares granted.

	Fixed Remuneration	Board attendance	Committee attendance	Total 2014
Herman Daems	205,000*			205,000
Bruno Holthof	20,500	22,950	17,850	61,300
Luc Missorten	20,500	20,400	37,750	78,650
Jan P. Oosterveld	20,500	22,950	17,850	61,300
Christina von Wackerbarth	20,500	22,950	12,750	56,200
Antoon De Proft	20,500	20,400	15,300	56,200
Ashok K. Jain	20,500	22,950	5,100	48,550
Hilde Laga**	13,667	15,300	0	28,967

* 161,000 euro plus 44,000 euro in retirement benefits ** appointed general meeting 24 april 2014

At the company's request, the following directors have taken up specific assignments outside the scope of their directorship for which they have been compensated as described hereafter:

» Jan P. Oosterveld is a non-executive director of Barco BV (Netherlands) and receives a fixed remuneration of 12,000 euro per year
» Ashok K. Jain: as member of the strategic committee and based on his extensive experience in Silicon Valley Mr. Ashok K. Jain is requested to invest additional time in technology assesments and potential M&A identification as well as contact initiation: 19,500 euro (13 days at 1,500 euro per day)
» Christina von Wackerbarth: as head of the Remuneration and Nomination committee Mrs. von Wackerbarth was asked on a one time project base to conduct interviews with the core and extended management team in preparation of the strategic deployment. This project was invoiced in 2014 and 2015. No future payments are to be expected. The analysis and recommendations were reported back to the committee and board: 5,000 euro

REMUNERATION CEO AND CORPORATE SENIOR VICE PRESIDENTS 2014 (IN EURO)

For the executive director and the corporate senior Vice Presidents, the remuneration is determined by the remuneration and nomination committee, in line with the rules described in the company's 'Corporate Governance Charter' under Title 4 ('Remuneration'), available on https://www.barco.com/en/Corporate%20governance.

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.

2014 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 2014 variable payment is based on EBITDA, 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, this excess amount will be deferred and paid subject to future sustained performance.

REMUNERATION PACKAGE 2014 OF THE CEO

» Fixed gross salary of 655,000 euro.
» 2014 variable remuneration defined by the remuneration and nomination committee and maximum bonus pay-out capped at 120% of the fixed remuneration.
  The 2014 bonus is 485,000 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 2015 and 25% in 2016) and paid subject to future sustained profitability.
» Deferred 2012 variable remuneration of 173,227.14 euro in line with the deferral conditions.
» Deferred 2013 variable remuneration of 178,726.42 euro in line with the deferral conditions.
» Contribution for retirement benefits of 300,000 euro.
» Other components of the remuneration: 28,971 euro (company car).

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

In 2014, 20,000 stock options were granted to the CEO. 10,000 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 2014 FOR THE CORPORATE SENIOR VICE PRESIDENTS, MEMBERS OF THE CORE LEADERSHIP TEAM

2014 CLT is composed of 9 persons compared to 8 members in 2013.

» fixed salary of 2,195,669 euro
» variable remuneration of 415,150 euro
» contribution for retirement benefits of 243,353 euro
» other components of the remuneration: 198,792 euro (healthcare insurance, personal risk insurance, company car)

There is no claw back provision. The audited results are used as the basis for the assessment of the performance.

In 2014, 16,050 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:	5,000
Piet Candeel:	3,000
Carl Peeters:	1,000
Filip Pintelon:	3,000
Ney Corsino:	1,050

A total of 17,000 warrants/stock options were exercised, while 2,250 warrants granted in 2004 at an exercise price of 67.00 euro expired on 29 March 2014 .

There were no shares granted.

Reference is made to page 203 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 1 January 2015 is presented on pages 96 - 97 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, Jan Van Acoleyen and Paul Matthijs 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. Ney Corsino was hired as an employee on 1 July 2012. His employment contract does not include specific termination arrangements but refers to the Belgian legal provisions on termination of employment.

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. Dave Scott was General Manager for the D&A division till 31 January 2015 and has now joined Esterline as General Manager.

STOCK OPTION PLANS FOR EXECUTIVES AND EMPLOYEES

Upon proposal of the remuneration and nomination committee, the Board of Directors approved the 2014 stock option plans for executives and employees.

Reference is made to page 203 of this annual report for an overview of the number of stock options granted under these stock option plans and duration and vesting dates of the stock options.

PRESENTATION OF THE REMUNERATION REPORT TO THE SHAREHOLDERS

The Remuneration Report will be submitted for vote to the shareholders at the shareholders’ meeting of 30 April 2015 .

POLICIES OF CONDUCT

TRANSPARENCY OF TRANSACTIONS INVOLVING SHARES OR OTHER FINANCIAL INSTRUMENTS OF BARCO

In line with the Royal Decree of 5 March 2006, members of the Board of Directors and the core leadership team 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. Transactions by the core leadership team following the exercise of warrants and options have been made public on the website of the FSMA (www.fsma.be) in July, September and December 2014. The Compliance Officer has also published on the Barco website (www.barco.com/investors/corporategovernance) all transactions by insiders at the end of the first month following every quarter.

Reference is also made to Title 7 (1) of the Company's Corporate Governance Charter on https://www.barco.com/en/Corporate%20governance.

CONFLICTS OF INTEREST

BASIC PRINCIPLES

» Art. 523 of the Companies Code sets the rules for conflicts of interest that may arise within the context of a director's mandate.
» Each board member sees to it that these rules are strictly observed
» Any act or transaction which may potentially give rise to a conflict of interest is carefully scrutinized to avoid that such conflict may arise.
» In 2014, none of the directors reported any conflict of interest as referred to in article 523 of the Companies Code.

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 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.

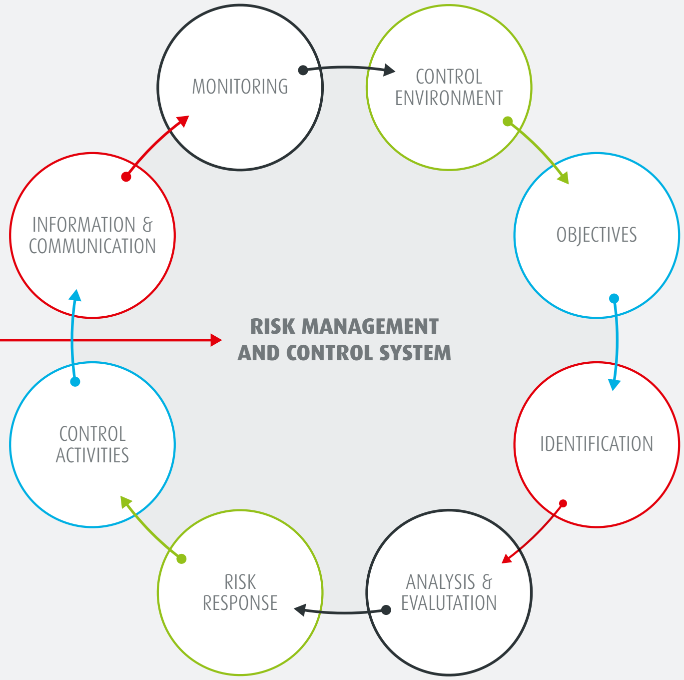
RISK MANAGEMENT AND CONTROL PROCESSES

INTRODUCTION

Barco operates a risk management and control system in accordance with the Companies Law Code and the Corporate Governance Code 2009. Within the context of its business operations, Barco is exposed to a wide variety of risks that can result in the company's objectives being affected or even 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:

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



CONTROL ENVIRONMENT

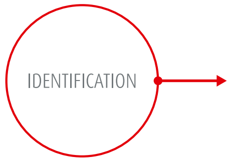
Barco strives for total compliance and a risk-awareness attitude by defining clear roles and responsibilities in all relevant domains. This way, the company fosters an environment in which its business objectives and strategies are pursued in a controlled manner. This environment is created through the implementation of various company-wide 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. 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 system.

RISK MANAGEMENT AND CONTROL SYSTEM

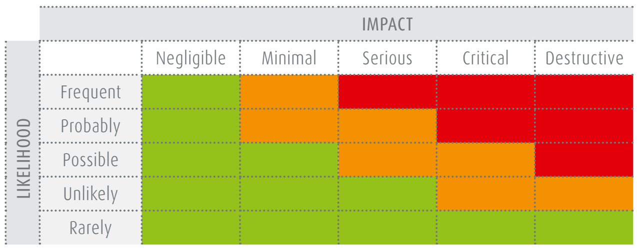
All employees are accountable for the timely identification and qualitative assessment of risks (and significant changes to them) within their area of responsibility.



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, to discover unidentified or unreported risks and to check compliance status. These reviews are conducted by the Risk and Compliance Manager in co-operation with internal audit.

To set the right prioritization, the risks are further evaluated by subjecting them in a consistent manner to an impact scale and a likelihood scale. The scales 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 then monitoring and following up the risk. On the 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'.



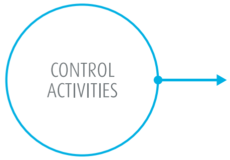
'Unacceptable risks' are contained by means of an action plan to minimize the effects of such risks on the organization's ability to achieve its objectives.

Also, the risks 'under observation' are monitored by a member of the core leadership team.

The Risk and Compliance Manager facilitates these processes by:

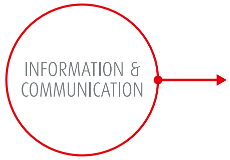
» Providing tools and training to identify, analyze, evaluate, report, escalate and mitigate risks,
» Raising overall awareness of risk management, compliance and control within the company,
» Encouraging continuous improvement.

All risks are specified in the Barco risk universe, which has been divided into four Risk Areas:



CONTROL ACTIVITIES

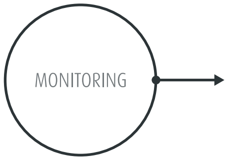
Control measures are in place to minimize the effects of risk on Barco's ability to achieve its objectives. These control activities are embedded in the company's key processes and systems to ensure that the risk responses and the company's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and in 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. In addition to these control activities, an insurance program has been 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 and 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 ensure the security of confidential information and to provide a communication channel for employees to report any (suspected) violation 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 system is assessed by the following actors:

- Internal Auditor – 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 the External Audit 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.)

MOST IMPORTANT RISK FACTORS

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

STRATEGIC RISKS

Organizational strategy – 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.

Market & Competition – Macro-economic risks

Beyond Barco's immediate business environment, a depressed 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 terms of liquidity, Barco has secured committed credit lines in the amount of €152.5 million per 31 December 2014, which are for less than half actually drawn. 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

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

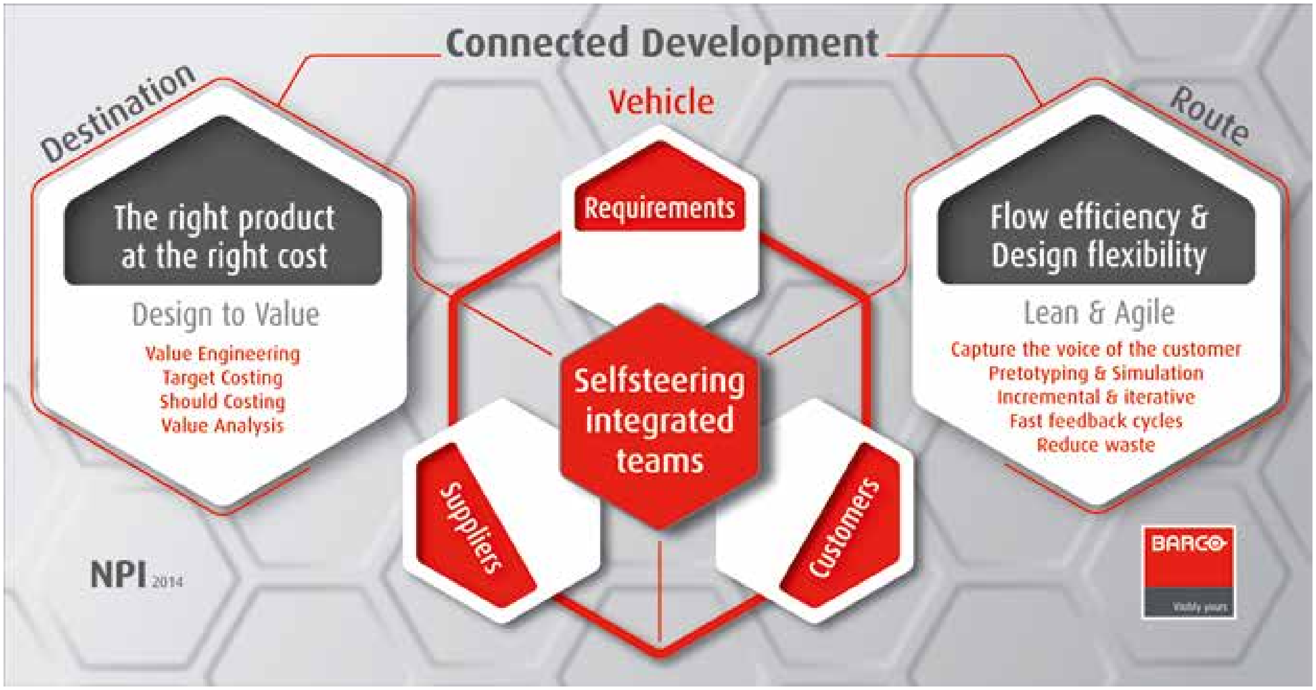
Barco is active in very specialized, selected professional markets for visualization technologies. Each year, the company invests substantially in Research & Development in order to maintain, or attain, market-leader status in each of its key markets. In 2014, this investment amounted to €99.7 million or 11% 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.
» Lack of competiveness, resulting in not achieving the expected sales volume or profitability.
» Unproven technologies, such as laser light sources.
» 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 2014, two of the objectives were:

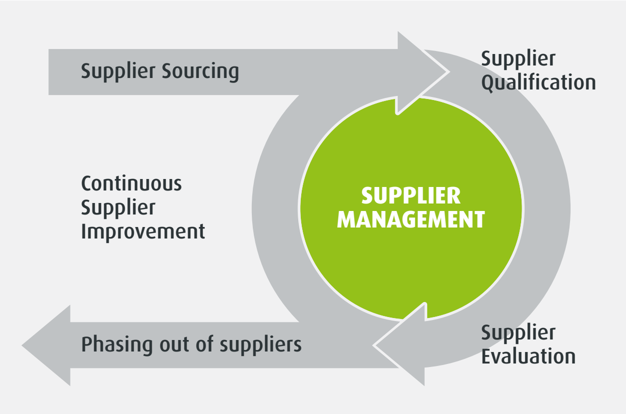
» The right product at the right cost
» Flow efficiency & design flexibility



Sourcing & Supplier Relationship Management – Key components

Expected sales volumes may not be achieved due to a shortage of components. This shortage may be a global phenomenon, due to rapid changes in demand or a major natural disaster. But it might 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 senior management attention.

Barco's global procurement team tracks suppliers closely to anticipate potential disruptions. By controlling its supplier database, Barco seeks to build a more collaborative relationship with its suppliers, which is advantageous to both parties.



Information technologies – 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 security 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. Therefore, as each ERP system component is implemented, Barco carefully identifies the risks and sets proper controls. Controlling and minimizing the major business risks in a preventive way ensures the successful implementation of the new ERP system.
The ability to readily store and share data across interconnected networks has created new efficiencies in doing business. While the benefits of using Internet-based and other technologies are numerous, so are the inherent risks. Every day, all kinds of cyber criminality or misbehavior pop up around the globe. The Information Security Policy reflects this challenge:

» Protect its assets against unauthorized access & use, damage or theft
» Preserve confidentiality
» Counteract interruptions to business activities and protect critical business processes
» Comply with legal requirements
» Based on ISO/IEC 27000

The IT organization provides a number of systems and policies to minimize the risk of service disruption, data corruption, and unauthorized access to data or systems. These systems and policies are subject to a continuous improvement program fed by the results of our vulnerability and disaster recovery tests, monitoring and incident handling.

Property & fixed assets – 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) can destabilize part or all of the world's economy.

In the case of an R&D or a manufacturing site, in particular, these events may disrupt deliveries to customers or postpone new product releases, which may seriously affect the company's competitive position. On a regular basis, property loss prevention surveys are conducted to gather information regarding the facility's occupancy, exposure, construction, hazards, protection, human element programs, etc. The information is used to evaluate the existing loss prevention and control measures and to further reduce the overall exposure to property and business interruption loss. 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.

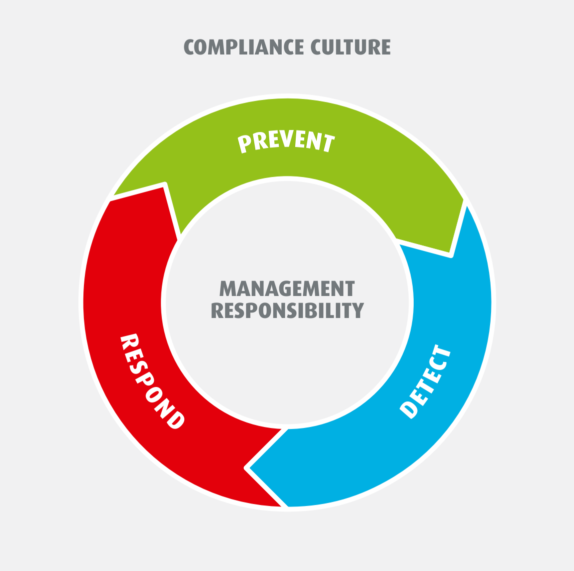
FINANCIAL RISKS

The risk measures related to the accounting and financial reporting risks are described in the 'Barco consolidated' section of this annual report.

COMPLIANCE RISKS

Legislation and governmental restrictions

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 be less developed than in more mature markets.



Compliance starts at the top and is part of the company's culture. The Board of Directors, the CEO and core leadership team lead by example. Barco already enjoys a solid reputation as an ethical and honorable company and demands and expects the same from others: be they employees, suppliers, partners or customers.

Compliance rules affect each employee in his or her daily work. All employees strive to comply with legal, corporate and local Barco policies and procedures to create a fully 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 who:

» Provide advice
» Monitor and assess compliance risks
» Arrange compliance training programs
» Investigate any reports of possible compliance violations and initiate appropriate corrective action (in cooperation with internal audit).

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.

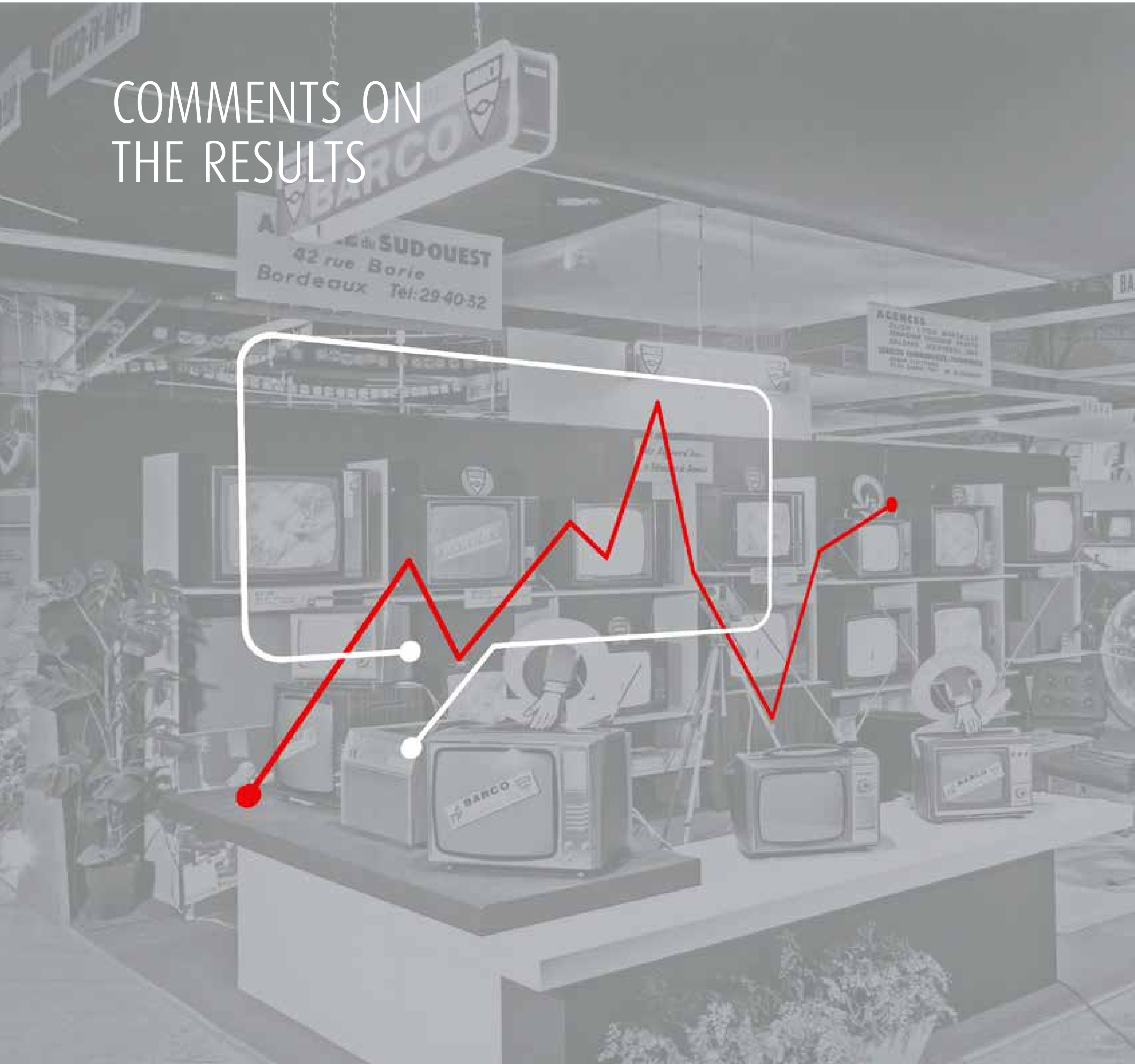
An external financial calendar is planned in consultation with the Board and the core leadership team and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Barco's stakeholders with the information necessary for making sound business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

STATUTORY AUDITOR

At the annual shareholders meeting of 26 April 2012, Ernst & Young Bedrijfsrevisoren BCVBA, De Kleetlaan 2, 1831 Brussels, was re-appointed as statutory auditor of the company for a period of 3 years.

In 2014, remuneration paid to the statutory auditor for auditing activities amounted to 457.759 euro. Remuneration paid to the statutory auditor for special assignments was 54,640 euro.

COMMENTS ON THE RESULTS



Following a disappointing first semester, Barco delivered more encouraging results for the second half of 2014. With 553 million euro in sales and 74 million euro in EBITDA the company essentially generated the same performance as in the second semester of 2013.

Once again, Barco's Entertainment & Corporate division was the strongest contributor with ClickShare fuelling exponential growth in the corporate segment and Barco's digital projectors consolidating their global lead position in the Cinema and Venue & Hospitality markets. Also Healthcare and Industrial & Government returned to growth in the second half with increases in sales and profitability whereas LiveDots continued to decline.

In 2014 the company undertook a strategic review of its businesses, assets and investments. As a result, Barco divested its Orthogon and Defense & Aerospace businesses and pruned product development projects which no longer fit the return criteria. As a more streamlined organization focused on three core businesses - Entertainment, Enterprise and Healthcare – Barco has considerable means to invest in new internal and external growth initiatives and to return to profitable growth.

BARCO'S ORGANIZATIONAL STRUCTURE 2015

Effective 1 January 2015 and following the decision to divest from the Defense & Aerospace activities, Barco continued the streamlining of its organization. Entertainment, Enterprise and Healthcare are now Barco's core divisions:

» **Entertainment:** The Entertainment division is the combination of the Cinema and Venues & Hospitality activities of the E&C division in 2014. The LiveDots venture has been grouped with our V&H activities.
» **Enterprise:** The Enterprise division is the combination of the I&G division and the Corporate activities from the E&C division in 2014 (including ClickShare). The ventures X20 and Silex are added to this division.
» **Healthcare:** The Healthcare division remains as is.

OUTLOOK 2015

The following statements are forward looking and actual results may differ materially. Barco remains cautious about its outlook for 2015. Assuming the euro remains at current levels, management expects flat to single digit growth in sales. On the basis of the improved performance in the second half 2014 management expects also to deliver improved profitability for the full year.

DIVIDEND AND SHARE BUY BACK

The Board of Directors will propose to the General Assembly to increase the dividend from 1.50 euro to 1.60 euro per share to be paid out in 2015, supported by the available cash resources in the company.

In line with Barco's long term strategy to strengthen its global leadership position and to realize the company's growth potential, the Board has decided to preserve most of the company financial resources for internal and external growth investments and does not plan to authorize another share back program after the current program expires in May 2015.

PRELIMINARY REMARK

Subsequent to the end of 2014, Barco completed the divestiture of its Defense & Aerospace business. Barco is therefore presenting the results for 2014 on a reported basis and on a continuing operations basis as if the divestiture had occurred on 1 January 2014. This chapter consist of the following topics:

» The consolidated results 2014 on the reported basis. These results include the Defense and Aerospace business.
» The consolidated results 2014 on continuing basis. These results exclude the Defense & Aerospace businesses and provide a consolidated pro forma comparison base for 2013.
» Divisional results for 2014.

[1] On 2 February 2015, Barco communicated it had closed the divestment of its Defense & Aerospace division to Esterline.

DIVISIONAL RESULTS FOR FISCAL YEAR 2014

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CONSOLIDATED RESULTS FOR THE FISCAL YEAR 2014 REPORTED BUSINESS

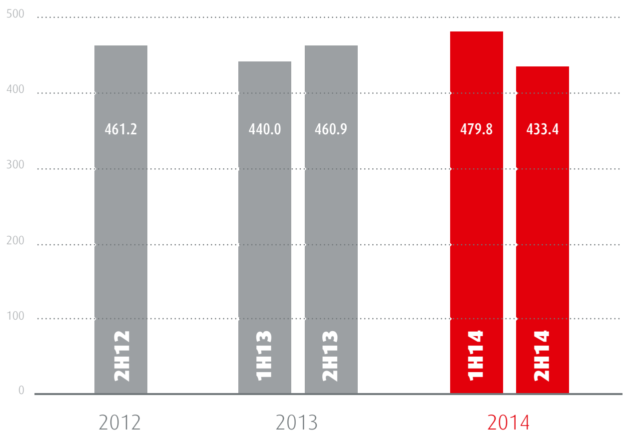
ORDER INTAKE & ORDER BOOK

Order intake was 1,011.2 million euro, 12.1% below last year with declines in all divisions.

The order book on a reported basis at the end of the second semester of 2014 was 433.4 million euro, down from 460.9 million euro at the end of 2013.

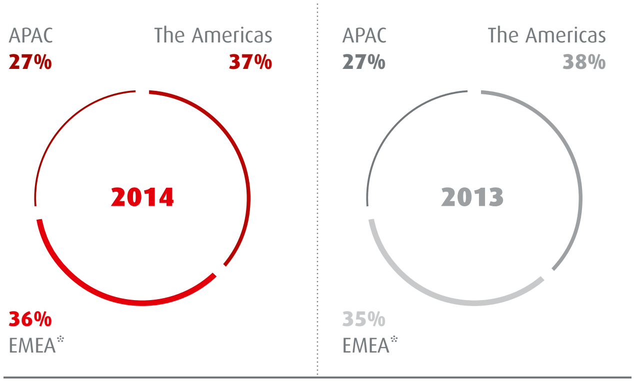
ORDER BOOK

(in millions of euro)



ORDER INTAKE PER REGION

* EMEA region includes Europe, Middle East and Africa

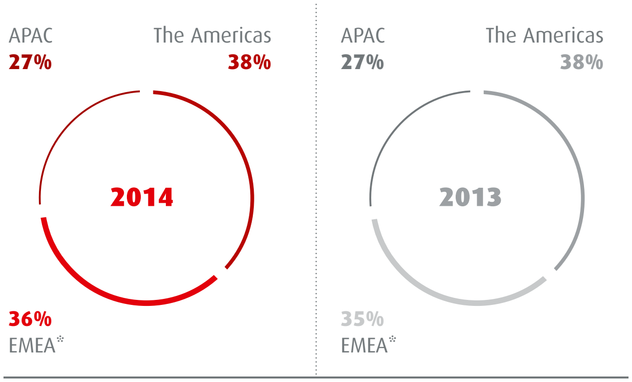


SALES

Second semester sales, although in line with the second half of last year, did not fully offset the weak performance of the first half of 2014. As a result, sales for the year declined in all divisions and in all regions.

SALES PER REGION

* EMEA region includes Europe, Middle East and Africa



PROFITABILITY

GROSS PROFIT

Gross profit margin remained healthy at 33.4% for 2014 and in-line with 2013. Gross profit fell to 351.5 million euro compared to 386.5 million euro for 2013.

INDIRECT EXPENSES

Total indirect cash expenses declined by 20.6 million euro to 364.9 million euro. As a percentage of sales total operating expenses were 34.7% compared to 33.3% for 2013.

» On a cash basis, Research & Development expenses decreased to 104.4 million from 107.5 million euro last year. R&D expenses in the Income Statement amounted to 115.3 million euro or 11.0% of sales. This is due to 10.2 million euro higher levels of amortization and impairment of 8.6 million euro of capitalized R&D as the return criteria were not longer met. Furthermore Barco capitalized 57.0 million euro of R&D expenses in 2014, 5.0 million euro less compared to 2013.

» Sales & Marketing expenses decreased 8.8 million euro to 151.8 million euro compared to 160.7 million euro last year. As a percent of sales, Sales & Marketing expenses rose to 14.4%, compared to 13.9% last year.

» General & administration expenses were 52.6 million euro, compared to 55.7 million euro last year or 5.0% of sales versus 4.8% last year.

» Other operating results amounted to 6.5 million euro positive, compared to 4.4 million euro positive last year.

EBITDA & EBIT

EBITDA was 128.6 million euro, a decrease of 24.7 million euro compared to 153.2 million euro for the prior year. EBITDA margin was 12.2% versus 13.2% in 2013. EBITDA margin improved in 2H14 to a 13.2% level, compared to 11.0% for 1H14.

IN MILLIONS OF EURO	SALES	EBITDA	EBITDA %
Entertainment & Corporate	521.5	79.4	15.2%
Healthcare	186.7	23.2	12.4%
Industrial & Government	160.2	5.1	3.2%
Defense & Aerospace	142.7	21.2	14.8%
Ventures	41.1	-0.3	-0.7%
Intra-group eliminations	-1.2		
Group	**1,051.0**	**128.6**	**12.2%**

Reduced EBITDA, higher amortizations and additional write offs as described above caused EBIT to decline to 38.2 million euro, or 3.6% of sales compared to 79.0 million euro, or 6.8% of sales, in 2013.

The difference between the EBITDA margin and the EBIT margin in reported operations widened from 6.4 percentage points in 2013 to 8.6 percentage points in 2014.

INCOME TAXES

In 2014 taxes were 6.1 million euro in reported operations for a tax rate of 18.0%, compared to 8.1 million euro in 2013 or a tax rate of 12.0%.

NET INCOME

Net income for the year was 27.8 million euro, including a restructuring charge of 3.3 million euro, booked in connection with actions taken to rightsize selected operations primarily in the Industrial & Government divisions and LiveDots activity.

Net earnings per ordinary share (EPS) for the year were 1.96 euro, down from 4.68 euro in 2013 . Fully diluted net earnings per share were 1.92 euro, compared to 4.53 euro last year.

[2] Earnings per share for 2013 have been restated applying IAS33 and using net income instead of net income attributable to the equity holder of the parent

CASH FLOW & BALANCE SHEET

CASH POSITION

Barco ended 2014 with a net financial cash position of 63.4 million euro, compared to 41.0 million euro on 30 June 2014 and 104.4 million euro on 31 December 2013.

The company paid 18.4 million euro for the dividend and 13.9 million euro for the Share Buy Back programs in 2014[3].

As a subsequent event, on 31 January 2015, Barco completed the sale of Defense and Aerospace. The book value of the Defense & Aerospace division was approximately 90 million euro and the capital gain amounts to 60 million euro. Cash proceeds are approximately 145 million euro, excluding cash sold.

FREE CASH FLOW AND WORKING CAPITAL

Free cash flow for the year was 10.1 million euro compared to 70.2 million euro for 2013 and consisted of negative cash flow of 8.1 million euro for the first semester, offset by positive cash flow of 18.2 million euro for the second semester.

Barco generated 118.6 million euro in gross operating cash flow versus 140.9 million euro in 2013 and absorbed an increase in working capital of 26.1 million euro due to higher trade receivables and higher inventory levels. Net working capital balance was 8.8% of sales versus 4.7% of sales for 2013 and 8.2% for 2012.

- » For 2014, changes in both trade receivables and inventory were respectively 20.4 and 9.9 million euro negative, while changes in trade payables were positive for an amount of 3.9 million euro.
- » At the end of 2014 trade receivables were 207.2 million euro versus 177.5 million euro at 31 December 2013. DSO-level stood at 63 days, compared to 56 days as of 30 June 2014 and 52 days as of 31 December 2013.
- » At 230.5 million euro, inventory was 6.3 million euro lower than on June 2014 but 18.9 million euro higher than on 31 December 2013. Inventory turns were at 2.7, compared to 2.6 at the end of June 2014 and 3.2 at the end of December 2013.
- » Trade payables stood at 122.2 million euro at the end of 2014, compared to 120.0 million euro at the end of June 2014 and compared to 114.1 million euro at the end of 2013.

[3] Barco bought 247,668 own shares in 2014. The company now owns 895,374 of its own shares or 7.02% before dilution.

FREE CASH FLOW

IN THOUSANDS OF EURO	2014	2013
EBIT after restructuring	34,949	69,596
Impairment of capitalized development costs and goodwill	8,573	858
Gain on sale Orthogon	-6,650	-2,890
Amortization capitalized development cost	59,355	49,145
Depreciation of tangible and intangible fixed assets	22,401	24,207
Gain/(Loss) on tangible fixed assets	-54	10
Share in the profit/(loss) of joint ventures and associates	68	61
Gross operating free cash flow	**118,643**	**140,986**
Changes in trade receivables	-20,375	25,775
Changes in inventory	-9,934	29,282
Changes in trade payables	3,913	-29,889
Other changes in net working capital	311	9,746
Change in net working capital	**-26,086**	**34,915**
Net operating free cash flow	**92,557**	**175,901**
Interest received	3,057	1,394
Interest paid	-4,201	-3,556
Income taxes	-2,999	-18,886
Cash flow from operating activities	**88,413**	**154,853**
Expenditure on product development	-57,028	-62,072
Purchases of tangible & intangible fixed assets	-25,585	-22,869
Proceeds on disposals of tangible & intangible fixed assets	4,316	260
Cash flow from investing activities (excluding acquisitions)	**-78,297**	**-84,681**
FREE CASH FLOW reported	**10,115**	**70,172**

CAPITAL EXPENDITURE

Capital expenditure, excluding capitalized development, was 25.6 million euro, compared to 22.9 million euro for the same period last year.

CAPITALIZED DEVELOPMENT

Capitalized Research & Development expenses were at 83.0 million euro down from 93.2 million euro in 2013 due to lower capitalization in 2014 in combination with the 8.6 million euro impairment on capitalized development.

ROCE

ROCE (after tax) stood at 6%, compared to 8% at 30 June 2014 and 15% at 31 December 2013. The decrease mainly reflects the decrease in EBIT and to a lesser extent the increase in working capital and the higher effective tax rate of 18.0% compared to 12.0% last year.

IN THOUSANDS OF EURO		2014	2013
Trade debtors		207,213	177,467
Inventory		230,471	211,575
Trade payables		-122,196	-114,133
Other working capital	(c)	-222,977	-220,126
Total working capital		92,512	54,782
Capitalized development		83,049	93,248
Other long term assets & liabilities	(b)	186,998	172,918
Operating capital employed		**362,559**	**320,948**
Goodwill		156,440	145,705
Operating capital employed (incl goodwill)		518,999	466,653
EBIT before restructuring		38,229	79,024
ROCE after tax (%) reported	(a)	**6%**	**15%**

(a) Tax rate used is the effective tax rate, i.e. 18% in 2014 and 12% in 2013.

(b) Other long term liabilities include the sum of other intangible assets, land and buildings, other tangible assets and deferred tax assets (net). We refer to note 11 and 12 for explanation on the movements.

(c) Other working capital include the sum of other non-current assets, other amounts receivable, prepaid expenses and accrued income, other long term liabilities, trade payables, advances received from customers, tax payables, employee benefits liabilities, other current liabilities, accrued charges and deferred income and provisions. Driven by the higher working capital (mainly trade debtors and inventory, however still below 10% of sales), also reflected in a higher DSO, lower inventory turns and higher other long term assets and an EBIT, which is less than half of last year's EBIT, the return on capital employed decreased from 15% in 2013 to 6% in 2014.

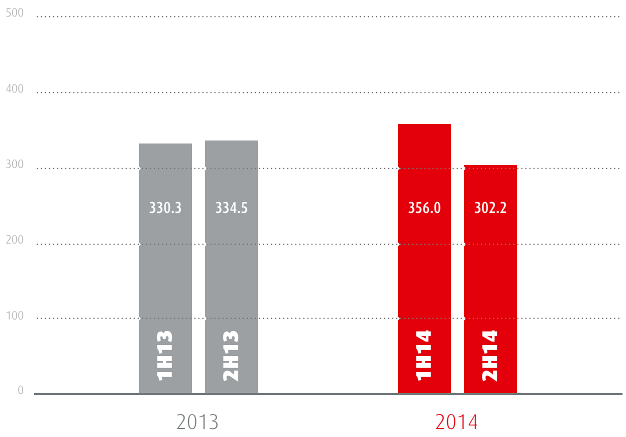
CONSOLIDATED RESULTS FOR THE FISCAL YEAR 2014 CONTINUING BUSINESS

ORDER INTAKE & ORDER BOOK

Incoming orders were down to 869.4 million euro from 993.4 million euro in 2013.

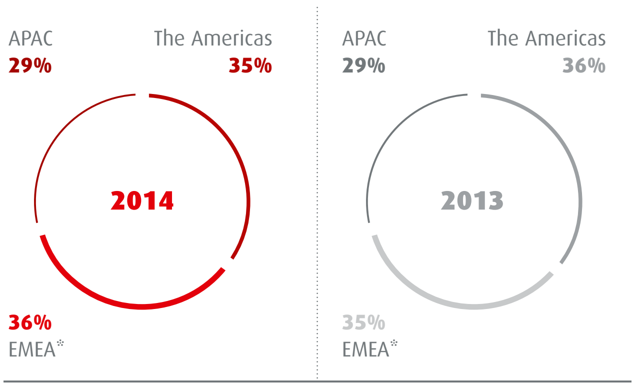
ORDER BOOK

(in millions of euro)



INCOMING ORDERS PER REGION

* EMEA region includes Europe, Middle East and Africa

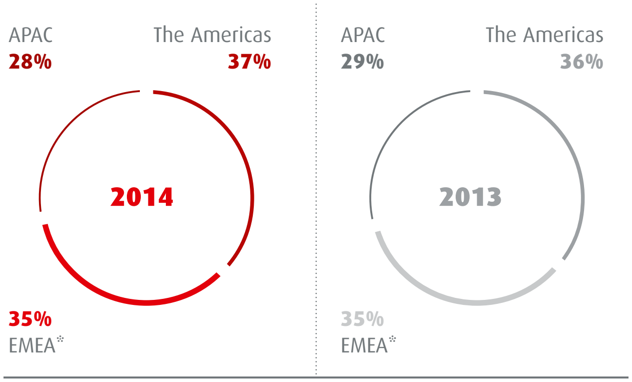


SALES

Sales for the continuing business was down with 9.9% from 1,008.5 million euro in 2013 to 908.4 million euro in 2014.

SALES PER REGION

* EMEA region includes Europe, Middle East and Africa



PROFITABILITY

GROSS PROFIT

On a continuing operations basis, gross profit margin was essentially flat at 33.5% compared to 33.4% in 2013.

INDIRECT EXPENSES

Indirect cash expenses for the continuing business declined by 17.9 million euro to 313.1 million euro. As a percentage of sales total operating expenses were 34.5% compared to 32.8% for 2013.

» On a cash basis, Research & Development expenses decreased to 90.2 million from 94.2 million euro last year, which equates to 9.9% from 9.3% as a percentage of sales.
  R&D expenses in the Income Statement increased to 99.7 million euro from 80.4 million euro in 2013. As a percentage of sales R&D expenses are at 11.0% compared to 8.0% the year before.
» Sales & Marketing expenses decreased from 142.0 million euro in 2013 to 135.1 million euro in 2014. As a percent of sales, Sales & Marketing expenses rose to 14.9%, compared to 14.1% last year.
» General & administration expenses were 44.3 million euro, compared to 46.2 million euro last year or 4.9% of sales versus 4.6% last year.
» Other operating results amounted to 5.3 million euro, compared to 2.4 million euro last year.

EBITDA & EBIT

EBITDA for the continuing business was 107.4 million euro in 2014 for an EBITDA margin of 11.8% compared to 133.0 million euro in 2013 for an EBITDA margin of 13.2%.
EBIT was 30.9 million euro down from 70.6 million euro in 2013. The EBIT margin is 3.4% down from 7.0% in 2013.

INCOME TAXES

In 2014 taxes were 4.7 million euro in continuing operations for a tax rate of 18.0%, compared to 7.7 million euro in 2013 or a tax rate of 12.0%.

NET INCOME

Net income from continuing operations was 21.7 million euro, including a restructuring charge of 3.4 million euro. On a pro forma comparison, net income was 56.4 million euro in 2013.
Net earnings per ordinary share (EPS) for the year for the continuing operations were 1.46 euro, down from 4.43 euro in 2013. Fully diluted net earnings per share were 1.43 euro, compared to 4.29 euro last year.

CASH FLOW & BALANCE SHEET

FREE CASH FLOW AND WORKING CAPITAL

Free cash flow for the year was 1.2 million euro compared to 60.2 million euro for 2013.

Continuing operations for Barco generated 97.4 million euro in gross operating cash flow versus 128.5 million euro in 2013.
Working capital was down with 26.6 million euro versus 2013 and net working capital balance for the continuing operations was 4.9% of sales.

» Changes in Trade receivables: 19.7 million euro negative
» Changes in Inventory: 11.9 million euro negative
» Changes in Trade payables: 0.2 million euro positive

» Trade receivables are at 170.5 million euro versus 141.3 million euro in 2013. DSO stood at 63 days.
» Inventories are at 185.6 million euro versus 159.4 million euro in 2013. Inventory turns were at 2.9 for 2014.
» Trade payables stood at 109.1 million euro, compared to 103.7 million euro in 2013.

FREE CASH FLOW STATEMENT CONTINUING

IN THOUSANDS OF EURO	NOTE	2014	2013
EBIT after restructuring		27,509	66,014
Impairment of capitalized development costs and goodwill		7,244	739
Gain on sale Orthogon		-6,650	-
Amortization capitalized development cost		49,969	40,193
Depreciation of tangible and intangible fixed assets		19,291	21,515
Gain/(Loss) on tangible fixed assets		-69	7
Share in the profit/(loss) of joint ventures and associates		68	61
Gross operating free cash flow		**97,362**	**128,530**
Changes in trade receivables		-19,669	29,064
Changes in inventory		-11,915	24,501
Changes in trade payables		220	-29,644
Other changes in net working capital		4,740	4,184
Change in net working capital		**-26,624**	**28,105**
Net operating cash flow		**70,738**	**156,635**
Interest received		3,022	1,420
Interest paid		-4,156	-3,493
Income taxes		-2,993	-18,410
Cash flow from operating activities		**66,611**	**136,151**
Expenditure on product development		-47,691	-54,795
Purchases of tangible & intangible fixed assets		-22,031	-21,442
Proceeds on disposals of tangible & intangible fixed assets		4,312	255
Cash flow from investing activities (excluding acquisitions)		**-65,410**	**-75,983**
FREE CASH FLOW continued		1,201	60,168

CAPITAL EXPENDITURE

Capital expenditure, excluding capitalized development, was 22.0 million euro, compared to 21.4 million euro for the same period last year.

CAPITALIZED DEVELOPMENT

Capitalized Research & Development expenses were at 71.4 million euro down from 80.0 million euro in 2013.

ROCE

ROCE (after Tax) stood at 6% (same as for the reported business), compared to 16% at 31 December 2013.

IN THOUSANDS OF EURO	NOTE	2014	2013
Trade debtors		170,486	141,342
Inventory		185,631	159,438
Trade payables		-109,091	-103,713
Other working capital	(c)	-202,589	-194,224
Total working capital		44,437	2,843
Capitalized development		71,351	80,044
Other long term assets & liabilities	(b)	183,227	169,184
Operating capital employed		**299,014**	**252,071**
Goodwill		143,774	133,656
Operating capital employed (incl goodwill)		442,788	385,727
EBIT before restructuring		30,882	70,596
ROCE after tax (%) continued	(a)	**6%**	**16%**

DIVISIONAL RESULTS FOR FISCAL YEAR 2014

ENTERTAINMENT & CORPORATE DIVISION

(IN MILLIONS OF EURO)

IN MILLIONS OF EUROS	1H14	2H14	FY14	1H13	2H13	FY13
Orders	**262.4**	**236.4**	**498.9**	283.0	255.2	538.2
Sales	**252.3**	**269.2**	**521.5**	306.2	261.7	568.0
EBITDA	**40.3**	**39.1**	**79.4**	48.1	39.0	87.1
EBITDA margin	**16.0%**	**14.5%**	**15.2%**	15.7%	14.9%	15.3%

Entertainment & Corporate performed to plan in both orders and sales. As anticipated, digital cinema volumes declined and the other segments - Venues & Hospitality and Corporate - generated higher volumes. The sales and orders mix continued to shift away from Digital Cinema with Venues & Hospitality and Corporate together accounting for 45% of sales for 2014 versus 35% for 2013.

The company further strengthened its leadership position in Digital Cinema, gaining market share and reaching a record number of 55,000 projectors installed in the field globally. As such Barco remains well positioned to leverage its large installed base with service and maintenance-contracts and future upgrade and replacement programs. In addition, while mature geographic markets have largely converted to digital cinema, emerging markets such as China, India and Latin America continue to upgrade and invest in digital cinema solutions.

During 2014, Barco delivered and installed its first laser projectors and is exploring - under the CinemaBarco concept - a variety of growth initiatives to increase the immersive experience of cinema, such as Barco Escape.

In the Venues and Hospitality segment, the company integrated High End Systems and delivered new lighting products resulting in growth in sales and orders.

The Corporate segment registered strong growth, driven by ClickShare and the new range of Corporate projectors and continued to develop sales channels worldwide. The projectiondesign® acquisition delivered on its promise in 2014, contributing to profitability, strengthening Barco's projector offering and expanding the company's channel network.

The division continued to deliver good profitability with each segment producing an EBITDA margin close to or above 15%.

HEALTHCARE DIVISION

(IN MILLIONS OF EURO)

IN MILLIONS OF EUROS	1H14	2H14	FY14	1H13	2H13	FY13
Orders	**87.8**	**93.2**	**181.0**	92.7	124.8	217.0
Sales	**88.4**	**98.2**	**186.7**	98.6	97.1	195.7
EBITDA	**9.7**	**13.5**	**23.2**	12.2	14.1	26.3
EBITDA margin	**11.0%**	**13.7%**	**12.4%**	12.3%	14.5%	13.5%

The full year performance for the Healthcare division reflects a soft first semester, particularly in diagnostic imaging due to lengthening replacement cycles, followed by improved results for the second semester, including a recovery of the EBITDA margin to 13.7%.

The division retained market leadership in diagnostic imaging, including modality and custom products, and continued to drive expansion in digital operating rooms, as several leading vendors integrated the company's solution into their surgical solutions. In addition, the division continued to assert its technological leadership through the introduction of the Coronis Uniti (12 megapixel diagnostic display) and the addition of 4K capabilities to the digital operating room solution. Furthermore the division took a start to develop footprint in China with the set-up of local manufacturing for the domestic customer base.

INDUSTRIAL & GOVERNMENT

(IN MILLIONS OF EURO)

IN MILLIONS OF EUROS	1H14	2H14	FY14	1H13	2H13	FY13
Orders	**76.7**	**76.3**	**153.0**	85.3	95.7	180.9
Sales	**68.5**	**91.7**	**160.2**	80.8	88.8	169.6
EBITDA	**-1.4**	**6.5**	**5.1**	6.0	4.3	10.3
EBITDA margin	**-2.1%**	**7.1%**	**3.2%**	7.4%	4.8%	6.1%

Industrial and Government faced a number of challenges during 2014 including a slowdown in demand in China and a faster than anticipated technology shift from rear-projection cubes to LCD-based solutions along with intensified price pressure.

Top-line performance was particularly weak for the first six months of the year and efforts in the second half to restore sales momentum and reduce operating expenses began to yield results in the second half of the year with sales increasing and EBITDA improving.

To address changing competitive dynamics in Control Rooms, Barco launched a new differentiated LCD portfolio in the last quarter of the year and to meet emerging market demand for collaborative decision-making, the company continued to expand its software solution portfolio.

DEFENSE & AEROSPACE DIVISION

(IN MILLIONS OF EURO)

IN MILLIONS OF EUROS	1H14	2H14	FY14	1H13	2H13	FY13
Orders	**60.5**	**81.3**	**141.8**	59.6	97.5	157.1
Sales	**64**	**78.7**	**142.7**	71.1	78.7	149.7
EBITDA	**8.1**	**13.1**	**21.1**	6.7	13.5	20.2
EBITDA margin	**12.7%**	**16.6%**	**14.8%**	9.4%	17.2%	13.5%

The Defense & Aerospace division contributed to the group results with an increased EBITDA contribution and a 14.8% EBITDA margin, reflecting the restructuring actions taken in 2013.

Program delays in the training segment continued to impact order intake and sales.

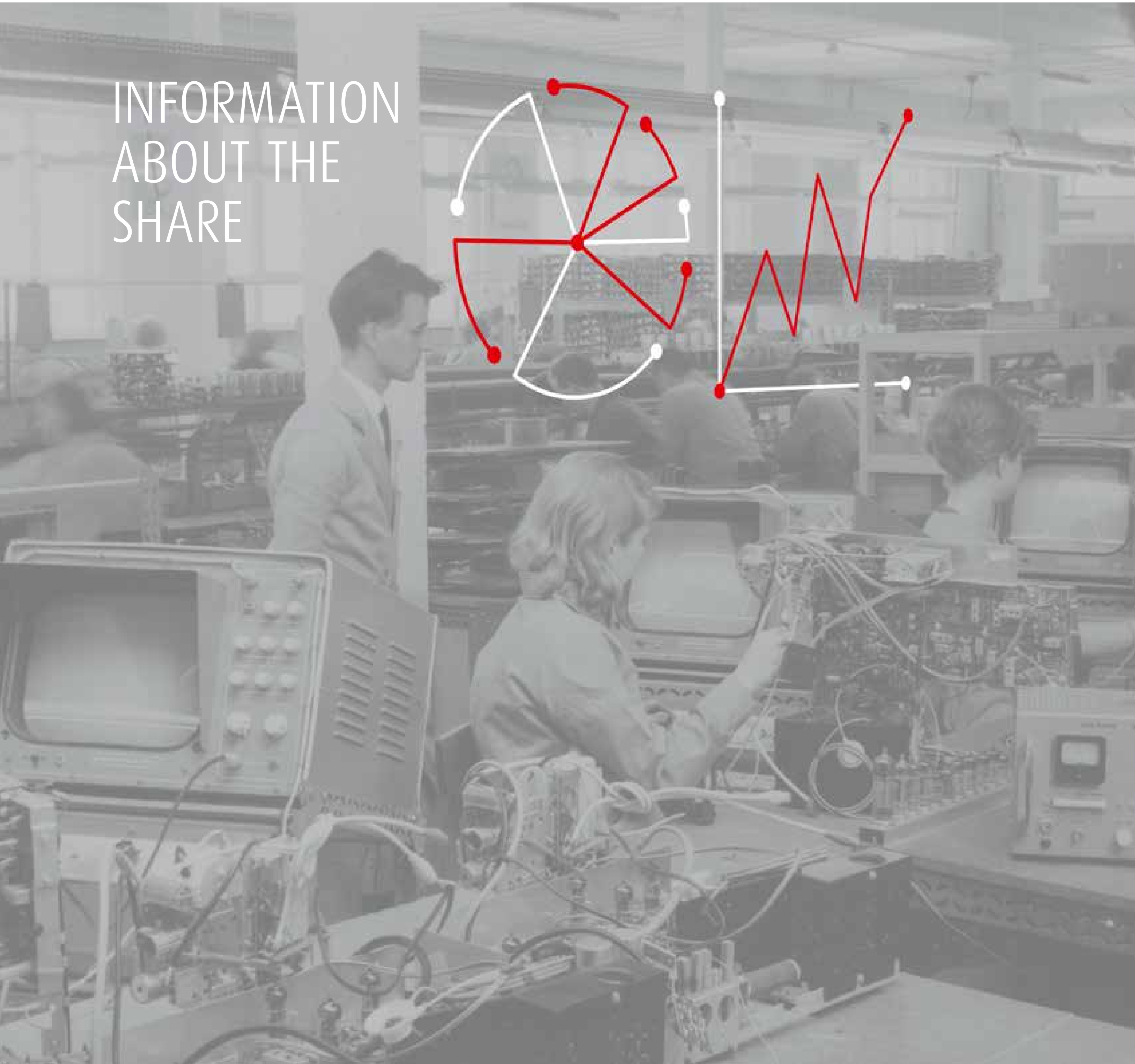
VENTURES

(IN MILLIONS OF EURO)

IN MILLIONS OF EUROS	1H14	2H14	FY14	1H13	2H13	FY13
Orders	**25.3**	**12.0**	**37.2**	37.4	21.8	59.2
Sales	**25.7**	**15.4**	**41.1**	42.7	35.8	78.5
EBITDA	**-1.8**	**1.6**	**-0.3**	3.9	5.4	9.3
EBITDA margin	**-7.0%**	**10.4%**	**-0.7%**	9.0%	15.2%	11.8%

LiveDots went through a rough year, with a severe shortfall in orders and sales as a result of the loss of projects in North America and the Middle East. Slower global market demand and delays in closing some high potential projects weighed on the order and sales and eventually on profitability. In response, Barco has cut operating expenses and is repositioning the business in response to changes in the competitive landscape and in order to resume profitable growth again.

INFORMATION ABOUT THE SHARE



Euronext Brussels

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

Market capitalization (31 December 2014)	756.5 million euro
Highest capitalization (14 March 2014)	771.4 million euro
Lowest capitalization (28 August 2014)	664.0 million euro
Share price 31 December 2013	56.70 euro
Share price 31 December 2014	58.24 euro
Velocity (2014)	49.70%

LIQUIDITY	SOURCE	2014	2013	2012
Total yearly volume (shares)	Euronext	6,392,357	7,576,594	6,620,286
	Lit Venues (1)	8,150,321	8,674,804	7,500,210
	All Venues (2)	14,341,236	14,461,346	13,930,312
Average number of shares traded	Euronext	25,068	29,787	25,860
	Lit Venues (1)	31,962	34,105	29,298
	All Venues (2)	56,240	56,711	54,415
Total yearly volume (turnover)	Euronext	357.60 million euro	453.95 million euro	384.71 million euro
	Lit Venues (1)	456.16 million euro	517.99 million euro	365.07 million euro
	All Venues (2)	801.69 million euro	874.87 million euro	669.85 million euro

Comment (1&2): Based on the Fidessa stock report: http://fragmentation.fidessa.com/ The numbers referenced here take into account the trades in the Lit-category. The category "Lit venues" includes Euronext and the alternative platforms BATS Chi-X, Turquiose and Equiduct. Alle Venues includes the Lit-venues, the Systematic internallisers, off-book transactions and dark venues.

DIVIDEND

The Board of Directors decided to recommend to the general assembly to pay a dividend of 1.6 euro (gross) per share over 2014. This is 1.2 euro net, on withholding tax of 25%. At 1.60 euro, the pay-out ratio is 74.8%.

KEY FIGURES FOR THE SHAREHOLDER

page 136

INVESTOR RELATIONS

page 138

KEY FIGURES FOR THE SHAREHOLDER

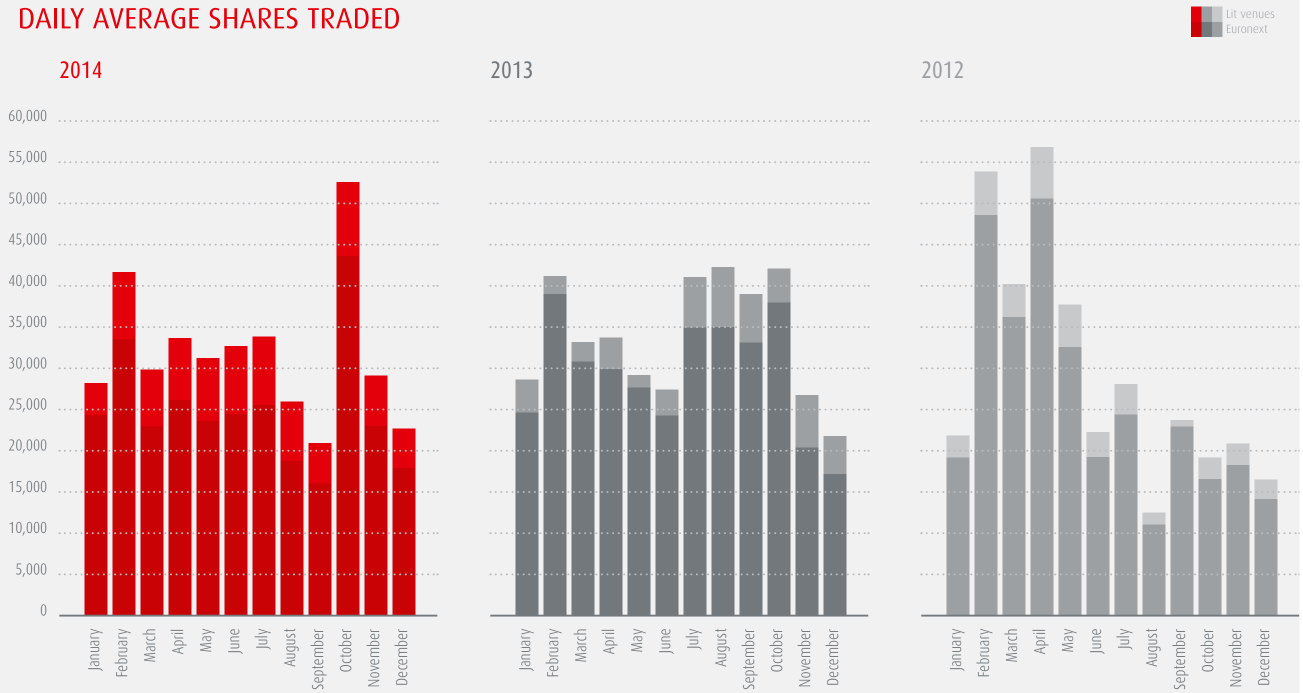
IN EURO	2014	2013
Number of shares (in thousands):	**12,998**	**12,989**
Per share (in euro) - Reported business		
EPS	1.96	4.86
Diluted EPS	1.92	4.71
Gross dividend	1.60	1.50
Net dividend	1.20	1.125
Gross dividend yield (a)	2.75%	2.65%
Yearly return (b)	5.4%	6.6%
Pay-out ratio (c)	74.8%	34.1%
Price/earnings ratio (d)	29.7	11.7

(a) Gross dividend/ closing rate on 31 December 2014
(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	2014	2013
Share price		
Average closing price	56.19	59.96
Highest closing price	59.39	69.95
Lowest closing price	52.01	52.58
Closing price on 31 December	58.24	56.70
Average number of shares traded daily (e)	31,962	29,213
Stock market capitalization on 31 December (in millions)	756.5	736.5

(e) The average number of shares traded daily for 2014 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.

DAILY AVERAGE SHARES TRADED



ANALYSTS COVERING BARCO

ABN AMRO Bank	Marc Hesselink
Bank Degroof	Bart Jooris
Exane BNP Paribas	David Vagman
Flemish Federation of Investors and Investor Clubs	Gert De Mesure
ING	Emmanuel Carlier
KBC Securities	Guy Sips
Kempen & Co.	Erwin Dut
Leleux Associated Brokers	Geert Van Herck
Petercam	Stefaan Genoe

FINANCIAL CALENDAR 2015

Announcement of results 4Q14 and FY14	Thursday 12 February 2015
Trading update 1Q15	Wednesday 22 April 2015
Annual general shareholders meeting	Thursday 30 April 2015
Announcement of results 1H15	Wednesday 22 July 2015
Trading update 3Q15	Wednesday 21 October 2015

INVESTOR RELATIONS

THE YEAR IN RETROSPECT

In 2014, Barco's performance was lower than in the two previous years and was below expectations. The impact of the dollar, headwinds in certain divisions and in China and a slowdown in the cinema market pushed the top line down. As a result, negative growth was registered on the margins, while the fundamentals of the company – such as market and technology leadership and financial strength – remained untouched.

EVOLUTION OF THE SHARE PRICE

Share price performance in 2014 was rather stable, with the share price hovering in value between €50 and €60 and showing good resilience.

The share started slowly but showed a good recovery in May and peaked at around €59. Following the profit warning in July, the share bottomed out at €52 and then picked up again to show a nice recovery as of September, supported by the news in the M&A domain.

The share closed the year at €58.24 (versus €56.70 a year earlier) for a result of +5.4% over the year, including the dividend of €1.5, and +2.5% excluding dividend. For the year, this is within the range of international indices such as AEX (+6%) and the CAC-40 (+2%) but below the strong Bel-20-performance (+15%).

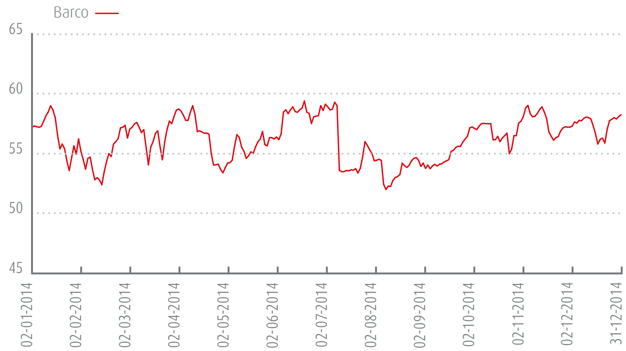
As a result, 2014 has been the fourth consecutive year in which the share closes the year with a positive return (year on year).

The market capitalization at 31 December 2014 was €756 million, compared to €736.5 million a year earlier.

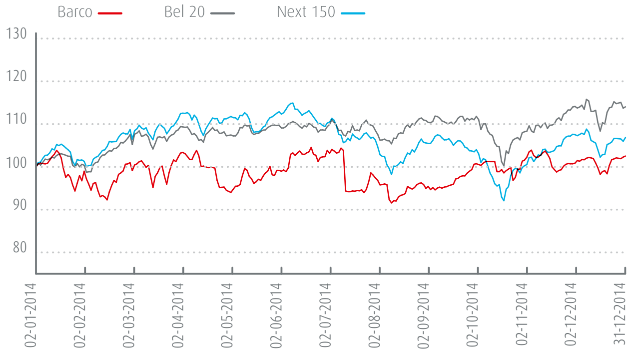
Notwithstanding the dynamic news over the course of 2014, we observed an improved and lower volatility and more comfort in the share price over the year compared to previous years (share price between €50-€59 over the twelve months). The entry of new, value oriented, investors with a long-term horizon and a balanced share buy-back program provided good support for the share throughout the year.

In June, Van de Wiele NV announced it was taking over GIMV's 9.6% participation in Barco. With this sale, GIMV concluded 30 years of long-term shareholdership, during which GIMV supported Barco in its development, transformation and growth. Van de Wiele NV strengthened its position and announced in July that it held more than 10% of Barco shares. On 1 January 2015, Charles Beauduin, CEO and owner of Van de Wiele NV, succeeded Herman Daems as Chairman of the Board.

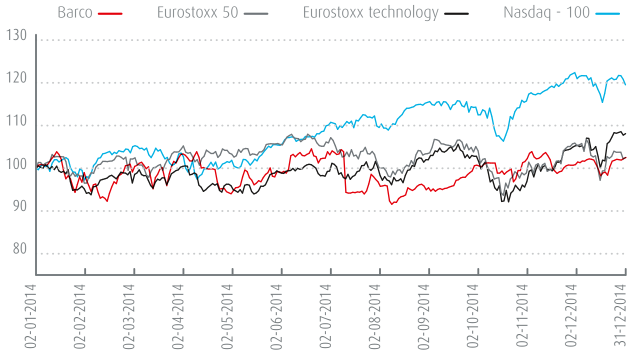
Barco Share price 2014



Barco / Bel 20 / Next 150



Barco / Eurostoxx 50 / Eurostoxx Technology / Nasdaq - 100



BARCO'S INVESTMENT CASE

Barco remains a corporation with solid financials and a strong business model.

The company obtains market leadership positions in sizeable markets such as digital cinema and healthcare, where it enjoys an excellent reputation and the company is developing initiatives to grow in its core markets to extend its share of wallet and to leverage the installed base.

The company has followed a cautious course in managing its financials and enjoys a strong Balance sheet with year-on-year net cash positive results. This position has now further strengthened following the divestment of the Defense & Aerospace division and will be used to fund growth initiatives.

The focus on operational efficiencies of the company yielded strong results in 2012 and 2013 but will require continued focus to improve the 2014-baseline regarding working capital and return on capital employed.

The company has streamlined its organization and is –as of 2015- addressing three markets: Entertainment, Enterprise and Healthcare.

Along with a tightened organizational model, the company will also increase focus on improving efficiency in order to reduce indirect expenditure and to drive operational profits.

Finally, shareholdership is rewarded with consistent growth in the dividend and supported by a modest share buy-back program. The shareholderbase remains to be very international but has evolved to a situation with predominance of value-oriented investors and where the new reference shareholder is represented by the chairman of the board.

SHAREHOLDERS

A study of Barco's global shareholdership at 31 December 2014[1] identified ownership of almost 90.0% of the company, with identified institutional investors holding 66% of all shares, 7% being treasury shares held by the company and 18% held by retail investors.

GEOGRAPHICAL DISTRIBUTION

At the end of the year 34% of the institutional shares was owned in Belgium (up from 33% in 2013 and 30% in 2012). 25% of the institutional shares were owned in North America (United States & Canada), down from 34% a year before and 12% owned in UK (from 13% the year before). Luxembourg is good for 8% and France increased its stake from 6% to 7%. The remainder is good for 13% and is essentially owned in Rest of Europe (Germany, Switzerland, the Nordic regions and the Netherlands).

Over the year positions remained relatively stable in the US as well as in the domestic market. Declines in UK, Germany and Nordic region were offset by increases in Luxembourg and France.

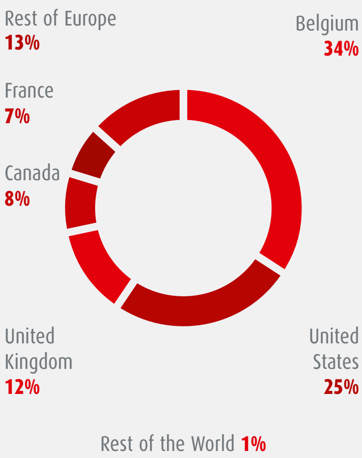
[1] Study delivered by Nasdaq OMX Advisory Services

CONCENTRATION

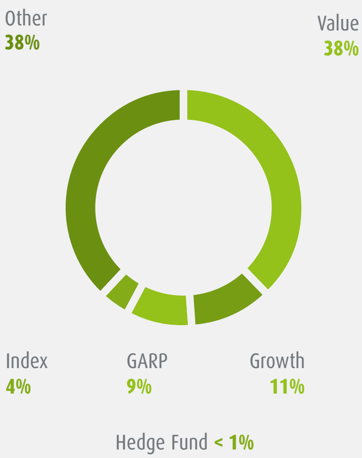
The Top10 Holders evolution demonstrates strong dynamics in Barco's shareholdership in 2014. We welcomed 6 newcomers in the top 10 holders over the year.

Share price concentration increased over the full year. The top 10, top 25 and top 50 represent 41%, 57% and 64% of the outstanding shares respectively and compared to 38%, 51% and 59% at the end of 2013. Compared to the Mid Cap client benchmark, Barco remains below average in terms of shareholder concentration which should result in less share price volatility if a top investor decides to divest. A majority of Barco's institutional shares are held by investors classified as low turnover – expected holding periods exceeding 24 months- which should also prove to be a stabilizing force.

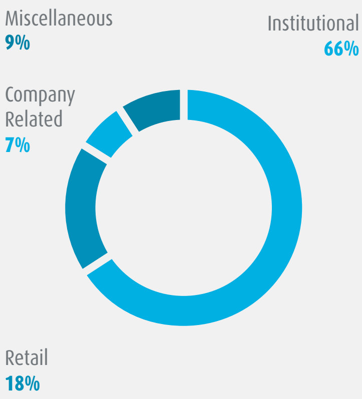
INSTITUTIONAL SHARES BY GEOGRAPHY



INSTITUTIONAL SHARES BY INVESTMENT STYLE



TOTAL SHAREHOLDER COMPOSITION



Shareholder analysis done in collboration with Nasdaq Advisory services

SHORT POSITIONS

In 2013, the first short positions were identified and these positions were maintained throughout 2014. The largest reported position is at 1.5% of the outstanding shares (same as on 31 December 2013). The short interest rate was 2.7% at mid-year and 3.9% at year-end.

LIQUIDITY & FREE FLOATING DAYS

In 2014, free floating days for Barco were 428 (versus an average of 429 days for the BEL20). In 2012 and 2013, free floating days were 408 and 357 days, respectively, versus averages of 401 and 421.

Liquidity on the Lit Venues was somewhat lower than in 2013 – with a daily average of 32,000 shares being traded in 2014, compared to 34,000 in 2013. Including all trades from any venue (including off-book transactions), liquidity was essentially flat with 56,000 shares traded on a daily basis.

Evolution over the year shows a slow September followed by a strong October with a record high of more than 50,000 shares per day.

ON/OFF EXCHANGE – TRADING VENUES

56.9% of all transactions happened on Lit-trading venues in 2014, with Euronext Brussels, BATS and Turquoise being the most popular ones. In 2013 and 2012, this was 59% and 54% respectively.[2]

Off-Book transactions were good for about 35% of all transactions. Dark venues and Systematic Internalizers combined were good for 8%.

SHARE BUY-BACK PROGRAM

Following the approval of the annual general assembly, the company decided to kick off a first Share Buy-Back program on 8 May 2014 for 6 months. In this first program, 214,880 shares were acquired for a total amount of €12 million. A follow-up program was launched on 10 November for another 6 months for a maximum amount of €8 million.

In 2014, and since the start of the Share Buy-Back program on 8 May 2014, the company bought back 247,688 shares for a total amount of €13,865,634. This corresponds to 1.91% of the total shares outstanding.

At year-end, the total number of the company's own shares amounted to 895,374 shares or 7.02%. The company is using re-purchased shares to replenish the pool of its own shares for future stock option plans or to use shares to finance acquisitions. The company announced that it will not exceed 10% of the shares held in treasury and will cancel excess shares held in treasury to safeguard this commitment.

[2] Information according to Fidessa, Fidessa Fragmentation Index

BARCO CONSOLIDATED

IFRS FINANCIAL STATEMENTS

INTRODUCTION

This chapter of the Annual Report contains the IFRS audited consolidated financial statements including the notes thereon prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.
The chapter 'Comments on the results' (see page 118) provides an analysis of the developments during the financial year 2014 and the results and is based on the IFRS consolidated financial statements and should be read in conjunction with these statements.

REPORTED STATEMENTS

Reported group figures present group figures including the division Defense & Aerospace, to show how the group figures would have looked like, in case the Defense & Aerospace division was not held for sale.

INCOME STATEMENT REPORTED

IN THOUSANDS OF EURO	2014	2013
Net sales	1,050,959	1,158,015
Gross profit	351,472	386,496
EBIT before restructuring	38,229	**79,024**
Restructuring	-3,280	-9,428
EBIT after restructuring	34,949	69,596
Income before taxes	**33,805**	**67,434**
Income taxes	-6,083	-8,092
Result after taxes	**27,721**	**59,342**
Share in the result of joint ventures and associates	68	61
Net income	**27,790**	**59,403**
Net income attributable to non-controlling interest	**3,856**	**2,284**
Net income attributable to the equity holder of the parent	**23,933**	**57,119**
Earnings per share (in euro)	1.96	4.68
Diluted earnings per share (in euro)	1.92	4.53

BALANCE SHEET REPORTED

IN THOUSANDS OF EURO	31 Dec 2014	31 Dec 2013
ASSETS		
Non-current assets	463,840	449,702
Current assets	611,545	598,120
Total assets	**1,075,385**	**1,047,822**
Equity	594,561	579,366
Non-current liabilities	67,837	67,453
Current liabilities	412,987	401,003
Total equity and liabilities	**1,075,385**	**1,047,822**

CASH FLOW STATEMENT REPORTED

IN THOUSANDS OF EURO	2014	2013
Gross operating cash flow	**119,911**	**142,323**
Change in net working capital	-26,086	34,914
Net operating cash flow	**93,825**	**177,238**
Cash flow from operating activities	89,681	156,190
Cash flow from investing activities (including acquisitions and divestments)	-93,409	-139,428
Cash flow from financing activities	-18,375	22,753
Net increase/(decrease) in cash and cash equivalents	**-22,103**	**39,515**
Cash and cash equivalents at beginning of period	**156,545**	**122,139**
Cash and cash equivalents (CTA)	**10,906**	**-5,109**
Cash and cash equivalents at end of period	**145,340**	**156,545**

INCOME STATEMENT CONTINUING

IN THOUSANDS OF EURO	NOTE	2014	2013
		Continuing business	
Net sales	4	908,368	1,008,499
Cost of goods sold	4	-603,659	-671,703
Gross profit	**4**	**304,709**	**336,797**
Research and development expenses	4	-99,689	-80,375
Sales and marketing expenses	4	-135,111	-142,019
General and administration expenses	4	-44,334	-46,186
Other operating income (expense) - net	4	5,306	2,379
EBIT before restructuring	**4**	**30,882**	**70,596**
Restructuring		-3,373	-4,511
EBIT after restructuring		**27,509**	**66,085**
Interest income		3,022	1,420
Interest expense		-4,156	-3,493
Income before taxes		**26,375**	**64,012**
Income taxes	6	-4,748	-7,690
Result after taxes		**21,628**	**56,322**
Share in the result of joint ventures and associates	8	68	**61**
Net income from continuing operations		**21,696**	**56,383**
Net income from discontinued operations	**3**	**6,094**	**3,021**
Net income		**27,790**	**59,404**
Net income attributable to non-controlling interest		**3,856**	**2,284**
Net income attributable to the equity holder of the parent		**23,933**	**57,119**
Net income (continuing) attributable to the equity holder of the parent		**17,840**	**54,098**
Net income (discontinued) attributable to the equity holder of the parent		**6,094**	**3,021**
Earnings per share (in euro)	7	1.96	4.68
Diluted earnings per share (in euro)	7	1.92	4.53
Earnings (continuing) per share (in euro)	7	1.46	4.43
Diluted earnings (continuing) per share (in euro)	7	1.43	4.29

STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EURO	2014	2013
Net income from continuing operations	**21,696**	**56,383**
Net income from discontinued operations	**6,094**	**3,021**
Net income	**27,790**	**59,403**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Continuing operations		
Exchange differences from continuing operations on translation of foreign operations	16,789	-13,411
Net gain/(loss) on cash flow hedges continuing operations	-1,464	596
Income tax	264	-72
Net gain/(loss) on cash flow hedges continuing operations, net of tax	-1,201	524
Other comprehensive income continuing operations, recycled through retained earnings for the period	-71	0
Other comprehensive income (loss) for the period (continuing), net of tax	13,790	-12,886
Dicsontinued operations		
Exchange differences from discontinued operations on translation of foreign operations	1,777	-1,001
Other comprehensive income (loss) for the period (discontinued), net of tax	1,777	-1,001
Other comprehensive income (loss) for the period, net of tax, attributable to equity holders of the parent	**16,701**	**-13,810**
Other comprehensive income (loss) for the period, net of tax, non-controlling interest	**594**	**-77**
Total comprehensive income (continuing), net of tax, attributable to equity holder of the parent	36,620	43,574
Total comprehensive income (discontinued) for the period, net of tax, attributable to equity holder of the parent	7,871	2,020
Total comprehensive income for the period, net of tax, attributable to equity holder of the parent	**44,490**	**45,594**
Total comprehensive income (continuing), net of tax, non-controlling interest	594	-77
Total comprehensive income for the period, net of tax, non-controlling interest	**594**	**-77**

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 realized or 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 2014, the positive exchange differences from continuing operations in the comprehensive income line were mainly booked on foreign operations held in US Dollar, Chinese Yen and Indian Rupee. In the discontinued operations the positive exchange differences in the comprehensive income line were mainly related to foreign operations held in US Dollar. In 2013, the negative exchange differences in the comprehensive income line from continuing operations were mainly booked on foreign operations held in Indian Rupee, US Dollar and Norwegian Krone; in the discontinued operations the negative exchange differences were mainly booked on foreign operations held in US Dollar.

BALANCE SHEET CONTINUING

IN THOUSANDS OF EURO	NOTE	31 Dec 2014	31 Dec 2013
ASSETS		**Continuing business**	
Goodwill	9	143,774	133,656
Capitalized development cost	10	71,351	80,044
Other intangible assets	11	55,926	53,808
Land and buildings	11	21,315	26,179
Other tangible assets	11	44,597	38,089
Investments	8	14,360	11,824
Deferred tax assets	12	68,219	62,325
Other non-current assets	14	15,736	14,200
Non-current assets		**435,278**	**420,125**
Inventory	13	185,631	159,438
Trade debtors	14	170,486	141,342
Other amounts receivable	14	18,940	43,722
Cash and cash equivalents	15	145,340	156,545
Prepaid expenses and accrued income		8,948	7,635
Assets from discontinued operations	3	110,761	119,015
Current assets		**640,106**	**627,696**
Total assets		**1,075,384**	**1,047,822**
EQUITY AND LIABILITIES			
Equity attributable to equityholders of the parent	17	587,415	574,943
Non-controlling interests		7,146	4,423
Equity		**594,561**	**579,366**
Long-term debts	15	57,737	40,410
Deferred tax liabilities	12	6,830	11,217
Other long-term liabilities	16	0	12,329
Non-current liabilities		**64,567**	**63,956**
Current portion of long-term debts	15	7,130	3,582
Short-term debts	15	19,253	11,613
Trade payables	18	109,091	103,713
Advances received from customers	18	107,544	87,484
Tax payables		15,171	28,987
Employee benefit liabilities		44,759	46,208
Other current liabilities		5,204	12,078
Accrued charges and deferred income		33,390	30,427
Provisions	19	40,148	42,279
Liabilities from discontinued operations	3	34,567	38,128
Current liabilities		**416,257**	**404,500**
Total equity and liabilities		**1,075,384**	**1,047,822**

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

CASH FLOW STATEMENT CONTINUING

IN THOUSANDS OF EURO	NOTE	2014	2013
Cash flow from operating activities		**Continuing business**	
EBIT after restructuring		27,509	66,014
Impairment of capitalized development costs and goodwill	10	7,244	739
Gain on sale Orthogon	4 (d)	-6,650	
Amortization capitalized development cost	4	49,969	40,193
Depreciation of tangible and intangible fixed assets	11	19,291	21,515
Gain/(Loss) on tangible fixed assets		-69	7
Share options recognized as cost	17	1,268	1,337
Share in the profit/(loss) of joint ventures and associates	8	68	61
Discontinued operations : cash flow from operating activities	3	21,281	15,347
Gross operating cash flow		**119,911**	**145,213**
Changes in trade receivables		-19,669	29,064
Changes in inventory		-11,915	24,501
Changes in trade payables		220	-29,644
Other changes in net working capital		4,740	4,184
Discontinued operations : change in net working capital	3	538	3,919
Change in net working capital		**-26,086**	**32,024**
Net operating cash flow		**93,825**	**177,238**
Interest received		3,022	1,420
Interest paid		-4,156	-3,493
Income taxes		-2,993	-18,410
Discontinued operations : income taxes and interest received/(paid)	3	-17	-564
Cash flow from operating activities		**89,681**	**156,190**
Cash flow from investing activities			
Expenditure on product development	4	-47,691	-54,795
Purchases of tangible and intangible fixed assets	11	-22,031	-21,442
Proceeds on disposals of tangible and intangible fixed assets		4,312	255
Acquisition of Group companies, net of acquired cash	1.2, 24	-21,915	-51,686
Disposal of Group companies, net of disposed cash	1.2, 24	10,590	-
Other investing activities	8	-1,994	-3,060
Dividend distributed to non-controlling interest	8	-1,792	-
Discontinued operations : cash flow from investing activities	3	-12,888	-8,699
Cash flow from investing activities (including acquisitions and divestments)		**-93,409**	**-139,428**

IN THOUSANDS OF EURO	NOTE	2014	2013
Cash flow from financing activities			
Dividends paid		-18,410	-16,856
Capital increase/(decrease)		314	7,713
(Acquisition)/sale of own shares		-11.335	1,390
Proceeds from (+)/ payments (-) of long-term liabilities		19,346	17,860
Proceeds from (+)/ payments of (-) short-term liabilities		-8,255	12,678
Discontinued operations: cash flow from financing activities	3	-36	-32
Cash flow from financing activities		**-18,375**	**22,753**
Net increase/(decrease) in cash and cash equivalents		**-22,103**	**39,515**
Cash and cash equivalents at beginning of period		**156,545**	**122,139**
Cash and cash equivalents (CTA)		**10,897**	**-5,109**
Cash and cash equivalents at end of period		**145,340**	**156,545**

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

CHANGES IN EQUITY

IN THOUSANDS OF EURO	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-Controlling Interest	Equity
Balance on 1 January 2013	**190,056**	**427,107**	**4,936**	**-37,227**	**-1,181**	**-45,641**	**538,050**	**-**	**538,050**
Net income (continuing) attributable to the equity holder of the parent	-	54,098	-	-	-	-	54,098	2,284	56,383
Net income (discontinued) attributable to the equity holder of the parent	-	3,021	-	-	-	-	3,021	-	3,021
Net income attributable to equityholders of the parent	-	57,119	-	-	-	-	57,119	2,284	59,403
Dividend	-	-16,856	-	-	-	-	-16,856	-	-16,856
Capital increase	7,713	-	-	-	-	-	7,713	-	7,713
Other comprehensive income (loss) for the period (discontinued), net of tax	-	-	-	-1,001	-	-	-1,001	-	-1,001
Other comprehensive income (loss) for the period (continuing), net of tax	-	-	-	-13,334	524	-	-12,809	-77	-12,886
Other comprehensive income (loss) for the period, net of tax	-	-	-	-14,334	524	-	-13,810	-77	-13,887
Exercise of options	-	-	-	-	-	1,390	1,390	-	1,390
Share-based payment	-	-	1,337	-	-	-	1,337	-	1,337
Change in consolidation method	-	-	-	-	-	-	-	2,216	2,216
Balance on 31 December 2013	**197,769**	**467,370**	**6,273**	**-51,561**	**-657**	**-44,250**	**574,943**	**4,423**	**579,367**
Balance on 1 January 2014	**197,769**	**467,370**	**6,273**	**-51,561**	**-657**	**-44,250**	**574,943**	**4,423**	**579,367**
Net income (continuing) attributable to the equity holder of the parent	-	17,840	-	-	-	-	17,840	3,856	21,696
Net income (discontinued) attributable to the equity holder of the parent	-	6,094	-	-	-	-	6,094	-	6,094
Net income attributable to equityholders of the parent	-	23,933	-	-	-	-	23,933	3,856	27,790
Dividend	-	-18,410	-	-	-	-	-18,410	-	-18,410
Dividend distrubuted to non controlling interest	-	-	-	-	-	-	-	-1,728	-1,728
Capital and share premium increase	314	-	-	-	-	-	314	-	314
Other comprehensive income (loss) for the period (discontinued), net of tax	-	-	-	1,777	-	-	1,777	-	1,777
Other comprehensive income (loss) for the period (continuing), net of tax	-	-71	-	16,195	-1,201	-	14,924	594	15,518
Other comprehensive income (loss) for the period, net of tax	-	-71	-	17,972	-1,201	-	16,701	594	17,295
Share-based payment	-	-	1,268	-	-	-	1,268	-	1,268
Exercise of options	-	-	-1,600	-	-	4,132	2,532	-	2,532
Share buy-back	-	-	-	-	-	-13,866	-13,866	-	-13,866
Balance on 31 December 2014	**198,083**	**472,822**	**5,942**	**-33,589**	**-1,857**	**-53,984**	**587,415**	**7,146**	**594,561**

The accompanying notes are an integral part of this statement.

SIGNIFICANT IFRS ACCOUNTING PRINCIPLES

1. ACCOUNTING PRINCIPLES

1.1. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

The consolidated financial statements of the Barco group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the EU. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2013 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 9 February 2015. The chairman has the power to amend the financial statements until the shareholders' meeting of 30 April 2015.

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 is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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 arrangements

The company only operates via joint ventures for which the equity method is used, 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 and are amortized over their economic life time. Other intangible assets are amortized on a straight-line basis not exceeding 7 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 revenue out of projects, the percentage of completion method is used, provided that the outcome of the project can be assessed with reasonable certainty. These projects generally have a lifetime of less than one year.
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. As long as the minimum guarantees according to the Belgium legislation are met, Barco treats this as 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 2014

Several amendments apply for the first time in 2014. However they do not impact the annual consolidated financial statements of the Group. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- IFRS 10 Consolidated Financial Statements, effective 1 January 2014
- IFRS 11 Joint Arrangements, effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014
- IFRS 10 – 11 - 12 - Transition Guidance, effective 1 January 2014
- IFRS 10, IFRS 12 and IAS 27 - Investment Entities, effective 1 January 2014
- IAS 27 Separate Financial Statements, effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures, effective 1 January 2014
- IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- IAS 36 Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets, effective 1 January 2014
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014
- IFRIC 21 Levies, effective 1 January 2014
- Annual Improvements 2010-2012 Cycle: Amendment to IFRS 13 Fair Value Measurement, effective 1 January 2014
- Annual Improvements 2011-2013 Cycle: Amendment to IFRS 1 First-time Adoption of International Financial Reporting

IFRS ACCOUNTING STANDARDS EFFECTIVE 1 JANUARY 2014

IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the portion of IAS 27 'Consolidated and Separate Financial Statements' that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 'Consolidation - Special Purpose Entities'.
IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

To meet the definition of control in IFRS 10, all three criteria must be met, including:
» an investor has power over an investee;
» the investor has exposure, or rights, to variable returns from its involvement with the investee; and
» the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

The initial application of this standard did not have any impact on Barco's financial position or performance.

IFRS 11 JOINT ARRANGEMENTS
IFRS 11 replaces IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly-controlled Entities – Non-monetary Contributions by Venturers'. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. As Barco is not a party in any joint arrangement as of 31 December 2014, the initial application of this standard did not have any impact on its financial statements.

IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previous existing disclosure requirements for subsidiaries. As Barco does not have material non-controlling interests, the initial application of this standard did not have an impact on its notes.

IFRS 10, IFRS 12 AND IAS 27 - INVESTMENT ENTITIES
The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. This amendment is not relevant to Barco, since it does not qualify to be an investment entity under IFRS 10.

IAS 32 FINANCIAL INSTRUMENTS: PRESENTATION – OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES
The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. As Barco is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment did not have any impact on the presentation of Barco's financial assets and financial liabilities.

IAS 36 IMPAIRMENT OF ASSETS – RECOVERABLE AMOUNT DISCLOSURES FOR NON-FINANCIAL ASSETS
The amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment losses have been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. The initial application of this amendment did not have any impact on Barco's financial statements.

IAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT - NOVATION OF DERIVATIVES AND CONTINUATION OF HEDGE ACCOUNTING
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. Barco has not novated its derivatives during the current and prior periods. However, these amendments would be considered for future novations.

IFRIC 21 LEVIES
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required. This interpretation will have a minor impact on the Group's financial position and performance on interim reported basis as it has applied the recognition principles under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' consistent with the requirements of IFRIC 21 in prior years. The interpretation becomes effective for financial years beginning on or after 17 June 2014.

ANNUAL IMPROVEMENTS 2010-2012 CYCLE: AMENDMENT TO IFRS 13 FAIR VALUE MEASUREMENT
In December 2013, the IASB issued as part of the 2010-2012 annual improvements cycle, seven amendments to six standards. The amendment to IFRS 13 is effective immediately, whilst the other amendments

are effective for annual periods beginning on or after 1 July 2014. The amendment to IFRS 13 clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial.

ANNUAL IMPROVEMENTS 2011-2013 CYCLE: AMENDMENT TO IFRS 1 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

In December 2013, the IASB issued as part of the 2011-2013 annual improvements cycle, four amendments to four standards. The amendment to IFRS 1 is effective immediately, whilst the other amendments are effective for annual periods beginning on or after 1 July 2014. The amendment to IFRS 1 clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements.

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

IFRS ACCOUNTING STANDARDS ADOPTED AS FROM 2015 ONWARDS

STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

» IFRS 9 Financial Instruments , effective 1 January 2018
» IFRS 15 Revenue from Contracts with Customers[1], effective 1 January 2017
» IFRS 14 Regulatory Deferral Accounts[1], effective 1 January 2016
» Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation[1], effective 1 January 2016
» Amendment to IAS 27: Equity Method in Separate Financial Statements[1], effective 1 January 2016
» Amendment to IAS 16 and IAS 41 – Bearer Plants[1], effective 1 January 2016
» Amendment to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1], effective 1 January 2016
» Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations[1], effective 1 January 2016
» IAS 19 Employee Benefits – Defined benefit Plans: Employee Contributions[1], effective 1 July 2014
» Annual Improvements to IFRSs 2010-2012 Cycle (Issued December 2013)[1], effective 1 July 2014
» Annual Improvements to IFRSs 2011-2013 Cycle (Issued December 2013)[1], effective 1 July 2014
» Annual Improvements to IFRSs 2012-2014 Cycle (Issued 25 September 2014)[1], effective 1 January 2016

[1] Not yet endorsed by the EU as per 14 November 2014

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

GENERAL BUSINESS RISKS

We refer to the chapter 'Risk factors' on pages 110 - 117 for an overview of the risks affecting businesses of the Barco Group.

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED COMPANIES

1.1. LIST OF CONSOLIDATED COMPANIES ON 31 DECEMBER 2014

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	100%
Belgium	Barco Integrated Solutions NV	President Kennedypark 35, 8500 Kortrijk	100%
Belgium	Innovative Designs NV	President Kennedypark 35, 8500 Kortrijk	100%
Belgium	Barco Silex SA	Scientific Parc, rue du Bosquet 7, 1348 Ottignies, Louvain-La-Neuve	100%
Belgium	dZine NV	President Kennedypark 35, 8500 Kortrijk	100%
Brazil	Barco Ltda.	Av. Ibirapuera, 2332, 8° andar, conj 82, Torre II, Moema, 04028-002 São Paulo	100%
Colombia	Barco Colombia SAS	Carrera 15, n° 88-64, Torre Zimma Oficina 610, 110221 Bogota	100%
Denmark	Barco A/S	c/o PwC, att. RAS Strandvejen 44, 2900 Hellerup	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	Barco Texen	7 rue Roger Camboulives, Parc Technologique de Basso Cambo, 31000 Toulouse	100%
Germany	Barco Control Rooms GmbH	Greschbachstrasse 5 a, 76229 Karlsruhe	100%
Germany	Barco GmbH	Greschbachstrasse 5 a, 76229 Karlsruhe	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.	Mariano Escobedo No. 476 Piso 10 Col. Anzures, C.P. 11590 D.F. México	100%
Netherlands	Barco B.V.	Helmond	100%
Norway	Barco Norway AS	c/o Grant Thornton, Bogstadveien 30, 0355 Oslo	100%
Norway	Habornveien Hjemmel AS	Habornveien 53, 1630 Gamle Fredrikstad	100%
Norway	projectiondesign AS	Habornveien 53, 1630 Gamle Fredrikstad	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.	Venture House, Downshire Way, Arlington Square, RG12 1WA Bracknell, Berkshire	100%
United Kingdom	JAOtech Ltd.	Venture House, Downshire Way, Arlington Square, RG12 1WA Bracknell, Berkshire	100%

Americas

Canada	Barco Visual Solutions, Inc.	2000 Mansfield Drive, Suite 1400, Montreal, H3A 3A2 Quebec	100%
Canada	X2O Media Inc.	147 Saint Paul Street West, Suite 300, H2Y 1Z5 Montreal, Quebec	
United States	Barco Federal Systems LLC	1209 Orange Street, 19801 Wilmington-DE	100%
United States	Barco, Inc.	1209 Orange Street, 19801 Wilmington-DE	100%
United States	Barco Lighting Systems, Inc.	350 N. St. Paul St., 75201 Dallas-TX	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, 200031 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.	No. 16 Changsheng Road, Chang Ping Park, Zhong Guan Cun Science Park, Chang Ping District, 102200 Beijing	58 %
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 %
Hong Kong	Barco China (Holding) 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.	42 Youngdongdaero 106-Gil, 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.	10 Changi South Lane #04-01, 486162 Singapore	100 %
Singapore	Barco Singapore Private Limited	10 Changi South Lane #04-01, 486162 Singapore	100 %
Taiwan	Barco Ltd.	12F.-2, No. 88, Dunhua N. Rd., Songshan Dist., 10551 Taipei City	100 %
Taiwan	Awind Inc.	17th Floor, No. 866-5, Zhongzhen Road, Zhonghe District, 235 New Taipei City	100 %

1.2. LIST OF ASSOCIATED COMPANIES ON 31 DECEMBER 2014

Europe, Middle-East and Africa

Norway	Habornveien 53 AS	Habornveien 53, 1630 Gamle Fredrikstad	42%

Americas

United States	Audience Entertainment LLC	108 West 13th Street, 19801 Wilmington, Delaware	29%

1.3. ACQUISITIONS AND DIVESTMENTS

2014

Acquisition of X2O

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

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

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). In 2014 X2O has contributed nine months of turnover and EBITDA: 2.3 million euro to the total turnover of the Group, though in its start-up phase not yet contributing to the net result (-2.6 million euro EBITDA). If the acquisition had taken place at the beginning of the year, the total turnover would have been 2.6 million euro and the EBITDA for the period would have been -2.7 million euro. Transaction costs of € 0.1m have been expensed and are included in administrative expenses in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

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

Assets and Liabilities X2O

			01-Apr-2014
IN THOUSANDS OF EURO	BEFORE ACQUISITION	FAIR VALUE RESTATEMENTS	AFTER ACQUISITION
Other intangible fixed assets	1	3,204	3,204
Other tangible fixed assets	41	-16	25
Total non-current assets	**42**	**3,187**	**3,229**
Trade receivables	591	65	656
Other current assets	813	-	813
Total current assets	**1,404**	**65**	**1,469**
Financial lease loan	-5	0	-5
Deferred tax liability	0	-855	-855
Total non-current liabilities	**-5**	**-855**	**-859**
Other current liabilities	-1,431	-76	-1,507
Total current liabilities	**-1,451**	**-76**	**-1,527**
Cash	**94**	-	**94**
Total net assets acquired	**84**	**2,322**	**2,407**
Upfront consideration			13,277
Total acquisition cost			**13,277**
Goodwill			**10,870**

Divestment of Orthogon

On August 1st, 2014 Barco reached an agreement with Exelis, regarding the sale of Barco Orthogon, part of the Ventures (Orthogon) for an amount of 13 million euro, of which 2 million euro was put in escrow over a period of eighteen months (until January 2016), of which 50% to be released after nine months (April 2015). Closing of the transaction happened on the same day.
A gain on the divestment of 6.7 million euro was recognized in other operating income in 2014. See note 4.(d).

We refer to note 23 'Cash flow statement: effect of acquisitions and disposals' for impact of the disposal on the cash flow of the group.

Discontinued operations

On September 29th, 2014, Barco reached an agreement with US-based aerospace and defense group Esterline Corporation to sell its Defense & Aerospace division. The sale, which covers both shares of the legal entities Barco Singapore Private Ltd, Barco Texen, Barco Federal Systems LLC and Barco Electronic Systems Ltd and assets of the Defense & Aerospace division in Belgium and the United States, is valued at 150 million euro. Closing is finalized on January 31st 2015 and was at year-end subject to customary closing conditions and regulatory approvals.
According to the requirements of IFRS 5, net income of the Defense & Aerospace division are shown separately on the face of the income statement as 'Net income from discontinued operations' per 31 December 2014. The same was done for the balance sheet of the Defense & Aerospace division per 31 December 2014, as 'Assets and Liabilities from discontinued operations' and for the net cash flows attributable to the operating, investing and financing of discontinued operations. The income statement, the balance sheet and net cash flow per 31 December 2013 have been restated. Disclosures are represented accordingly.

For further information, please refer to note 3. Discontinued operations.

2013

Acquisition of projectiondesign

Per 21 February 2013, Barco acquired the remaining shares of the Norway-based company projectiondesign, after acquiring 61% of the shares on 19 December 2012. The acquisition reflects Barco's strategy to strengthen its leading position in high-performance projection technology by advancing further into the mid-segment of its target markets.
The effective control was transferred on 1 January 2013. projectiondesign is integrated in Barco's Entertainment and Corporate division.

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised).

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

Assets and Liabilities Projectiondesign

			01-Jan-2013
IN THOUSANDS OF EURO	BEFORE ACQUISITION	FAIR VALUE RESTATEMENTS	AFTER ACQUISITION
Other intangible fixed assets	157	18,384	18,541
Leased building	11,782	-	11,782
Other non-current assets	2,261	-	2,261
Total non-current assets	**14,200**	**18,384**	**32,584**
Inventory	16,184	-2,322	13,863
Trade receivables	11,143	-	11,143
Other current assets	1,182	-	1,182
Total current assets	**28,509**	**-2,322**	**26,188**
Provisions	-203	-4,245	-4,448
Leasing debt	-12,016	-	-12,016
Deferred tax liability	1,701	-3,436	-1,735
Financial debt	-3,183		-3,183
Total non-current liabilities	**-13,701**	**-7,681**	**-21,382**
Other current liabilities	-7,511	-	-7,511
Total current liabilities	**-7,511**	**-**	**-7,511**
Cash	**-716**	**-**	**-716**
Total net assets acquired	**20,782**	**8,381**	**29,163**
Total acquisition cost			**64,762**
Goodwill			**35,599**

Note: Fair value restatements also include restatements from local (Norwegian) Gaap to IFRS.

IN THOUSANDS OF EURO			
Cash flow on acquisition			
Net cash acquired with the subsidiary			-716
Cash paid			-50,832
Net cash flow on acquisition			**-51,547**

The total acquisition cost includes the amount paid at closing of 17.8 million euro in 2013, the amount paid per 19 December 2012 of 33 million euro and a vendor loan of 13.9 million euro (101.5 million NOK) to be paid to the former shareholders, which is considered as a pre-existing right at the moment of the acquisition and repayable in 2014, 2015 and 2016. We opted for full early repayment in 2014. The contract provided for additional earn-out payments, depending on the adjusted EBITDA realized in 2013 (minimum 50 million NOK). Per end of 2013 the requirements for the earn-out payment were not met. The goodwill recognized at acquisition is related to the assembled workforce, the company's ability to develop state-of-the-art technologies and synergies resulting from the combination of projectiondesign with Barco. Barco is becoming a market leader in projection solutions for both large and mid-venue markets after this acquisition. The goodwill is not tax deductible.

Acquisition of AWIND

Per 26 March 2013, Barco acquired 100% of the shares of the Taiwan-based company AWIND, a leading provider of wireless content sharing and WIFI-enabled presentations. This transaction advances Barco's strategy of leveraging its strengths in visualization to establish a leadership position in professional networking and collaboration. The effective control was transferred on 1 April 2013.

The acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised).

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

Assets and Liabilities AWIND

IN THOUSANDS OF EURO	BEFORE ACQUISITION	FAIR VALUE RESTATEMENTS	01-Apr-2013 AFTER ACQUISITION
Other intangible fixed assets	80	12,653	12,733
Other tangible fixed assets	125	-	125
Total non-current assets	**205**	**12,653**	**12,858**
Inventory	786	-	786
Trade receivables	919	-	919
Other current assets	276	-	276
Total current assets	**1,980**	**-**	**1,980**
Deferred tax liability	-	-2,151	-2,151
Total non-current liabilities	**-**	**-2,151**	**-2,151**
Other current liabilities	-743	-	-743
Total current liabilities	**-743**	**-**	**-743**
Cash	**2,508**	**-**	**2,508**
Total net assets acquired	**3,949**	**10,502**	**14,451**
Upfront consideration			51,621
Deferred consideration			4,615
Total acquisition cost (excl. netto cash)			**56,236**
Goodwill			**41,785**

IN THOUSANDS OF EURO			
Cash flow on acquisition			
Net cash acquired with the subsidiary			2,508
Cash paid			-51,621
Net cash flow on acquisition			**-49,113**

The total acquisition cost includes the amount paid at closing of 52.1 million US dollar (40 million euro recalculated at FX rate acquisition date), 15 million US dollar (11.6 million euro recalculated at FX rate on the acquisition date) put in escrow for 24 months and 6 million US dollar deferred consideration (4.6 million euro recalculated at FX rate on the acquisition date), retained for 15 months.

The goodwill recognized at acquisition is related to the future cash flows Barco expects to realize based on the sale of products using the AWIND technology. The goodwill is not tax deductible.

The goodwill has been assigned to the Entertainment & Corporate division.

Change in consolidation method Chinese joint venture CFG Barco

Effective as of 1 January 2013, the contract with Barco's joint venture partner China Film Group has been modified, resulting in Barco obtaining control over CFG Barco (Beijing) Electronics Co, Ltd. Barco' s ownership in the company of 58% remained unchanged and no additional consideration was paid for the change in control. As a result of obtaining control CFG Barco has been fully consolidated as from 1 January 2013 onwards. As a result of the full consolidation, a non-controlling interest of 42% is shown as from 1 January 2013. Until 31 December 2012, CFG Barco has been taken up at equity method.

The step acquisition has been accounted for using the acquisition method conform IFRS3 Business Combinations (Revised). Since CFG Barco has been established in 2011 and has taken over all manufacturing activities from Barco China with respect to the projectors for the Chinese market end 2012, the re-measurement of the acquisition date fair value of the equity interest in CFG Barco, held immediately before the acquisition date did not materially differ from the equity interest in the company before the business combination. Therefore no gain or loss needed to be recognized as a result of re-measuring to fair value the equity interest in CFG Barco.

The following table summarizes the amounts of the assets acquired and liabilities assumed of CFG recognized at the date of transfer of control.

Assets and Liabilities CFG Barco

			01-Jan-2013
IN THOUSANDS OF EURO	BEFORE TRANSFER OF CONTROL	FAIR VALUE RESTATEMENTS	AFTER TRANSFER OF CONTROL
Deferred tax assets	728	-	728
Other non-current assets	684	-	684
Total non-current assets	**1,412**	**-**	**1,412**
Inventory	9,959	-	9,959
Trade receivables	14,314	-	14,314
Other current assets	5,919	-	5,919
Total current assets	**30,192**	**-**	**30,192**
Trade payables	-13,111	-	-13,111
Other current liabilities	-12,867	-	-12,867
Advances received on contracts in progress	-18,480	-	-18,480
Total current liabilities	**-44,457**	**-**	**-44,457**
Cash	**18,138**	**-**	**18,138**
Total net assets acquired	**5,285**	**-**	**5,285**

In 2013, CFG Barco has contributed 48 million euro to the total turnover of the Group, resulting 8,1 million euro EBITDA,

IN THOUSANDS OF EURO			
Cash flow on the date of transfer of control			
Net cash acquired with the subsidiary			18,138
Cash paid			**-**
Net cash flow on the date of transfer of control			**18,138**

2. OPERATING SEGMENTS INFORMATION

2.1. BASIS OF OPERATING SEGMENTS INFORMATION

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

» Barco's Projection division is now called Entertainment & Corporate and integrates High End Systems and Collaboration (ClickShare)

» The Advanced Visualization division is now called Industrial & Government and excludes now the Collaboration activities.

» The Defense and Aerospace division is presented as discontinuing operations, conform IFRS 5, seen the announcement per September 29, 2014 that Barco reached an agreement with Esterline on the sale of the division and is therefore no longer included in the operating segments information.

Barco's business activities in 2014:

» **Entertainment & Corporate (former Projection including High End Systems, Collaboration (Clickshare) and X20):** designs and manufactures a broad family of projectors, image processing, professional entertainment lighting products and dedicated collaboration software for use at events, concerts, open-air festival stages, retail stores, sports stadiums, museums, auditoria, meeting rooms and movie theaters. Through the acquisition of X20 the division offers enhanced and cross-divisional content distribution and workflow, based on advanced networking and connectivity capabilities.

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

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

Barco's ventures:

» **Barco Silex:** active in high level electronic engineering.

» **LiveDots:** offers high-performance LED display solutions for indoor and outdoor installations.

» **Orthogon:** develops software components for the Air Traffic Control market. The Orthogon business has been sold per July 31st 2014 (see 1.3. Divestments 2014).

Management monitors the results of each of the divisions and the ventures separately, so as to make decisions about resource allocation and performance assessment. Division performance is evaluated based on EBITDA. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating divisions.

As a consequence, the group has aligned its segment reporting with this business structure, resulting in four operating segments.

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 36 for more explanation on the activities performed by each division.

2.2. ENTERTAINMENT & CORPORATE

IN THOUSANDS OF EURO	2014		2013		VARIANCE
					2014-2013
Net sales	**521,538**	**100.0%**	**567,967**	**100.0%**	**-46,429**
external sales	521,435	100.0%	567,812	100.0%	-46,377
interdivision sales	103	0.0%	155	0.0%	-52
Cost of goods sold	-339,995	-65.2%	-380,744	-67.0%	40,749
Gross profit	**181,543**	**34.8%**	**187,228**	**33.0%**	**-5,685**
EBIT before restructuring	**46,902**	**9.0%**	**60,194**	**10.6%**	**-13,292**
Amortization capitalized development	20,954	4.0%	13,959	2.5%	6,995
Depreciation TFA and software	11,503	2.2%	12,945	2.3%	-1,442
EBITDA	**79,359**	**15.2%**	**87,098**	**15.3%**	**-7,739**
Capitalized development	20,881	4.0%	22,376	3.9%	-1,495
Capital expenditures TFA and software	12,294	2.4%	7,717	1.4%	4,577
Segment assets	**393,168**		**331,974**		
Segment liabilities	**214,463**		**202,672**		

2.3. HEALTHCARE

IN THOUSANDS OF EURO	2014		2013		VARIANCE
					2014-2013
Net sales	**186,672**	**100.0%**	**195,708**	**100.0%**	**-9,036**
external sales	186,482	99.9%	195,697	100.0%	-9,215
interdivision sales	190	0.1%	11	0.0%	179
Cost of goods sold	-120,743	-64.7%	-127,849	-65.3%	7,106
Gross profit	**65,929**	**35.3%**	**67,858**	**34.7%**	**-1,929**
EBIT before restructuring	**3,629**	**1.9%**	**9,428**	**4.8%**	**-5,799**
Amortization capitalized development	15,268	8.2%	12,750	6.5%	2,518
Depreciation TFA and software	4,269	2.3%	4,171	2.1%	98
EBITDA	**23,166**	**12.4%**	**26,348**	**13.5%**	**-3,182**
Capitalized development	12,875	6.9%	15,300	7.8%	-2,425
Capital expenditures TFA and software	5,027	2.7%	4,116	2.1%	911
Segment assets	**131,254**		**127,825**		
Segment liabilities	**47,047**		**44,435**		

2.4. INDUSTRIAL & GOVERNMENT

IN THOUSANDS OF EURO	2014		2013		VARIANCE
					2014-2013
Net sales	**160,245**	**100.0%**	**169,600**	**100.0%**	**-9,355**
external sales	159,488	99.5%	167,629	98.8%	-8,140
interdivision sales	756	0.5%	1,971	1.2%	-1,215
Cost of goods sold	-109,643	-68.4%	-112,043	-66.1%	2,400
Gross profit	**50,602**	**31.6%**	**57,557**	**33.9%**	**-6,955**
EBIT before restructuring	**-12,038**	**-7.5%**	**-2,178**	**1.3%**	**-9,861**
Amortization capitalized development	13,906	8.7%	8,557	5.0%	5,349
Depreciation TFA and software	3,247	2.0%	3,933	2.3%	-685
EBITDA	**5,115**	**3.2%**	**10,312**	**6.1%**	**-5,196**
Capitalized development	8,847	5.5%	11,546	6.8%	-2,699
Capital expenditures TFA and software	4,066	2.5%	6,655	3.9%	-2,590
Segment assets	**109,431**		**120,878**		
Segment liabilities	**38,295**		**54,100**		

2.5. VENTURES

IN THOUSANDS OF EURO	2014		2013		VARIANCE
					2014-2013
Net sales	**41,094**	**100,0%**	**78,477**	**100.0%**	**-37,383**
external sales	40,963	99,7%	77,358	98.6%	-36,395
interdivision sales	131	0,3%	1,119	1.4%	-988
Cost of goods sold	-33,695	-82.0%	-53,536	-68.2%	19,841
Gross profit	**7,399**	**18.0%**	**24,941**	**31.8%**	**-17,541**
EBIT before restructuring	**-7,611**	**-18.5%**	**3,152**	**4.0%**	**-10,763**
Amortization capitalized development	7,085	17.2%	5,667	7.2%	1,418
Depreciation TFA and software	271	0.7%	467	0.6%	-195
EBITDA	**-255**	**-0.6%**	**9,285**	**11.8%**	**-9,540**
Capitalized development	5,088	12.4%	5,552	7.1%	-464
Capital expenditures TFA and software	644	1.6%	267	0.3%	377
Segment assets	**21,318**		**37,884**		
Segment liabilities	**10,618**		**13,376**		

2.6. RECONCILIATION OF SEGMENT INFORMATION WITH GROUP INFORMATION

IN THOUSANDS OF EURO	2014	2013
External sales		
Entertainment & Corporate	521,435	567,816
Healthcare	186,482	195,697
Industrial & Government	159,488	167,629
Ventures	40,963	77,358
Total external sales segments	**908,368**	**1,008,499**
Net Income		
EBITDA before restructuring		
Entertainment & Corporate	79,359	87,098
Healthcare	23,166	26,348
Industrial & Government	5,115	10,312
Ventures	-255	9,285
Amortization		
Entertainment & Corporate	20,954	13,959
Healthcare	15,268	12,750
Industrial & Government	13,906	8,557
Ventures	7,085	5,667
Depreciation		
Entertainment & Corporate	11,503	12,945
Healthcare	4,269	4,171
Industrial & Government	3,247	3,933
Ventures	271	467
EBIT before restructuring		
Entertainment & Corporate	46,902	60,194
Healthcare	3,629	9,428
Industrial & Government	-12,038	-2,178
Ventures	-7,611	3,152

IN THOUSANDS OF EURO	2014	2013
Restructuring costs	**-3,373**	**-4,511**
Total EBIT after restructuring	**27,509**	**66,085**
Interest income (expense) - net	-1,134	-2,073
Income taxes	-4,748	-7,690
Result after taxes	**21,628**	**56,322**
Share in the result of joint ventures and associates	68	61
Net income from continuing operations	**21,696**	**56,383**
Net income from discontinued operations	**6,094**	**3,021**
Net income	**27,790**	**59,404**
Non-controlling interest	3,856	2,284
Net Income (continuing) attributable to the equity holder of the parent	**17,840**	**54,098**
Net Income (discontinued) attributable to the equity holder of the parent	**6,094**	**3,021**
Net Income attributable to the equity holder of the parent	**23,933**	**57,119**
Assets		
Segment assets		
Entertainment & Corporate	393,168	331,974
Healthcare	131,254	127,825
Industrial & Government	109,431	120,878
Ventures	21,318	37,884
Total segment assets	**655,171**	**618,561**
Investments	14,360	11,824
Deferred tax assets	68,219	62,325
Cash and cash equivalents	144,472	156,540
Other non-allocated assets	82,401	79,557
Assets from discontinued operations	110,761	119,015
Total assets	**1,075,384**	**1,047,822**

IN THOUSANDS OF EURO	2014	2013
Liabilities		
Segment liabilities		
Entertainment & Corporate	214,463	202,672
Healthcare	47,047	44,435
Industrial & Government	38,295	54,100
Ventures	10,618	13,376
Total segment liabilities	**310,423**	**314,583**
Equity attributable to equityholders of the parent	587,415	574,943
Non-controlling interest	7,146	4,423
Long-term debts	57,737	40,410
Deferred tax liabilities	6,830	11,217
Current portion of long-term debts	7,130	3,582
Short-term debts	19,253	11,613
Other non-allocated liabilities	44,882	48,923
Liabilities from discontinued operations	34,567	38,128
Total equity and liabilities	**1,075,384**	**1,047,822**

2.7. 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, Americas (NA and LATAM) and Asia-Pacific (APAC).

We refer to the 'Comments on the results' on page 118 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 36.7 million euro of the Group revenues in 2014 versus 37.9 million 2013.

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	2014		2013	
Net sales				
Europe	319,822	35.2%	357,525	35.5%
Americas	332,056	36.6%	360,665	35.8%
Asia-Pacific	256,490	28.2%	290,309	28.8%
Total	**908,369**	**100.0%**	**1,008,499**	**100.0%**
Total assets				
Europe	506,118	47.1%	528,006	50.4%
Americas	165,031	15.3%	140,384	13.4%
Asia-Pacific	293,474	27.3%	260,418	24.9%
Assets from discontinued operations	110,761	10.3%	119,015	11.4%
Total	**1,075,384**	**100.0%**	**1,047,822**	**100.0%**
Capitalized development				
Europe	40,832	85.6%	49,120	89.6%
Americas	5,331	11.2%	4,758	8.7%
Asia-Pacific	1,527	3.2%	916	1.7%
Total	**47,691**	**100.0%**	**54,795**	**100.0%**
Purchases of tangible and intangible fixed assets				
Europe	19,052	86.5%	17,314	80.7%
Americas	763	3.5%	1,873	8.7%
Asia-Pacific	2,216	10.1%	2,255	10.5%
Total	**22,031**	**100.0%**	**21,442**	**100.0%**

3. DISCONTINUED OPERATIONS

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

The transaction is part of Barco' long term strategy to streamline its business portfolio and to strengthen its core activities.

Barco's Defense and Aerospace division encompasses activities in defense, avionics, air traffic control, training and simulation and 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.

According to the requirements of IFRS 5, net income of the Defense & Aerospace division is shown separately on the face of the income statement as 'Net income from discontinued operations' per 31 December 2014 and restated per 31 December 2013.

Below income statement of the discontinued operations gives a detail of the line 'net income from discontinued operations' as presented in the income statement of Barco group per 31 December 2014 and restated per 31 December 2013.

INCOME STATEMENT

IN THOUSANDS OF EURO	2014	2013
	Discontinuing business	
Net sales	142,591	149,516
Cost of goods sold	-95,829	-99,816
Gross profit	**46,762**	**49,700**
Research and development expenses	-15,656	-15,101
Sales and marketing expenses	-16,727	-18,651
General and administration expenses	-8,248	-9,503
Other operating income (expense) - net	1,216	1,984
EBIT before restructuring	**7,348**	**8,428**
Restructuring costs	93	-4,918
EBIT after restructuring	**7,440**	**3,511**
Interest income	35	-
Interest expense	-45	-88
Income before taxes	**7,429**	**3,423**
Income taxes	-1,336	-402
Result after taxes	**6,094**	**3,021**
Share in the result of joint ventures and associates	-	-
Net income from discontinued operations	**6,094**	**3,021**

Helped by the restructuring in 2013, the operational costs of the Defense and Aerospace division decreased compared to 2013, doubling the 2013 net income to 6.1 million euro in 2014. The higher research and development expenses compared to last year were negatively impacted by an impairment on capitalized development in 2014 of 1.3 million euro.

Below table provides a detail on the restructuring costs in Defense and Aerospace in 2013, which were made in order to rightsize activities in the division. In 2014 the income on restructuring relates to the reversal of a restructuring provision set up in 2013, which is no longer needed.

RESTRUCTURING COSTS

IN THOUSANDS OF EURO	2014	2013
Lay off costs	-93	2,548
Inventory write offs	-	1,096
Impairment on work in progress	-	820
Provision for other risks and claims	-	454
Restructuring costs	-	**4,918**
Total restructuring and impairment	**-93**	**4,918**

BALANCE SHEET

The balance sheet of the Defense & Aerospace division is shown separately as 'Assets and Liabilities from discontinued operations' in the balance sheet of Barco group per 31 December 2014 and has been restated accordingly per 31 December 2013.

Below balance sheet gives a detail of the balance sheet line 'Assets and Liabilities from discontinued operations'.

IN THOUSANDS OF EURO	31 Dec 2014	31 Dec 2013
ASSETS	Discontinuing business	
Goodwill	12,666	12,049
Capitalized development cost	11,699	13,204
Other intangible assets	901	1,361
Land and buildings	833	837
Other tangible assets	2,379	2,032
Deferred tax assets	0	7
Other non-current assets	86	86
Non-current assets	**28,564**	**29,576**
Inventory	44,840	52,138
Trade debtors	36,727	36,125
Other amounts receivable	323	381
Prepaid expenses and accrued income	307	796
Current assets	**82,197**	**89,439**
Total assets	**110,761**	**119,015**
LIABILITIES		
Deferred tax liabilities	343	504
Other long-term liabilities	2,927	2,993
Non-current liabilities	**3,270**	**3,496**
Short-term debts	9	43
Trade payables	13,105	10,421
Advances received from customers	6,287	6,078
Tax payables	555	1,137
Employee benefit liabilities	7,318	11,040
Other current liabilities	4	37
Accrued charges and deferred income	623	1,343
Provisions	3,396	4,525
Current liabilities	**31,297**	**34,624**
Total liabilities	**34,567**	**38,121**

Net assets of the discontinued operations are 76.2 million euro, compared to 80.9 million euro in 2013.

CASH FLOW STATEMENT

The cash flow of the discontinued business in 2014 (and restated for 2013) is shown separately on the face of the cash flow statement of Barco group for the net cash flows attributable to the operating, investing and financing of discontinued operations.

The below table provides the breakdown of the Defense and Aerospace operating, investing and financing cash flow.

IN THOUSANDS OF EURO	2014	2013
Cash flow from operating activities	**Discontinuing business**	
EBIT after restructuring and goodwill impairment	7,440	3,582
Impairment of capitalized development costs and goodwill	1,329	119
Amortization capitalized development cost	9,386	8,952
Depreciation of tangible and intangible fixed assets	3,110	2,692
Gain/(Loss) on tangible fixed assets	15	2
Gross operating cash flow	**21,281**	**15,347**
Changes in trade receivables	-706	-3,290
Changes in inventory	1,981	4,781
Changes in trade payables	3,693	-244
Other changes in net working capital	-4,429	2,672
Change in net working capital	**538**	**3,919**
Net operating cash flow	**21,819**	**19,266**
Interest received	35	-
Interest paid	-45	-88
Income taxes	-7	-476
Cash flow from operating activities	**21,802**	**18,702**
Cash flow from investing activities		
Expenditure on product development	-9,338	-7,277
Purchases of tangible and intangible fixed assets	-3,554	-1,426
Proceeds on disposals of tangible and intangible fixed assets	4	5
Cash flow from investing activities	**-12,888**	**-8,699**
Cash flow from financing activities		
Proceeds from (+), payments of (-) short-term liabilities	-36	-32
Cash flow from financing activities	**-36**	**-32**
Cash flow discontinued	**8,879**	**9,972**

Net assets of the discontinued operations are 76.2 million euro, compared to 80.9 million euro in 2013

4. INCOME FROM CONTINUED OPERATIONS (EBIT)

IN THOUSANDS OF EURO	2014	2013
Net Sales	908,368	1,008,499
Cost of goods sold	-603,659	-671,703
Gross profit	**304,709**	**336,797**
Gross profit as % sales	33.5%	33.4%
Indirect costs	-279,134	-268,580
Other operating income (expenses) - net	5,306	2,379
EBIT before restructuring	**30,882**	**70,596**
EBIT before restructuring as % of sales	**3.4%**	**7.0%**
Restructuring costs	-3,373	-4,511
EBIT after restructuring	**27,509**	**66,085**
EBIT after restructuring as % of sales	3.0%	6.6%

The decrease in EBIT compared to last year is on the one hand the result of a considerable decrease in sales of 100 million euro and on the other hand higher indirect costs.

In 2014, a new restructuring provision has been set up to reduce costs mainly in Healthcare and Industrial & Government.

IN THOUSANDS OF EURO	2014		2013	
Product sales	684,587	75%	731,013	72%
Project sales	152,346	17%	207,300	21%
Service sales	71,435	8%	70,186	7%
Sales	**908,368**		**1,008,499**	

Major part of the sales relate to product sales (in 2014: 75%, 2013: 72%). Project sales include combined sales from products, installations, and services. Most of these project sales have a lifetime of less than one year.

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 118).

Indirect costs and other operating income (expenses) - net

IN THOUSANDS OF EURO	2014	2013
Research and development expenses (a)	-99,689	-80,375
Sales and marketing expenses (b)	-135,111	-142,019
General and administration expenses (c)	-44,334	-46,186
Indirect costs	**-279,134**	**-268,580**
Other operating income (expenses) - net (d)	**5,306**	**2,379**
Indirect costs and other operating income (expenses) - net	**-273,827**	**-266,201**
Amortization intangibles on acquisitions included in indirect costs	-7,432	-9,318
Indirect costs excluding amortizations on intangibles acquisitions	**-271,702**	**-259,261**

Indirect costs represent 31% of sales in 2014 versus 27% of sales in 2013. Increase in indirect costs in absolute numbers with 10.5 million euro, is fully related to research and development expenses, as sales and marketing and general and administration expenses decreased compared to last year.

(a) Research and development expenses

IN THOUSANDS OF EURO	2014	2013
Research and development expenses	90,167	94,238
Capitalized development expenses	-47,691	-54,795
Amortization capitalized development expenses	49,969	40,193
Impairment of capitalized development expenses	7,244	739
Capitalized development, net	**9,522**	**-13,862**
Research and development expenses, net	**99,689**	**80,375**

In order to sustain our technological leadership, Barco strongly invests in R&D, new technologies and innovation. We refer to 'Our strategy' on page 26 for more details.

Research and development expenses represent 9.9% of sales in 2014 compared to 9.3% of sales in 2013.
In 2014, the lower capitalization of research and development (53% of total research and development expenses in 2014, 58% in 2013) combined with higher amortization expenses (initiated by the higher capitalization in the previous years and a higher impairment on capitalized development), together had a negative impact on the income from operations (EBIT) of 9.5 million euro (compared to a positive impact of 13.9 million euro in 2013).

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 10.

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

IN THOUSANDS OF EURO	GROUP	INDUSTRIAL AND GOVERNMENT	ENTERTAINMENT AND CORPORATE
Research & development expenses	**90,167**	**15,832**	**45,648**
Capitalized development expenses	-47,691	-8,847	-20,881
Amortization capitalized development expenses	49,969	11,563	19,323
Impairment of capitalized development expenses	7,244	2,343	1,631
Capitalized development, net	**9,522**	**5,059**	**73**
Research & development expenses	**99,689**	**20,891**	**45,722**

IN THOUSANDS OF EURO	HEALTHCARE	VENTURES
Research & development expenses	**22,321**	**6,366**
Capitalized development expenses	-12,875	-5,088
Amortization capitalized development expenses	14,414	4,669
Impairment of capitalized development expenses	854	2,415
Capitalized development, net	**2,393**	**1,997**
Research & development expenses	**24,713**	**8,363**

(b) Sales and marketing expenses

IN THOUSANDS OF EURO	2014	% OF SALES	2013	% OF SALES
Sales and marketing expenses	**135,111**	**14.9%**	**142,019**	**14.1%**

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	2014	% OF SALES	2013	% OF SALES
General and administration expenses	**44,334**	**4.9%**	**46,186**	**4.6%**

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	2014	2013
Gain on sale Orthogon (a)	6,650	0
Investment grants	6,358	4,935
Reversal earn-out (b)	0	3,547
Bad debt provisions (net of write-offs and reversals of write-offs)	-3,509	-120
Cost of share-based payments	-1,268	-1,337
Exchange gains and losses (net)	-345	1,240
Bank charges	-937	-1,460
Other provisions (net of additions and reversals of provisions)	208	-3,446
Gains/(Loss) on disposal of tangible fixed assets	69	-7
Other (net)	-1,919	-975
Total	**5,306**	**2,379**

(a) In 2014, Barco sold its venture Orthogon, realizing a gain of 6.7 million euro on the transaction.
(b) Reversal of the accrual related to the earn-out of JAOTech in 2013.
We refer to note 1.2. Acquisitions and divestments for more explanation.

5. REVENUES AND EXPENSES BY NATURE

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

IN THOUSANDS OF EURO	2014	2013
Sales	908,368	1,008,499
Material cost	-510,900	-573,984
Services and other costs	-100,966	-112,124
Personnel cost	-251,300	-260,735
Capitalized development cost	47,691	54,795
Amortization and impairment of capitalized development	-57,213	-40,933
Depreciation property, plant, equipment and software	-19,291	-21,515
Other operating income (expense) - net (note 3)	5,306	2,379
EBIT before restructuring and impairment	**21,696**	**56,383**

Personnel cost includes the cost for temporary personnel for an amount of 4.4 million euro (in 2013: 3.4 million euro). Average number of employees in 2014 was 3,321 (versus 3,413 in 2013), including 2,544 white-collars (in 2013: 2,554) and 777 blue-collars (in 2013: 859)

6. INCOME TAXES

IN THOUSANDS OF EURO	2014	2013
Current versus deferred income taxes		
Current income taxes	-14,610	-3,802
Deferred income taxes	8,527	-4,290
Income taxes	-6.083	-8,092
Income taxes continuing operations	-4.748	-7,690
Income taxes discontinuing operations	-1.336	-402
Income taxes versus income before taxes reported		
EBIT after restructuring	34,949	69,596
Interest income (expense) - net	-1,145	-2,161
Other non-operating income (expense) - net		
Income before taxes	33,805	67,434
Income taxes reported	**-6,083**	**-8,092**
Effective income tax rate (%)	-18.0%	-12.0%
Income before taxes reported	33,805	67,434
Theoretical tax rate	34%	34%
Theoretical tax credit/(cost)	**-11,494**	**-22,928**
Non deductible expenses/non taxable income for tax purposes		
Pre-merger dividend in Norway (d)	2,694	-
Other non-deductible expenses	-1,474	-1,456
Income not taxed		
Government grants exempt from tax	1,588	1,460
Mutual agreement procedure - transfer price adjustment (f)	-	6,293
Patent income deduction (PID) (c)	-	2,208
Notional interest deduction (NID) (e)	2,927	2,369
Investment allowances (a)	1,116	213
(Use)/Set-up of deferred tax assets, not recognised in prior years	2,873	-358
Deferred tax assets, derecognised in current year (b)	-7,206	-4,909
Effect of different tax rates in foreign companies	2,983	6,322
Tax adjustments related to prior periods	-89	2,695
Reported taxes related to current income before taxes	**-6,083**	**-8,092**

(a) Spread taxation on capital expenditure and research and development costs of prior years
(b) See note 12
(c) The PID is applicable in Barco NV as of fiscal year 2010, applied as of 2011 after receiving formal approval from the tax authorities. In 2014 the PID deduction is nill as insufficient current year taxable results.
(d) Deferred taxes on DBI deduction carried forward. Pre-merger dividend distributed from Norway to Belgium in 2014 results in a permanent difference between tax books and statutory books (in tax books dividend goes through result, while in statutory books the dividend is recorded as a decrease of the investment in Norway). As DBI deduction is allowed, but the current year profit in Belgium was not sufficient, the DBI deduction has been carried over and leads to a future deductible loss.
(e) Notional interest deduction in 2014 and 2013 only relates to the amounts which can be offset by the current year taxable result.
(f) Transfer price adjustment as a result of a transfer pricing audit in Belgium whereby a shift of results was performed from the US to Belgium. This has been agreed upon by the US tax authorities through a mutual agreement procedure concluded end of 2013. The income has been taxed in Belgium in previous years through adjustment of the tax loss carry forwards. The income recognized in Barco NV (Belgium) in 2013 is therefore tax exempt.

7. EARNINGS PER SHARE

IN THOUSANDS OF EURO	2014	2013
Net income (continuing) attributable to the equity holder of the parent	17,840	54,099
Weighted average of shares	12,188,239	12,213,492
Basic earnings per share (in euro)	1.46	4.43
Net income (discontinued) attributable to the equity holder of the parent	6,094	3,021
Weighted average of shares	12,188,239	12,213,492
Basic earnings per share (in euro)	0.50	**0.25**
Basic earnings per share	**1.96**	**4.68**
Net income (continuing) attributable to the equity holder of the parent	17,840	54,099
Weighted average of shares (diluted)	12,490,869	12,608,396
Diluted earnings per share (in euro)	1.43	4.29
Net income (discontinued) attributable to the equity holder of the parent	6,094	3,021
Weighted average of shares (diluted)	12,490,869	12,608,396
Diluted earnings per share (in euro) (a)	0.49	0.24
Diluted earnings per share (a)	**1.92**	**4.53**

(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 more detailed information concerning the shares and warrants, we refer to note 17.

8. INVESTMENTS

IN THOUSANDS OF EURO	2014	2013
Investments (a)	8,337	10,947
Interest in joint ventures and associates (b)	6,022	877
Total investments	**14,360**	**11,824**

(a) Investments include entities in which Barco owns less than 20% of the shares. Since 2013, the investments include an investment in Audience Entertainment, of which the ownership percentage has increased to 29% at the end of September 2014. Therefore this investment moved to the line interest in joint ventures and associates in 2014.

(b) Since 2013, the Group has obtained a 42% interest in Habornveien 53, AS, through the acquisition of projectiondesign. In 2014 it also includes the investment in Audience Entertainment (see (a)) in the non-current assets in the below table of the group's share of the assets and liabilities as at 31 December 2014. As the figures of Audience Entertainment for the year 2014 are not yet available, there is one quarter result missing in the share in the result of joint ventures and associates in 2014. In 2013 Audience Entertainment was part of the investments.

The Group's share of the assets and liabilities as at 31 December 2014 and 2013 and income and expenses of the jointly controlled entities and associates for the year ended 31 December 2014 and 2013, which are accounted for using the equity method:

IN THOUSANDS OF EURO	2014	2013
Share of the joint ventures' and associates' balance sheet:		
Current assets	114	117
Non-current assets	9,088	4,384
Current liabilities	127	260
Non-current liabilities	3,053	3,364
Equity	**6,022**	**877**
Share of the joint ventures' and associates' revenue and profit:		
Sales	371	388
Gross profit	247	255
EBIT	246	253
Profit/(Loss) of the year	**68**	**61**

The Group has no share of any contingent liabilities or capital commitments as at 31 December 2014 and 2013.

9. GOODWILL

IN THOUSANDS OF EURO	2014	2013
At cost		
On 1 January	172,463	95,368
Acquisitions	10,870	77,384
Sale	-1,602	-
Translation (losses)/gains	851	-290
On 31 December	182,581	172,463
Impairment		
On 1 January	38,807	38,807
Impairment losses	-	-
On 31 December	38,807	38,807
Net book value		
On 1 January	133,656	56,562
On 31 December	143,774	133,656

Acquisitions in 2014 include goodwill related to the acquisition of X2O Media Inc for 10.9 million euro.
In 2013, acquisitions include goodwill related to the acquisition of projectiondesign for 35.6 million euro and Awind for 41.8 million euro.

In 2014 and 2013, the impairment tests on goodwill did not result in any impairment.

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.

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

IN THOUSANDS OF EURO	2014	2013
Cash generating units		
Entertainment & Corporate	96,234	85,336
Industrial & Government	9,281	9,014
Healthcare	38,259	37,704
Ventures	0	1,602
Total goodwill (net book value)	**143,774**	**133,656**

In 2013, the goodwill (net book value) of Barco's Ventures related to the remaining goodwill on Orthogon, which has been sold in 2014.
The goodwill on the acquisition of X2O, in 2014, has been allocated to the division Entertainment & Corporate.
In 2013, the goodwill on the acquisition of projectiondesign and Awind were also allocated to the division Entertainment & Corporate.

The group performed its annual impairment test in the fourth quarter of 2014 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 2014, 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% (2013: 10.7%) and cash flows beyond the five year period are extrapolated using a conservative growth rate of 0% (2013: 0%).

A sensitivity analysis is performed on all cash generating units with respect to the discount rate (see Sensitivity to changes in assumptions – Discount rate).

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

Based upon the outcome of the impairment tests, management did not identify impairments for any of the 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 unit within the business segment Healthcare, since even then there is no risk for impairment. For Entertainment and Corporate and Industrial and Government 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 percentage point per annum was applied to the Healthcare division. The EBIT level of Industrial and Government starts at 0%, as the average EBIT percentage over the last three years was negative, and is projected to increase to 3.5% in the year after. Afterwards an increase of 1 percentage point per annum is applied. For the Entertainment and Corporate division, a stable EBIT as percentage of sales is kept at 8% over the whole budget period, which is 3% lower than 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 the 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% for the year 2014 and has been applied to all cash-generating units.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

Per 31 December 2014, changes in the key assumptions of the value-in-use calculations for the cash generating units 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. Changes in the sales growth rate, during the budget period, do not cause the carrying value of the divisions to materially exceed its recoverable amount, unless the sales growth would be negative.

EBIT percentage on sales – Management has considered the possibility of lower than budgeted EBIT percentages on sales.
For Industrial and Government, an EBIT level which remains at 3.5% (instead of increasing with 1% per annum from the third year onwards), would lead to an impairment.
For Healthcare, an EBIT level which remains at 3.9% (instead of increasing 1% per annum), which is the average EBIT percentage over the last three years, would lead to an impairment.
For Entertainment and Corporate, a reduction of more than 1% in the last year of the budget period would result in an impairment.

Discount rates – increase in the weighted average cost with 1% for Industrial and Government and with 2% for Entertainment and Corporate and Healthcare would result in an impairment.

Growth rate estimate – a sales decline beyond the budget period would result in an impairment for Industrial and Government and Healthcare if the decline would be more than 2% and more than 3% respectively.

For the Entertainment and Corporate division, even a decrease (which would result in a negative sales evolution) in the long-term rate, used to extrapolate beyond the budget period, would not result in an additional impairment, provided the decrease would be less than 4%.

10. CAPITALIZED DEVELOPMENT COSTS

IN THOUSANDS OF EURO	2014	2013
At cost		
On 1 January	290,071	241,388
Expenditure	47,691	54,795
Sales and disposals	0	-4,131
Acquisition of subsidiary	-	-
Disposal of subsidiary	-7,586	0
Translation (losses)/gains	5,699	-1,981
On 31 December	335,874	290,071
Impairment		
On 1 January	20,800	20,061
Expenditure	7,244	739
On 31 December	28,044	20,800
Amortization		
On 1 January	189,226	154,432
Amortization	49,969	40,193
Sales and disposals	0	-4,131
Acquisition of subsidiary	-	-
Disposal of subsidiary	-7,310	-
Translation (losses)/gains	4,593	-1,267
On 31 December	236,479	189,226
Net book value		
On 1 January	80,044	66,895
On 31 December	71,351	80,044

Consistent with the tests performed in the previous years, Barco performed impairment tests in the fourth quarter of 2014. Based upon these tests, impairment costs have been recognized for an amount of 7.2 million euro. Similar impairment tests revealed the need to recognize impairment losses on capitalized development in 2013 for 0.7 million euro. The impairment losses recognized represent the write down of certain specific capitalized development projects related to networking technology and in LiveDots. In view of the lower market demand in LiveDots, a capitalized development project related to LED has been impaired. Barco has been investing in networking technology, certain projects have been considered to become less successful as originally anticipated and were therefore impaired.

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

IN THOUSANDS OF EURO	2014	2013
Industrial & Government	2,343	0
Entertainment & Corporate	1,631	98
Healthcare	854	352
Ventures	2,415	290
Total	**7,244**	**739**

11. OTHER INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS

IN THOUSANDS OF EURO	2014								2013
	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
At cost									
On 1 January	**85,625**	**63,113**	92,269	33,575	19,593	5,537	**150,974**	**299,712**	**240,220**
Expenditure	**6,473**	**218**	2,252	3,255	994	11,502	**18,003**	**24,693**	**21,442**
Sales and disposals	**-2,025**	**-15,323**	-19,911	-5,727	-1,245	-	**-26,883**	**-44,232**	**-8,083**
Acquisition of subsidiary	**3,859**	**-**	-	217	25	-	**242**	**4,101**	**53,377**
Disposal of subsidiary	**-886**	**-1,492**	-62	-1,678	-56	-2	**-1,799**	**-4,177**	**-**
Transfers	**6**	**-416**	-2,649	26	2,377	-290	**-535**	**-945**	**0**
Translation (losses)/gains	**589**	**1,535**	-1,719	2,248	-275	-0	**253**	**2,376**	**-7,243**
On 31 Dec 2014	**93,640**	**47,634**	**70,179**	**31,916**	**21,413**	**16,746**	**140,255**	**281,529**	**299,712**
Depreciation									
On 1 January	**31,818**	**36,933**	80,476	24,525	7,885	-	**112,885**	**181,636**	**160,575**
Depreciation	**7,038**	**1,714**	4,091	4,419	2,029	-	**10,539**	**19,291**	**21,515**
Sales and disposals	**-1,967**	**-12,156**	-19,183	-5,422	-1,262	-	**-25,866**	**-39,989**	**-7,821**
Acquisition of subsidiaries	**5**	**-**	-	77	21	-	**97**	**102**	**8,400**
Disposal of subsidiaries	**-826**	**-1,112**	-6	-1,558	-56	-	**-1,620**	**-3,558**	**-**
Transfers	**-3**	**-36**	-844	-40	-11	-	**-895**	**-934**	**-188**
Translation (losses)/gains	**1,648**	**977**	-1,637	1,909	245	-	**517**	**3,143**	**-843**
On 31 Dec 2014	**37,714**	**26,320**	**62,896**	**23,909**	**8,852**	**-**	**95,658**	**159,692**	**181,636**
Carrying amount									
On 1 January 2014	**53,808**	**26,179**	**11,793**	**9,050**	**11,708**	**5,537**	**38,089**	**118,075**	**79,645**
On 31 Dec 2014	**55,926**	**21,315**	**7,283**	**8,007**	**12,561**	**16,746**	**44,597**	**121,838**	**118,076**

In 2014, the capital expenditures amount to 22 million euro, compared to 21.4 million euro in 2013.

Other intangible assets relate for the major part (29.6 million euro) to the investment in the new SAP ERP system. The capital expenditures are depreciated as from April 2014 when first roll out in India has been performed successfully. A next roll-out of the project is planned for July 2015 in Belgium. The capital expenditures under construction relate for the major part to the investment in a new building at the headquarters of Barco. The capital expenditures in the other tangible assets (6.5 million euro) relate for the major part to R&D and IT equipment.

The acquisition of subsidiairies in 2014 relate for the major part to the know how acquired through the acquisition of X2O, the disposal of subsidiaries relate to the sale of Orthogon. The net book value of the other intangible assets and tangible fixed assets acquired in 2013 through acquisitions amounts to 45 million euro, of which other intangible assets for an amount of 31.9 million euro: 17.7 million technology, 12.1 million customer relations and 1.2 million trade names.

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. The disposal on land and buildings (3.1 million euro) relates to the sale of the building in Kuurne in 2014.

12. 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	2014	2013	2014	2013	2014	2013
Capitalized development cost	3,786	181	-6,664	-8,441	-2,878	-8,260
Patents, licenses, ...	-	-	-7,312	-5,247	-7,312	-5,247
Tangible fixed assets and software	2,058	2,191	-1,338	2,544	720	-353
Other investments	-	-	-258	-	-258	-
Inventory	21,565	16,389	-	-313	21,565	16,076
Trade debtors	1,553	872	-4,108	-981	-2,555	-109
Provisions	14,254	9,516	-1,987	-1,603	12,267	7,913
Employee benefits	-1,384	990	-	-	-1,384	990
Deferred revenue	4,047	2,011	-	-3	4,047	2,008
Other items	-281	4,025	-1,215	-2,983	-1,496	1,042
Tax value of loss carry forwards	17,684	18,849	-	-	17,684	18,849
Tax value of tax credits	21,410	18,197	-421	-	20,989	18,197
Gross tax assets/(liabilities)	**84,692**	**73,221**	**-23,303**	**-22,114**	**61,389**	**51,107**
Offset of tax	-16,473	-10,897	16,473	10,897	-	-
Net tax assets/(liabilities)	**68,219**	**62,325**	**-6,830**	**-11,217**	**61,389**	**51,108**

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

IN THOUSANDS OF EURO	As at 1 January	Recognized through income statement	Acquisitions and disposals	Exchange gains and losses	As at 31 December
Capitalized development cost	-8,260	5,640	289	-548	-2,878
Patents, licenses, ...	-5,247	-1,213	-927	75	-7,312
Tangible fixed assets and software	-353	1,138	-185	120	720
Other investments	-	-236	-	-22	-258
Inventory	16,076	4,001	313	1,175	21,565
Trade debtors	-109	-2,581	-	135	-2,555
Provisions	7,913	3,569	-211	996	12,267
Employee benefits	990	-2,565	-	191	-1,384
Deferred revenue	2,008	1,646	-	393	4,047
Other items	1,044	-2,452	0	70	-1,496
Tax value of loss carry forwards	18,849	-1,249	-	84	17,684
Tax value of tax credits	18,197	2,828	-	-36	20,989
Total	**51,108**	**8,527**	**-721**	**2,633**	**61,389**

On top of the tax losses and tax credits for which a net deferred tax is recognized (net deferred tax asset of respectively 17.7 million euro and 21.4 million euro), the Group owns tax losses carried forward and other temporary differences on which no deferred tax asset is recognized amounting to 75.7 million euro as of 31 December 2014 (at 34% tax rate resulting in a non recognized deferred tax asset of rounded 25.7 million euro). Deferred tax assets have not been recognized on these items because it is not probable that future profit will be available in the near future against which the benefits can be utilized. The tax losses carried forward and other temporary differences on which no deferred tax asset is recognized have no expiration date.

Deferred tax assets relate for the major part to the tax value of loss carry forwards and tax credits and almost fully relate to Belgium. In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized within the foreseeable future. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, the Group will need to generate future taxable income in the countries where the net operating losses were incurred. Based upon the level of historical taxable income, the expected realization of tax losses carried forward to offset the gain realized on the sale of the Defense and Aerospace division in Belgium in 2015 and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes as at 31 December 2014, it is probable that the Group will realize all of the recognized benefits of these deductible differences.

13. INVENTORY

IN THOUSANDS OF EURO	2014	2013
Raw materials and consumables	78,587	67,445
Work in progress	61,524	56,977
Finished goods	140,738	116,635
Write-off on inventories	-95,218	-81,619
Inventory	**185,631**	**159,438**
Inventory turns (a)	2.9	3.7

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

The amount of write-offs recognized as expense in 2014 amounts to 18.4 million euro (2013: 13.9 million euro).
The inventory turns decreased compared to the previous year, reaching 2.9 at the end of 2014.

14. AMOUNTS RECEIVABLE AND OTHER NON-CURRENT ASSETS

IN THOUSANDS OF EURO	2014	2013
Trade debtors - gross	179,197	147,052
Trade debtors - bad debt reserve (a)	-8,711	-5,710
Trade debtors - net (b)	**170,486**	**141,342**
V.A.T. Receivable	4,954	11,082
Taxes receivable	10,725	29,917
Interest rate swap (note 19)	-	-
Currency rate swap (note 20)	167	361
Guarantees paid	52	225
Other	3,042	2,135
Other amounts receivable	**18,940**	**43,722**
Other non-current assets (c)	**15,736**	**14,200**
Number of days sales outstanding (DSO) (d)	63	50

Per 31 December 2014, the number of days sales outstanding are higher at 63 days compared to 50 days at the end of 2013 though balancing the days payable outstanding (DPO, see note 18) of 63 days per end of 2014. The outstanding trade debtors are significantly higher than the 2013 level. The bad debt reserve in proportion to the gross amount of trade debtors remains under control, though at a higher level than 2013: 4.8% per 31 December 2014 (2013: 3.8%).

(a) Movement in bad debt reserve

IN THOUSANDS OF EURO	2014	2013
On 1 January	**-5,710**	**-6,570**
Acquisition of subsidiaries	-38	-562
Sale of subsidiary	320	-
Additional provisions	-5,969	-2,301
Amounts used	718	1,376
Amounts unused	2,460	2,181
Translation (losses) / gains	-493	166
On 31 December	**-8,711**	**-5,710**

(b) At 31 December 2013, the aging analysis of trade receivables is as follows:

IN THOUSANDS OF EURO	2014	2013
Not due	135,613	116,150
Overdue less than 30 days	19,524	15,062
Overdue between 30 and 90 days	11,546	8,058
Overdue more than 90 days	12,514	7,782
Total gross	**179,197**	**147,052**
Bad debt reserve	-8,711	-5,710
Total	**170,486**	**141,342**

In 2014, total overdue amounts increased to a total amount of 43.6 million euro compared to the previous period (2013: 30.9 million euro). In 2014, the bad debt reserve amounts to 70% of the trade receivables more than 90 days overdue (2013: 73%).

(c) Other non-current assets

The increase in the other non-current assets during 2014 relates to the sale of the Kuurne building on which part of the receivable is due in 2016 (0.6 million euro) and 2017 (0.6 million euro) for a total amount of 1.2 million euro. The non-current assets further include long-term receivables in the frame of vendor financing programs, amounting to 2.4 million euro per 31 December 2014, of which 2.2 million euro (see note 15) are offset by a long-term debt of the same amount (2013: 3.5 million euro, of which 3.5 million euro offset by a long-term debt) and cash guarantees for an amount of 3.9 million euro (2013: 2.9 million euro).

(d) Number of days sales outstanding (DSO)

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

15. NET FINANCIAL CASH/DEBT

IN THOUSANDS OF EURO	2014	2013
Deposits (a)	64,626	13,646
Cash at bank (b)	80,602	142,795
Cash in hand	113	104
Cash and cash equivalents	**145,340**	**156,545**
Long-term financial receivables (c)	2,183	3,539
Long-term debts (c) (d)	-57,737	-40,410
Current portion of long-term debts (d)	-7,130	-3,582
Short-term debts (e)	-19,253	-11,613
Net financial cash / (debt)	**63,403**	**104,479**

The net financial cash consolidated at comfortable levels in 2014, with the decrease versus 2013 explained by acquisition activity, the refund of a vendor loan as explained in note 'Other long-term liabilities', the share buyback program and the annual dividend payout.

(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	2014	2013
» deposits in INR, with an average interest rate of 7,34%	509	1,665
» deposits in EUR	-	-
» deposits in USD, with an average interest rate of 0,07%	5,848	1,994
» deposits in CNY, with an average interest rate of 1,49%	53,788	9,589
» deposits in other currencies	4,481	398
Total deposits	**64,626**	**13,646**

The average rate of the deposits in INR is 7.34%, in CNY 1.49% and in USD 0.07%.
As for the deposits in CNY, 38.5 million euro equivalent is held in the Chinese joint-venture CFG Barco, mainly coming from advances received from customers.

(b) Cash at bank

Cash at bank is immediately available, except for the cash held in the Chinese joint-venture CFG Barco (in CNY) for an amount of 11.9 million euro equivalent (taken Barco only holds an ownership of 58% in this entity).
Most of the cash is held on accounts with higher interest-yield compared to classical cash accounts. It is denominated in the following currencies:

	2014	2013
» EUR	24.9%	40.0%
» USD	24.7%	8.0%
» CNY	26.4%	38.6%
» INR	0.3%	0.1%
» Others	23.7%	13.3%

(c) Long-term financial receivables

Since 2010, Barco entered into a specific vendor financing program granted to a selective number of international customers. The purpose of vendor financing is to grant extended payment terms to such customers, whilst Barco continues to benefit from prompt payment of the open accounts receivable position by having a financial institution in the middle. The financial institution will directly (buyer credit) or following a receivable sale (supplier credit) open a credit in favor of the customer, thereby assuming the risk of non-payment on the spread payment plan in all material respect.

In the case of a supplier credit, Barco continues to serve as collection agent after the sale of the accounts receivable on a non-recourse basis, which leads to a long-term financial receivable from the customer (in line "Other non-current assets") this being offset by a long-term financial debt position towards the financial institution for the same amount (in line "Long-term debts"). Due to its non-recourse character, both positions are being eliminated in the net financial cash/(debt). Per the end of 2014, the outstanding long-term financial receivables have decreased to 2.2 million euro compared to 3.5 million euro in 2013. When the vendor financing takes the form of a buyer credit (direct financial contract between customer and financial institution, and no role for Barco as collection agent), no positions are being reflected in the balance sheet.

Where Barco assumes a small residual risk on the customer's payment behavior with recourse character (either in the form of supplier credit or buyer credit), provisions are being account for.

(d) Long-term financial debts

Besides two specific Real Estate credit facilities in US & Norway, the Barco Group has a total of 152.5 million euro committed credit facilities available, following its debt portfolio restructuring in December 2013.

The portfolio consists of 3 major tranches:

» Barco NV received a 50 million euro research, development and innovation (RDI) Credit Facility from the European Investment Bank (with current maximum availability of 37.5 million euro). The aim of the facility is to finance RDI activities for networked visualization connectivity and software in its Entertainment, Healthcare and Control Rooms divisions. Drawings under the facility have a long-term tenor of minimum 4 years.

» Barco NV and Barco CC (as co-obligors) signed a number of bilateral committed Credit Facilities with a selected group of commercial banks for a total amount of 85 million euro. The Credit Facilities have an availability period till December 2016. Drawings under the facilities have a short-term tenor.

» Barco NV signed a number of bilateral committed Credit Facilities for a total amount of 30 million euro (with accordion clause for an additional 7.5 million euro). The Credit Facilities aim at financing Barco's new HQ campus project and have a long-term tenor of 15 years following the end of the availability period (per end of 2015).

As at 31 December 2014, Barco has executed drawings in respect of long-term Real Estate financing for a total amount of 23.7 million euro. These commitments carry either a fixed interest rate, or have been swapped via derivatives into fixed rate character. On the same date, an amount of 37.5 million euro is drawn under the RDI Credit Facility from the European Investment Bank, noting that the credit line is closed going forward for new drawings.

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	2014	2013
- EUR	48,192	25,177
- USD	5,479	7,058
- NOK	9,674	10,554
- Other	1,523	1,202
Total	**64,868**	**43,991**

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

TYPE OF INTEREST RATE	MATURITY	31 Dec 2014	31 Dec 2013
Real Estate financing:			
- variable, swapped into fixed (EU)	Later than 2019	10,692	0
- variable, swapped into fixed (US)	Later than 2019	3,293	3,671
- fixed, financial leasing (Norway)	Later than 2019	9,674	10,554
RDI financing:			
- fixed, European Investment Bank	Later than 2019	37,500	25,000
Vendor financing (offset by long-term receivable)		2,183	3,539
Other		1,527	1,227
Total long-term financial debts		**64,868**	**43,991**

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

Per 31 December 2014		Per 31 December 2013	
Payable in 2016	13,310	Payable in 2015	8,838
Payable in 2017	10,849	Payable in 2016	5,227
Payable in 2018	10,402	Payable in 2017	5,196
Payable in 2019	7,665	Payable in 2018	5,237
Later	28,391	Later	15,912
Total long-term debts	**70,617**	**Total long-term debts**	**40,410**

(e) Short-term financial debts

Analysis of the short-term financial debts on 31 December 2014:

IN THOUSANDS OF EURO	2014		2013	
	Effective interest rate	Balance	Effective interest rate	Balance
» EUR	1.0%	17,500	1.0%	10,502
» USD	-	-	-	-
» CNY	-	-	-	-
» Other	2.3%	1,753	2.5%	1,112
Total		**19,253**		**11,614**

The available 85 million euro bilateral Credit Facilities when used, translate in a short term debt position, are drawn for 17.5 million euro.

16. OTHER LONG-TERM LIABILITIES

IN THOUSANDS OF EURO	2014	2013
Vendor Loan (c)	0	12,329
Other long-term liabilities	**0**	**12,329**

(a) Vendor loan

A vendor loan in the amount of 103.1 million NOK (12.3 million euro), taken over as part of the former projectiondesign acquisition, was fully refunded in the course of 2014.

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

Per 31 December 2014		Per 31 December 2013	
Payable in 2016	0	Payable in 2015	8,801
Payable in 2017	0	Payable in 2016	3,527
Payable in 2018	0	Payable in 2017	0
Payable in 2019	0	Payable in 2018	0
Later	0	Later	0
Total long-term debts	**0**	**Total long-term debts**	**12,329**

17. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

IN THOUSANDS OF EURO	2014	2013
Share capital	55,572	55,533
Share premium	142,510	142,235
Share-based payments	5,942	6,273
Acquired own shares	-53,985	-44,250
Retained earnings	472,822	467,370
Cumulative translation adjustment	-33,589	-51,561
Derivatives	-1,857	-657
Equity attributable to equity holders of the parent	**587,415**	**574,943**

1. SHARE CAPITAL, SHARE PREMIUM AND OWN SHARES

The following capital increases took place in 2014:

» Through the exercise of 6,020 warrants into the same number of new shares on 25 June 2014 with a resulting increase of the statutory capital of 26 ('000) euro and an increase of the share based payment account of 177 ('000) euro.
» Through the exercise of 640 warrants into the same number of new shares on 26 September 2014 with a resulting increase of the statutory capital of 2 ('000) euro and an increase of the share based payment account of 20 ('000) euro.
» Through the exercise of 2,553 warrants into the same number of new shares on 30 December 2014 with a resulting increase of the statutory capital of 11 ('000) euro and an increase of the share based payment account of 78 ('000) euro.

As a result thereof the company's share capital amounts to 55.6 million euro on 31 December 2014, consisting of 12,998,042 fully paid shares.

Barco acquired own shares in 2014, based on the shareholder authorization granted by the Extraordinary General Meeting of 24 April 2014 and the announcement on May 7th, 2014 that the company would launch a first share buy back program, for a period of 6 months, starting on May 8th, 2014 and a second announcement on November 7th, 2014 to extend the share buy-back period with another 6 months, starting November 10th. In total Barco acquired 247,678 own shares for a total amount of 13.866 ('000) Euro.
Barco did not acquire own shares in 2013.

Barco sold 38,850 own shares upon the exercise of 38,850 stock options per 25 June 2014 with a resulting decrease of the own shares of 2,394 ('000) euro and a decrease of the shared based payment account of 944 ('000) euro, 3,150 own shares through the exercise of 3,150 stock options per 26 September 2014 with a resulting decrease of the own shares of 192 ('000) euro and a decrease of the shared based payment account of 68 ('000) and 25,500 own shares through the exercise of 25,500 stock options per 30 December 2014 with a resulting decrease of the own shares of 1,545 ('000) euro and a decrease of the shared based payment account of 588 ('000) euro.

As a result thereof the company's share premium account amounts to 140.9 million euro and the number of own shares acquired by Barco NV up to 31 December 2014 therefore increased to 895,374 own shares (2013: 715,206 own shares).

2. SHARE-BASED PAYMENTS

On 20 October 2014, 3 new option plans have been approved by the Board of Directors. These 3 option plans entitled the Board of Directors to grant maximum 134,800 stock options before 31 December 2014. Each stock option gives right to the acquisition of one (1) share. In 2014, 110,290 stock options have been granted to employees and management of the Group based upon these option plans. On 31 December 2014, no options remained available for distribution under the 2014 stock option schemes given the expiry dates of the plans per 31 December 2014.

Warrants exercisable under the warrant and stock option plans

The total number of outstanding warrants on 31 December 2014 amounted to 146,015 which can lead to the creation of 146,015 new shares. Since 2010, stock options have been granted. The total number of outstanding stock options on 31 December 2014 amounted to 432,485. The company's own shares will be used under the outstanding stock option plan to fulfill the commitment. During 2014, 9,213 warrants and 67,500 stock options have been exercised (in 2013, 210,783 warrants and 22,750 stock options). These warrants and stock options may be exercised the earliest 3 years after the allocation date over a period of maximum 10 years and during a couple of fixed periods over the year. Below an overview is given of the outstanding warrant and stock option plans:

Allocation date	End term	Exercise price (in euro)	Balance on 31 Dec 2013	Granted in 2014	Exercised in 2014	Cancelled in 2014	Expired in 2014	Balance on 31 Dec 2014
Warrants								
06/18/02	06/17/12[1]	42.01	9,156	-	-1,473	-	-	7,683
03/29/04	03/28/14	67.00	55,820	-	-	-	-55,820	0
03/29/04[2]	03/28/14	66,50	555	-	-	-	-555	0
09/12/05[2]	11/09/15	60.51	42,029	-	-	-	-	42,029
09/12/05	11/09/15	63.15	1,050	-	-	-	-	1,050
09/12/05[3]	11/09/15	61.35	6,090	-	-	-	-90	6,000
11/09/06	11/08/16	65.05	54,096	-	-	-	-130	53,966
11/09/06[2]	11/08/16	66.15	1,075	-	-	-	-	1,075
11/12/07	11/11/17	50.68	25,505	-	-3,090	-	-100	22,315
11/12/07[2]	11/11/17	51.53	1,937	-	-	-	-	1,937
12/15/07	12/14/17	50.48	-	-	-	-	-	0
05/28/09	05/27/19	19.62	11,390	-	-3,500	-	-	7,890
05/28/09[2]	05/27/19	24.00	3,120	-	-1,050	-	-	2,070
Total number of warrants			**211,823**	**-**	**-9,113**	**-**	**-56,695**	**146,015**
Stock options								
10/28/10	10/27/15	35.85	23,700	-	-11,100	-	-	12,600
10/28/10	10/27/20	35.85	34,750	-	-27,700	-	-	7,050
10/28/10[3]	10/27/15	41.75	6,250	-	-2,650	-	-	3,600
10/28/11	10/27/16	36.65	31,250	-150	-11,150	-150	-100	19,700
10/28/11	10/27/21	36.65	29,335	6,000	-	-150	-	35,185
10/28/11[3]	10/27/16	41.70	27,165	-6,100	-14,900	-	-	6,165
10/31/12	10/30/22	52.37	55,260	-	-	-300	-	54,960
10/31/12	10/30/20	52.37	26,660	-	-	-1,060	-	25,600
10/31/12[2]	10/30/22	53.28	2,000	-	-	-	-	2,000
10/31/12[3]	10/30/20	53.00	36,585	-	-	-1,700	-	34,885
10/21/13	10/20/23	59.03	58,350	-	-	-500	-	57,850
10/21/13	10/20/21	59.03	29,900	-	-	-1,200	-	28,700
10/21/13[3]	10/20/21	60.94	36,300	-	-	-2,150	-	34,150
10/23/14	10/22/24	55.00	-	53,540	-	-	-	53,540
10/23/14	10/22/22	55.00	-	32,000	-	-250	-	31,750
10/23/14[3]	10/22/22	55.40	-	24,750	-	-	-	24,750
Total number of stock options			**397,505**	**110,040**	**-67,500**	**-7,460**	**-100**	**432,485**

(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

The cost of these warrant/stock option 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 1.3 million euro in 2014 (2013: 1.3 million euro).

3. RETAINED EARNINGS

The change in retained earnings includes the net income of 2014 and the distribution of 18.4 million euro dividend, as approved by the general shareholders meeting of 27 April 2014.

4. CUMULATIVE TRANSLATION ADJUSTMENT

In 2014, the exchange differences on translation of foreign operations have a positive impact of 18 million euro, mainly relating to foreign operations held in US Dollar (6.8 million euro), Chinese Yen (6.3 million euro) and Indian Rupee (3.3 million euro).

In 2013, exchange differences on translation of foreign operations had a negative impact of 14.3 million euro, mainly relating to the Indian Rupee (4.8 million euro), US Dollar (2.3 million euro), Norwegian Krone (2 million euro), Australian Dollar (1.4 million euro) and Taiwan Dollar (1.2 million euro).

5. DERIVATIVES

Derivative financial instruments are disclosed in note 20.

18. TRADE PAYABLES AND ADVANCES RECEIVED FROM CUSTOMERS

IN THOUSANDS OF EURO	2014	2013
Trade payables	109,091	103,713
Days payable outstanding (DPO) (a)	63	54
Advances received from customers (b)	107,544	87,484

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

(b) Most payment terms of customers define that 30% of the total invoice needs to be prepaid before delivery of the goods. The increase in advances compared to 2013 is mainly situated in CFG Barco and caused by the increase in business in that entity.

19. PROVISIONS

IN THOUSANDS OF EURO	Balance sheet 2014	Sale of Subsidiary (-)	Additional provisions made	Amounts used	Unused amounts reversed	Transfers (e)	Translation (losses) / gains	Balance sheet 2013
Technical warranty (a)	23,198	-109	8,437	-2,032	-8,834	42	1,377	24,317
Pension obligations (b)	6,000	-1,226	950	-502	-146	-	148	6,776
Restructuring provision (c)	3,567	-	3,382	-3,340	-	-	0	3,525
Other claims and risks (d)	7,383	-	2,856	-1,306	-2,059	-42	274	7,661
Provisions	**40,148**	**-1,335**	**15,625**	**-7,180**	**-11,039**	**0**	**1,799**	**42,279**

(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) 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. The Belgian defined contribution plans are by law subject to minimum guaranteed rates of return, currently 3.25% on employer contributions and 3.75% on employee contributions. These rates, which apply as an average over the entire career, may be modified by Royal Decree in which case the new rate(s) apply to both the accumulated past contributions and the future contributions as from the date of modification. Therefore, those plans were basically accounted for as defined contribution plans.

At 31 December 2014 the net liability of 0.2 million euro, difference between the minimum guaranteed reserves and the accumulated reserves, was not accounted for, as deemed immaterial.

The contributions paid during 2014 for those plans amounted to 5.548 (000) euro by the employer and 1.807 (000) euro by the employees. The plan assets at 31 December 2014 consisted of 79.976 (000) euro individual insurance reserves and 1.392 (000) euro in collective financing funds. For 2013 (1) the weighted average guaranteed interest rate on reserves was 3,78%.

(1) 2014 calculation will only be available after AG Insurance's 2015 general meeting (decision on profit sharing).

As per 31 December 2014, the defined benefit obligations are composed of:

» Early retirement plans in Belgium	1, 237
» Local legal requirements (mainly France, Japan, Korea and Italy)	4,659
» A small number of individual plans	104
Total	6,000

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.

(c) Restructuring provision

In 2014, a new restructuring provision has been set up to reduce costs mainly in Healthcare and Industrial & Government.

(d) 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.

On December 2nd, 2014, Barco has communicated that an enquiry is ongoing with the authorities of the People's Republic of China regarding the importation of large videowalls. These import transactions were managed via custom-brokers on behalf of local distributors and the investigation relates to the period between 1997 and 2009, prior to the local assembly of such videowalls in China. No provision has been set up related to this investigation, as no formal claim has been made towards Barco.

20. RISK MANAGEMENT - DERIVATIVE FINANCIAL INSTRUMENTS

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

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

FOREIGN CURRENCY RISK

Recognized assets and liabilities

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

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

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

Forecasted transactions

Barco selectively designates forward contracts to forecasted sales. Hedge accounting is applied to these contracts. The portion of the gain or loss on the hedging instrument that will be determined as an effective hedge is recognized directly in comprehensive income. On 31 December 2014, 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 about 2.5 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 affected because an important part of sales is 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 (for the continuing business) 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 2014 a level close to 65%.

» 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 cannot be measured reliably.

INTEREST RATE RISK

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

Swap on outstanding or anticipated borrowing
Barco has an outstanding variable loan of 4.0 million US dollar (3.3 million euro) in place, of which variable interest rate conditions have been swapped into a fixed 3.86%.

Barco also concluded an interest rate swap of 11.5 million euro by means of hedge for current (10.7 million euro drawn) and future drawings under the 30 million euro bilateral committed Credit Facilities that aim at financing Barco's new HQ campus. This instrument swaps the variable interest rate into a fixed 2.10%.

Both swaps are determined as an effective hedge of outstanding or anticipated borrowings and meet the hedging requirements of IAS 39. The fair values of the effective portion of the hedging instrument are therefore recognized directly in comprehensive income under hedge accounting treatment.

As the US dollar swap is only partially hedge effective, the fair value of the swap for its non-effective portion (difference between notional amount of 9.4 million US dollar or 7.7 million euro equivalent and outstanding loan amount) is recognized in the income statement.

Estimated sensitivity to interest rate fluctuations
Management doesn't expect the short-term interest rate to increase significantly in the immediate foreseeable future, which limits the interest exposure on the short-term debt portfolio.

With reference to the Fair Values table below, more than 75% of Barco's outstanding long-term debt portfolio has a fixed interest rate character, which again limits the exposure of the company to interest rate fluctuations. This ratio increases to over 95% when including the swap instruments disclosed above.

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 2014, 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, cash holdings 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	2014	2013
	Carrying amount / Fair value (approx,)	
Financial assets		
Trade receivables	170,486	141,342
Other receivables	18,940	43,722
Loan and other receivables	18,502	43,507
Interest rate swap	-	-
Currency rate swap	189	214
Other non-current assets	15,736	14,200
Cash and short-term deposits	145,340	156,545
Total	**350,502**	**355,808**
Financial liabilities		
Financial debts	52,705	38,121
Floating rate borrowings	12,174	3,686
Fixed rate borrowings	40,531	34,435
Other debts	-	12,329
Short-term debts	19,253	11,613
Trade payables	109,091	103,713
Dividends payable	2,093	2,105
Currency rate Swap	821	534
Interest rate swap	2,529	1,129
Other liabilities	5,204	12,078
Total	**190,875**	**181,089**

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

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

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2014, 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 2014, 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 2014, the Group held the following financial instruments measured at fair value:

IN THOUSANDS OF EURO	2014	2013
Assets measured at fair value		
Financial assets at fair value through profit or loss		
Foreign exchange contracts - non-hedged	189	276
Interest rate swap	-	-
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	627	62
Interest rate swap	821	534
Financial liabilities at fair value through equity		
Foreign exchange contracts - hedged	-	-
Interest rate swap	1,708	630

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 2014, 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	2014	2013
Net financial cash / (debt)	63,403	104,479
Equity	594,561	579,366
% Net financial cash (debt) / Equity	10.7%	18.0%

IN THOUSANDS OF EURO	2014	2013
Equity	594,561	579,366
Total equity and liabilities	1,075,384	1,047,822
% Equity / Total equity and liabilities	55.3%	55.3%

In 2014, the net cash position decreased somewhat as the result of a number of cash outflows (see cash flow statement) more than offsetting the free cash flow generation of 10.1 million euro, but remained at a solid level of 63.4 million euro per 31 December 2014 compared to 104.5 million euro as per end of 2013. Also, the solvency position and other current ratios consolidated at very healthy levels.

Together with the in 2013 enlarged and extended committed credit facilities, management considers that it has secured a very healthy liquidity profile and strong capital base for the further development of the group.

21. OPERATING LEASES

IN THOUSANDS OF EURO	2014	2013
Non-cancellable operating leases are payable as follows:		
Less than one year	3,641	6,011
Between one and five years	11,047	9,855
More than five years	4,310	4,453
Total	**18,998**	**20,319**

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 14.6 million euro, whereof 8.6 million euro relating to rent of buildings.

22. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

IN THOUSANDS OF EURO	2014	2013
Guarantees given to third parties (a)	10,189	10,703
Mortgage obligations given as security (b)		
» book value of the relevant assets	18,282	2,555
	37,722	6,798
Buy back obligations (c)	4,697	5,684
Purchase commitment (d)	22,970	29,400

(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 increase in the total mortgage compared to 2013 relates to three new loans of 10 million euro each to fund the new HQ Campus project.

(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 4,7 million euro (2013: 5.7 million euro, 2012: 7.7 million euro).

(d) This relates to the new HQ Campus project.

23. RELATED PARTY TRANSACTIONS

For more information with respect to remuneration for directors and members of the executive management, we refer to the 'Corporate governance' chapter on page 94 of the annual report.

24. CASH FLOW STATEMENT: EFFECT OF ACQUISITIONS AND DISPOSALS

The table below shows the effect of acquisitions and disposals on the balance sheet movement of the group. The 2014 acquisition relates to the acquisition of X2O, the disposal relates to the sale of the Orthogon business. The 2013 acquisition relates to the projectiondesign and Awind business combinations. See Note 1.3 for more information on these acquisitions and disposals.

IN THOUSANDS OF EURO	ACQUISITIONS		DISPOSALS	
	2014	2013	2014	2013
Non-current assets	**3,999**	**45,442**	**1,490**	**-**
Capitalized development cost		-	276	-
Customer list	-	12,124	-	-
Know-how	3,854	19,149	61	-
Buildings and (leased) building	-	11,782	379	
Tangible assets and other intangible assets	145	1,231	178	-
Other non-current assets	-	1,155	595	-
Current assets	**2,044**	**28,167**	**3,921**	**-**
Inventory	-	14,648	2,148	-
Trade debtors & other receivables	2,044	13,519	1,773	-
Non-current liabilities	**855**	**42,079**	**1,540**	**-**
Long-term debts, interest-bearing liabilities	-	33,745	-	-
Deferrred tax liabilities	855	3,886	206	-
Provisions	-	4,448	1,335	-
Current liabilities	**-5,855**	**5,768**	**1,534**	**-**
Trade payables	196	523	50	-
Other payables	-6,052	5,245	1,483	-
Net-identifiable assets and liabilities	**11,044**	**25,763**	**2,337**	**-**
Goodwill on acquisitions/disposals	**10,870**	**77,398**	**1,602**	**-**
Gain on sale Orthogon			**6,650**	
Acquired/(sold) cash	94	1,792	2,417	-
Received consideration	**-**	**-**	**13,007**	**-**
Purchase price	**22,009**	**104,953**	**-**	**-**

The total purchase price in 2014 relates to the acquisition of X2O of 13.3 million euro and current year's final earn-out payment on the 2010 Fimi acquisition for an amount of 2.5 million euro, deferred consideration paid on the Awind acquisition of 2013 for an amount of 4.4 million euro and on the JAOTech acquisition of 2012 for an amount of 1 million euro. The cash flow statement acquisition of group companies show net of acquired cash of X2O.

The 2014 disposal relates to the sale of the Orthogon business for an amount of 13 million euro. The cash flow statement disposal of group companies shows net of sold cash of Orthogon.

The total purchase price in 2013 relates to the acquisition of projectiondesign of 50.8 million euro, the acquisition of Awind of 51.6 million euro and current year's earn-out payment on the 2010 Fimi acquisition for an amount of 2.5 million euro.

The cash flow statement acquisitions show net of acquired cash of projectiondesign and AWIND and the cash received via the change in consolidation method of the Chinese joint venture (in total 20 million euro) and excluding the amount paid at the end of 2012 on the acquisition of projectiondesign of 33.4 million euro.

We refer to the Cash flow statement and note 1.3 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.

25. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On February 2nd, Barco announced the finalization of the sale of its Defense & Aerospace division to US-based Esterline Corporation on January 31, 2015. As such, all Barco's activities in the Defense & Aerospace markets have now been transferred to Esterline.

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 2014

As required by law and the Company's by-laws, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated balance sheet as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2014 and the disclosures (all elements together "the Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS - UNQUALIFIED OPINION

We have audited the Consolidated Financial Statements of Barco NV ("the Company") and her subsidiaries (together "the Group") as of and for the year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of € 1,075,384,000 and of which the consolidated income statement shows a profit for the year (attributable to the equity holders of the parent) of € 23,933,000

Responsibility of the Board of Directors for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and 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 given 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 International Standards on Auditing ("ISAs"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's 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, the statutory auditor considers internal control relevant to the Group's preparation and presentation of Consolidated Financial Statements that give a true and fair view, 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. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit procedure and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Group as at 31 December 2014 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

ADDITIONAL COMMENTS

In the context of our mandate and in accordance with the additional standard issued by the "Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises" as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Ghent, 23 February 2015

Ernst & Young Auditors BCVBA
Statutory auditor
represented by

Lieve Cornelis	Marnix Van Dooren
Partner	Partner

BARCO NV

SUMMARY VERSION OF STATUTORY ACCOUNTS BARCO NV

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

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

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

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of Barco NV for the year ended 31 December 2014 gives 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	2014	2013
Fixed assets	**908,233**	**861,926**
Intangible fixed assets	104,578	101,503
Tangible fixed assets	30,201	21,849
Financial fixed assets	763,757	728,431
Amounts receivable after more than one year	9,697	10,143
Current assets	**310,679**	**272,239**
Stocks and contracts in progress	103,054	95,403
Amounts receivable within one year	136,846	116,713
Investments (own shared)	54,166	44,431
Cash at bank and in hand	210	209
Deferred charges and accrued income	16,403	15,483
TOTAL ASSETS	**1,218,912**	**1,134,165**
Capital and reserves	**436,140**	**444,062**
Capital	55,573	55,534
Share premium account	143,001	142,726
Reserves	60,379	50,645
Accumulated profits	176,373	193,305
Investment grants	814	1,852
Provisions and deferred taxes	**16,527**	**16,597**
Provisions for liabilities and charges	16,527	16,597
Creditors	**766,246**	**673,506**
Amounts payable after more than one year	66,196	45,194
Amounts payable within one year	700,050	628,312
TOTAL LIABILITIES	**1,218,912**	**1,134,165**

The increase of the intangible fixed assets of 3 million euro in 2014, consists of the implementation cost of SAP ERP software (5.9 million euro increase in 2014 compared to 13 million in 2013), while the goodwill has decreased due amortizations. The capital expenditures related to the new SAP ERP-software are depreciated as from April 2014 when first roll out in India has been performed successfully. A next roll out of the project is planned for July 2015 in Belgium.

The increase of the tangible fixed assets with 8 million euro in 2014 is mainly caused by the new building under construction in Kortrijk, expected to be finished end of 2015.

The increase of 35 million euro of financial fixed assets consists of the acquisition of the shares of X2O (13 million euro), the subsequent purchase of shares in Projectiondesign from Projection Holding, prior to the merger of projectiondesign and Projection Holding, for an amount of 10 million euro, the purchase of shares of Barco Australia from Barco Singapore for an amount of 8 million euro and a capital increase in Barco Brazil of 2 million euro, and the formation of a new legal entity Barco Singapore with a start capital of 1 million euro.

The liabilities mainly include intercompany debts (485 million euro), for the major part towards Barco Coordination Center NV. The long term debts increase with 21 million euro whereof 10 million euro for financing the new building.

INCOME STATEMENT

IN THOUSANDS OF EURO	2014	2013
Sales	589,647	668,830
Operating income/(loss)	1,204	30,809
Financial result	9,549	5,277
Extra-ordinary result	-1,546	-568
Income taxes	2,959	4,158
Profit/(loss) for the year	**12,166**	**39,676**

PROPOSED APPROPRIATION OF BARCO NV RESULT

IN THOUSANDS OF EURO	2014	2013
Profit/(loss) for the year for appropriation	12,166	39,676
Profit brought forward	193,305	170,627
Profit to be appropriated	**205,470**	**210,302**
Transfer to other reserves	9,734	1,413
Profit to be carried forward	176,373	193,305
Gross dividends	19,364	18,410
Total	**205,470**	**210,302**

Barco NV sales in 2014 decreased to 590 million euro, compared to 669 million euro in 2013 (decrease of 12%). This decrease was only partly offset by lower indirect expenses, therefore the operating income decreased to 1 million euro in 2014, compared to an operating income of 31 million euro in 2013.

The financial results increased from 5.2 million euro in 2013 to 9.5 million euro in 2014 due to dividends received in 2014 of 14.6 million euro (12.9 million euro from Barco Singapore and 1.8 million euro from Barco Texen France) compared to 8.9 million euro in 2013 (5 million euro of Barco Singapore and 3.9 million euro of Barco Silex).

The extra-ordinary result in 2014 consists of 1.6 million realisation loss on own shares, compared to 0.6 million euro loss on realisation of own shares in 2013. The profit on Income Taxes of 3 million euro in 2014 and 4 million euro in 2013 is related to a tax credit on research and development expenses.

The Board of Directors of Barco NV proposed a gross dividend of 1.6 euro per share relating to the result as of 31 December 2014.

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