Free translation from the Dutch version

Mortsel, April 1, 2009

Report of the Board of Directors

ANNUAL REPORT 2008

Report by the Board of Directors giving account of policy, in compliance with the stipulations laid down in Article 96 of the Companies Code.

1 The following valuation rules were applied during the drawing up of the Annual Statement of Account

Durable Means of Production are included in the balance sheet at acquisition value or cost price. The normal depreciation percentages are: 25 % for rolling stock and IT appliances, 5 or 10 % for buildings, 20 % for machines, tangible and intangible and fixed assets, 33 1/3 % for investments in research (both tangible investments and intangible investments) and investments in continuous production departments. The fixed assets under construction were also written off at these percentages. The tangible investments were degressively written off as long as this coincided with the relevant fiscal legislation, according to which as a principle the normal depreciation percentage was doubled.

Financial Assets are included in the balance sheet at acquisition price. Where necessary, reductions in value are recorded. Holdings, which are also retained by other companies of the group, are valued at group level.

Stocks were valued as follows:

- Raw materials, consumables and auxiliary materials at the lowest acquisition value of the most recent quarter. (For raw materials subject to currency and price fluctuations a value adjustment may be applied.)
- Goods in process and finished product based on the variable and fixed cost price elements.
- Goods at acquisition value.

Receivables and Debts are valued at their nominal value; where necessary depreciations in value are entered.

Provisions for Risks and Costs are examined item-by-item and adapted to the real situation.

Exchange Rates used for the valuations of the balance elements, expressed in foreign currency, are the official rates on the closing date.

Off-balance-sheet transactions (futures, currency options and swaps) were entered into, to hedge the inherent risks of foreign currencies and interest.
The valuation of the derivative products concluded for covering foreign currency risks follows the rules applied for the valuation of the underlying assets or liabilities (Symmetry Rule).

The interest for loans taken on in order to hedge interest risk, and also that of the underlying financial debts of receivables, is processed on an 'accrual basis'.

2 Comments on the Annual Accounts

- The Annual Accounts as will be presented to the General Meeting of Shareholders of 28 April 2009, were tested by the Board of Directors against the aforementioned valuation rules, and approved in that form.

- The following points, in particular, will be submitted to the General Meeting of Shareholders for approval:

    - The Annual Statement of Account closes with a loss for the accounting year 2008 of EUR -128.923.576,09.

    - It is proposed to allocate this balance as follows:

    reduction of the result carried forward with EUR128.923.576,09; as a result hereof the result carried forward will amount to EUR 400.874.828,96.

- Derivative Financial Instruments

    In order to minimise the risk of fluctuations in exchange rates and interest rates, the appropriate hedge contracts were implemented. These mainly include short-term transactions in foreign currencies, option contracts and interest swaps. Their implementation occurs according to uniform guidelines, is subject to internal audits, and is limited to cover for the operational activities, and related money investments and financial transactions.

- Shareholder Structure of Agfa-Gevaert NV

    Besides the 3,15% treasury shares we hold, we received, within the framework of the law of 2 March 1989 (disclosure of major holdings in listed companies, the following notification of holdings (February 27, 2009 situation)

Classic Fund Management AG	5,70%
Franklin Templeton Investment Management Corp.	4,94%
JP Morgan Securities Ltd.	3,10%

- Explanation of the Most Significant Entries of the Annual Accounts:

    In 2008, Agfa-Gevaert NV achieved a turnover of EUR 803,5 M, or an decrease by 11,8% compared to 2007 The decrease in turnover was mainly caused by the fact that the invoicing flows changed after the start of the Global Entrepreneur Model in Agfa HealthCare NV on 1.05.2007.

    The price of silver in 2008 was on average 325,2 EUR per kg, a 3,4 % increase compared to 2007. In 2008 the average monthly price of silver experienced a volatile course with a peak value of 404 EUR per kg in March 2008 and a low value of 245 EUR per kg in December 2008.

    In Belgium, EUR 8,1M was spent on research and development in 2008.

    In 2008, the number of Agfa-Gevaert NV employees in Belgium fell 213 units to 2.359 employees on 31.12.2008.
    This decrease is the result of the recruitment of 42 new employees and 255 employees leaving the company.

Agfa-Gevaert NV&Co.KG contributed in 2008 with EUR -26,3 M to the result of the company. The permanent establishment of the company in UK contributed in 2008 with EUR 16.783 to the result of the company.

Agfa-Gevaert NV has, as in the past, taken the necessary steps for satisfying the requirements relating to environmental legislation.

Where necessary, the subjects concerning the Agfa Group are dealt with in more detail in the consolidated report.

The Board notes from the profit-and-loss accounts that the company has suffered a loss in two consecutive years. Article 96, 6 ° of the Companies Code requires that the Board of Directors justifies the valuation rules on the assumption of continuity. The Board of Directors refers in this respect to the equity of the company, and in particular to the post results carried forward (€ 400,874,828.96) which is considered on a non-consolidated basis, to be more than sufficient.. However, the continuity of a holding company, such as Agfa-Gevaert, mainly depending on the continuity of the consolidated group as a whole, reference is made to the notes 2 and 6 of the consolidated financial statements, giving an overview of the policy assessments and estimates, and the specific business risks, which the Board of Directors has taken into consideration in order to close the consolidated financial statements in accordance with the continuity principle as described in IAS 1 - § 25 and § 26.

The fees charged by KPMG to the Company with respect to fiscal year 2008 were fully included in the notes to the financial statements.

3 Major occurrences, which took place after the end of the accounting year 2008, and information concerning the circumstances, which may significantly influence the company's development

No such events occurred.

4 Prospects for 2009

Agfa's first priority for 2009 is the operational improvement of the businesses.

5. Audit Committee

All members of the audit committee are independent directors and comply because of their training and current professional activities to the requirements of independence and expertise in accounting and auditing.

6. Information on implementation of the EU takeover directive

The Board of Directors certifies that this report has been prepared in accordance with Article 34 of the Royal Decree of November 14, 2007. In this respect the Board declares that:

- the capital structure of the company occurs as follows:

* Classic Fund Management AG	5.70%
* Franklin Templeton Investment Management Corp.	4.94%
* JP Morgan Securities Ltd.	3.10%
* Treasury shares	3.15%
* Free Float	83,11%

- no special rights are attached to the issued shares of the company.

- the company has entered into certain financial agreements which would either become effective, be amended and/or terminated due to a change in control of the company as a result of a public takeover bid.

- there are no statutory restrictions with respect to the transfer of securities or the exercise of voting rights.

- the company isn't aware of the existence of shareholder agreements resulting in restrictions on the transfer of securities and / or on the voting rights.

- the agreements with the members of the Executive Committee no longer contain a "change of control" clause, whereby they would receive compensation if their agreement with the company would terminate as a result of a change of control over the company.

J. Cornu
CEO

J. De Wilde
Chairman of the Board of Directors