

Free translation from the Dutch version

AGFA-GEVAERT

Limited Liability Company
27 SEPTESTAAT
2640 MORTSEL

Company No. 0404.021.727

**REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF
SHAREHOLDERS IN COMPLIANCE WITH ARTICLE 604, SECOND PARAGRAPH
OF THE COMPANIES CODE**

In compliance with the second paragraph of Article 604 of the Companies Code (W. Venn.), we have the honour to report to you concerning the granting of authority to the Board of Directors to increase the company's capital and, in particular, about the special circumstances in which the Board of Directors can make use of the authorized capital, and which objectives can be pursued.

DESCRIPTION OF THE PROPOSED DECISION

The proposition is to grant the Board of Directors the authority to increase the registered capital, in one or more times, up to the level of thirty-five million Euros (35,000,000 Euros).

The general meeting of shareholders is requested to grant this authority for a period which (i) commences on the date of publication in the Annexes to the Belgian State Gazette ('Belgisch Staatsblad') of the decision of the Extraordinary General meeting and (ii) expires five years after the date of publication in the Annexes to the Belgian State Gazette ('Belgisch Staatsblad') of the decision of that Extraordinary General Meeting.

The increase of capital, decided upon pursuant to such authority, will occur in accordance with the terms and conditions to be determined by the Board of Directors, such as, inter alia, by means of a contribution in cash or in kind within the limits laid down by the Companies Code or by the conversion of reserves and share premiums, with or without issuing new shares with or without voting rights or by issuing convertible bonds whether subordinated or not, or by the issue of warrants or bonds to which warrants or other movable securities are linked.

In the company's interests, the Board of Directors may, within the limits of and in compliance with the conditions laid down by the Companies Code, limit or withdraw the pre-emptive right of shareholders, when a capital increase takes place within the limits of the authorized capital in accordance with this article. This limitation or withdrawal may also be carried out in favour of one or more specific persons.

After each capital increase effected within the limits of the authorized capital, the Board of Directors with the possibility of substitution, is authorized to adapt the Articles of Association in accordance with the new capital and share situation.

The general meeting of shareholders is also requested to grant the Board of Directors, in compliance with Article 607, 2°, 2° of the Companies Code, the authority to increase the company's capital, by application of the authorized capital, within a period of three years from the Extraordinary General Meeting, in the event of receipt by the company of a notification by the BFIC of a public take-over bid on the assets of the company.

JUSTIFICATION OF THE PROPOSED DECISION

Initially, the Board of Directors could make use of the authorized capital whenever the amount of the registered capital of the company seems to be insufficient for the purpose of the fulfilment of its legal and regulatory obligations.

Also, the Board of Directors could make use of the authorized capital with the intention to improve the solvability of the company.

The Board of Directors could also apply the authorized capital for the issuing of shares, stock options, warrants and other securities for the employees of the company and its subsidiaries.

Furthermore, the technique of the authorized capital provides to the Board of Directors the level of flexibility and execution speed necessary for an optimum management of the company.

In general, the renewal of the authorized capital will offer the Board of Directors the possibility, in the interest of the company, to exploit opportunities or to immediately face challenges in order to give a permanent boost to the further developments of the company and its subsidiaries.

Mortsel, 10th March 2009

A handwritten signature in black ink, appearing to read 'Julien De Wilde', with a stylized flourish extending to the right.

Julien De Wilde
Chairman