

Q3 Results 2008

30 October 2008
Earnings call



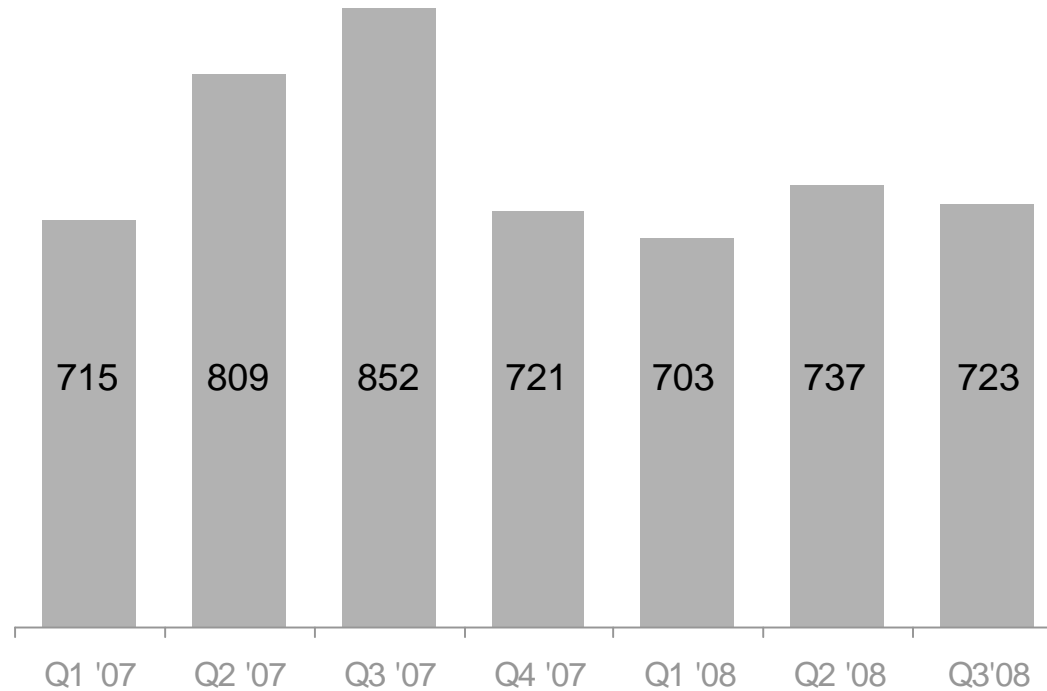
Profit & Loss: Key Figures (in million Euro)

| | Q3 '07 | Q3 '08 | % change (excl. curr.) | 9M '07 | 9M '08 | % change (excl. curr.) |
|------------------------|--------|--------------|---------------------------|--------|--------------|---------------------------|
| Sales | 788 | 741 | -6.0% (-1.7%) | 2,419 | 2,271 | -6.1% (-1.3%) |
| Gross profit | 261 | 223 | -14.6% | 867 | 733 | -15.5% |
| as a % of sales | 33.1% | 30.1% | | 35.8% | 32.3% | |
| R&D | -47 | -41 | -12.8% | -141 | -135 | -4.3% |
| SG&A* | -181 | -154 | -14.9% | -569 | -491 | -13.7% |
| as a % of sales | 23.0% | 20.8% | | 23.5% | 21.6% | |
| Other operating items* | -8 | -1 | | -20 | -1 | |
| Recurring EBITDA* | 65 | 55 | -15.4% | 248 | 193 | -22.2% |
| as a % of sales | 8.3% | 7.4% | | 10.3% | 8.5% | |
| Recurring EBIT* | 25 | 27 | 8.0% | 138 | 106 | -23.2% |
| as a % of sales | 3.2% | 3.6% | | 5.7% | 4.7% | |

* Before restructuring charges and non-recurring items.

- ➔ Sales decline excluding currency effects in line with previous quarters
- ➔ Effects of economic slowdown become more visible
- ➔ Gross profit impacted by higher raw material costs (19 million Euro) and one-off elements
- ➔ Continued strong SG&A reduction in all business groups

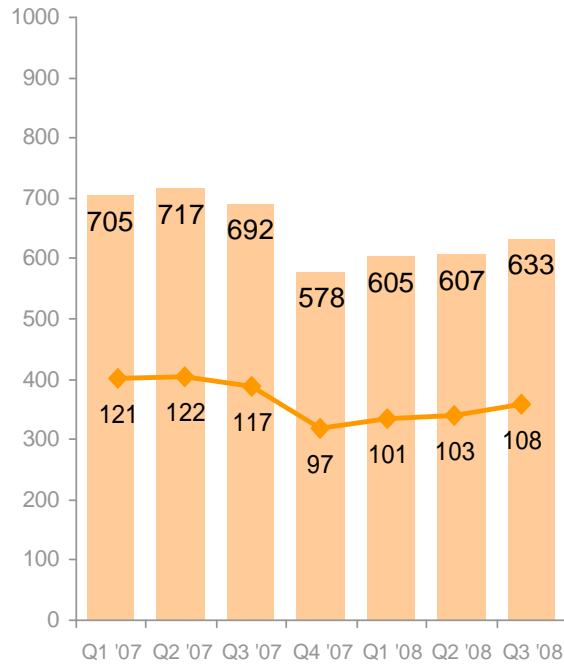
Net Financial Debt (in million Euro)



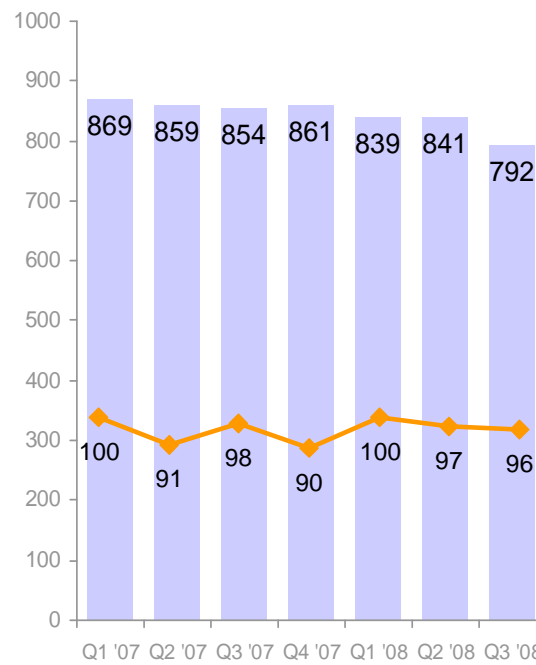
➔ Target to decrease net financial debt by end of year to level below 650 million Euro

Working Capital: Key Figures (in million Euro/days)

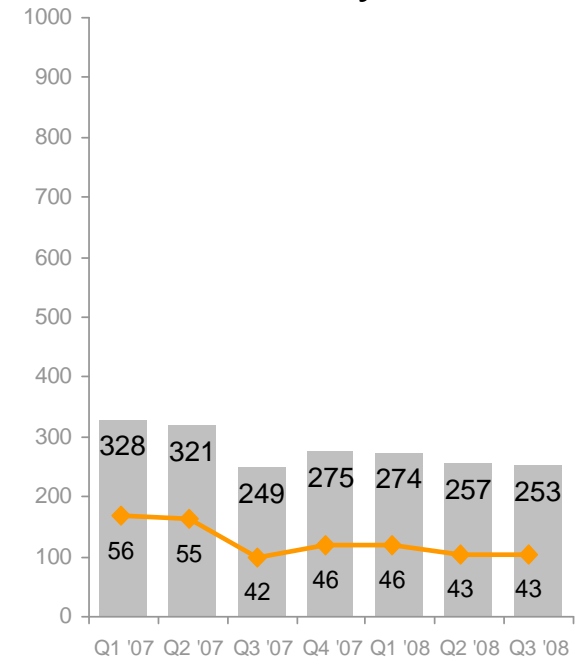
Inventories



Trade Receivables



Trade Payables



Main Drivers behind Key Figures

Q3 2008

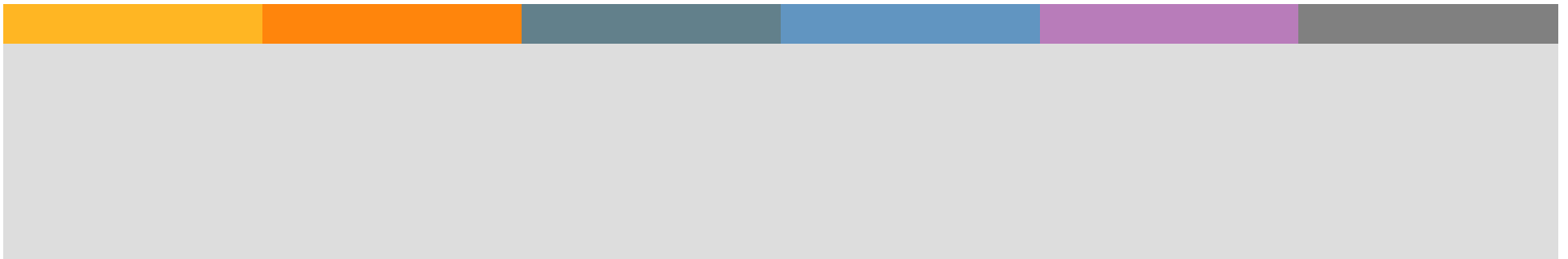
- Sales at 741 million Euro – decrease of 1.7% (excluding currency effects) due to strong Euro and economic slowdown
- Margins impacted by 19 million Euro higher raw material costs (mainly silver) and by one-off elements
- Decrease of SG&A costs with 27 million Euro (of which 5 million currency impact) due to continued efforts to improve efficiency
- Recurring EBIT at 27 million Euro – Net result at -13 million Euro
- Net financial debt at 723 million Euro versus 852 million Euro in the third quarter of 2007

Profit & Loss: Key Figures (in million Euro)

| | Q3 '07 | Q3 '08 | % change | 9M '07 | 9M '08 | % change |
|---------------------------------|--------|------------|----------|--------|------------|----------|
| Recurring EBIT* | 25 | 27 | +8.0% | 138 | 106 | -23.2% |
| Restructuring and non-recurring | -18 | -8 | | -39 | -24 | |
| Operating result | 7 | 19 | +171.4% | 99 | 82 | -17.2% |
| Non-operating result | -26 | -24 | | -45 | -66 | |
| Profit before taxes | -19 | -5 | | 54 | 16 | |
| Taxes and minority interest | 5 | -8 | | 15 | -16 | |
| Net result | -14 | -13 | | 69 | 0 | |

* Before restructuring charges and non-recurring items.

Agfa Graphics



Graphics: Key Figures (in million Euro)

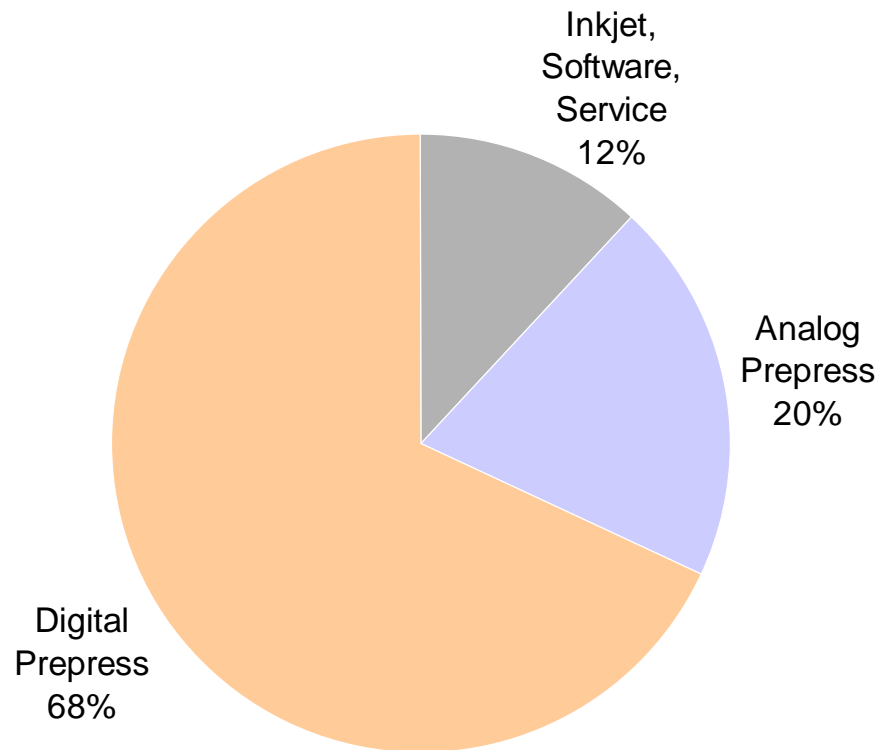
| | Q3 '07 | Q3 '08 | % change (excl. curr.) | 9M '07 | 9M '08 | % change (excl. curr.) |
|------------------------|--------|--------------|---------------------------|--------|--------------|---------------------------|
| Sales | 400 | 377 | -5.8% (-1.2%) | 1,201 | 1,140 | -5.1% (-0.1%) |
| Gross profit | 122 | 107 | -12.3% | 381 | 348 | -8.7% |
| as a % of sales | 30.5% | 28.4% | | 31.7% | 30.5% | |
| R&D | -20 | -14 | -30.0% | -60 | -49 | -18.3% |
| SG&A* | -86 | -76 | -11.6% | -266 | -243 | -8.6% |
| as a % of sales | 21.5% | 20.2% | | 22.2% | 21.3% | |
| Other operating items* | -3 | -2 | | -9 | -10 | |
| Recurring EBITDA* | 29.4 | 28.6 | -2.7% | 94.1 | 85.5 | -9.1% |
| as a % of sales | 7.4% | 7.6% | | 7.8% | 7.5% | |
| Recurring EBIT* | 13.4 | 15.6 | +16.4% | 46.1 | 46.5 | +0.9% |
| as a % of sales | 3.4% | 4.1% | | 3.8% | 4.1% | |

* Before restructuring charges and non-recurring items.

- ➔ Minor sales decrease excluding currency effects due to price pressure and economic slowdown
- ➔ 8 million Euro impact of raw material costs offset by continued focus on cost savings

Graphics: YTD Sales per Business Segment

YTD 2008
100% = 1,140 million Euro



Graphics: Main Drivers behind Key Figures

Q3 2008

- Minor sales decrease excluding currency effects due to economic slowdown and related pricing pressure
 - Continued growth in digital plates more than offset decline of analog business
 - First revenues of finalized first generation inkjet at drupa
 - Adverse one-off effects
- Gross profit impacted by 8 million Euro higher raw material costs
- Further accelerated reduction in SG&A costs
- Decrease of inkjet losses in line with plan

Agfa HealthCare



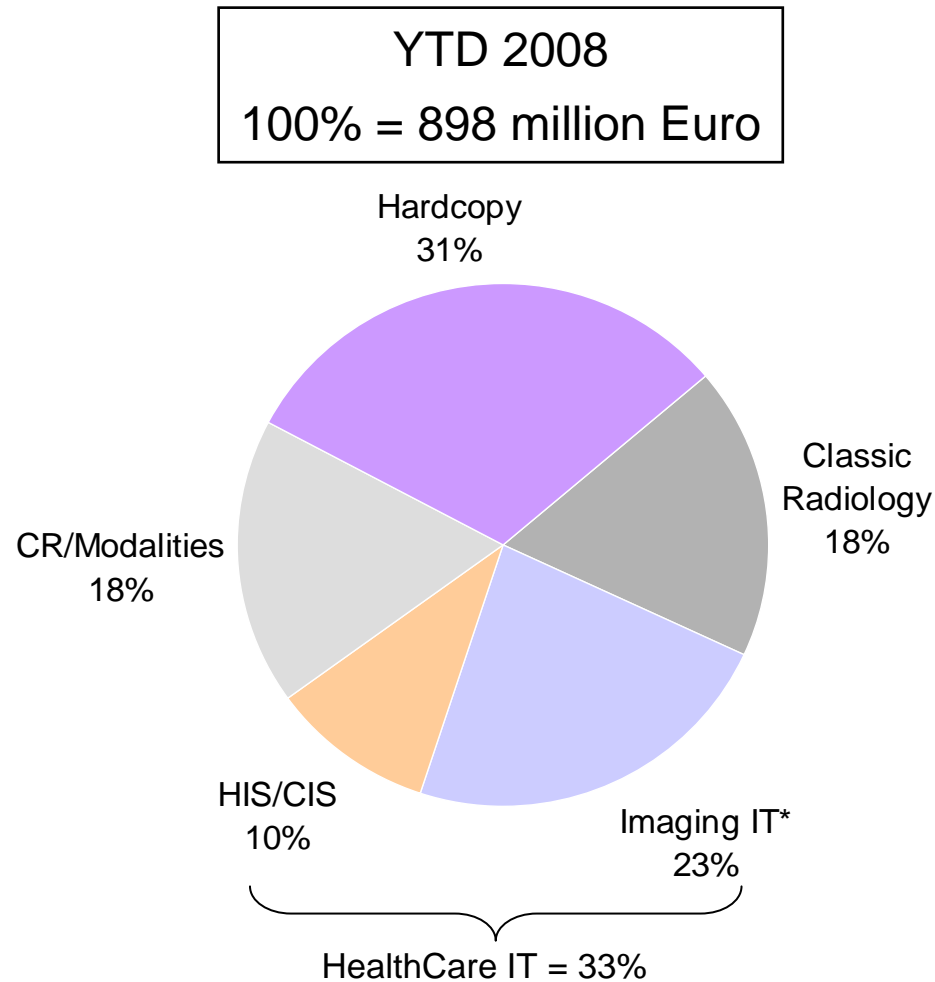
HealthCare: Key Figures (in million Euro)

| | Q3 '07 | Q3 '08 | % change (excl. curr.) | 9M '07 | 9M '08 | % change (excl. curr.) |
|------------------------|--------|--------------|---------------------------|--------|--------------|---------------------------|
| Sales | 319 | 291 | -8.8% (-4.2%) | 1,018 | 898 | -11.8% (-6.8%) |
| Gross profit | 124 | 102 | -17.7% | 435 | 342 | -21.4% |
| as a % of sales | 38.9% | 35.1% | | 42.7% | 38.1% | |
| R&D | -25 | -25 | 0.0% | -77 | -80 | +3.9% |
| SG&A* | -88 | -72 | -18.2% | -280 | -226 | -19.3% |
| as a % of sales | 27.6% | 24.7% | | 27.5% | 25.3% | |
| Other operating items* | -4 | 2 | | -11 | 8 | |
| Recurring EBITDA* | 29.4 | 21.0 | -28.6% | 124.7 | 87.7 | -29.7% |
| as a % of sales | 9.2% | 7.2% | | 12.3% | 9.8% | |
| Recurring EBIT* | 6.4 | 7.0 | +9.4% | 66.7 | 43.7 | -34.5% |
| as a % of sales | 2.0% | 2.4% | | 6.6% | 4.9% | |

* Before restructuring charges and non-recurring items.

- ➔ Sales excluding currency effects slightly better than trend
- ➔ Strong Euro still impacts competitive position
- ➔ Significant SG&A reduction

HealthCare: YTD Sales per Business Segment



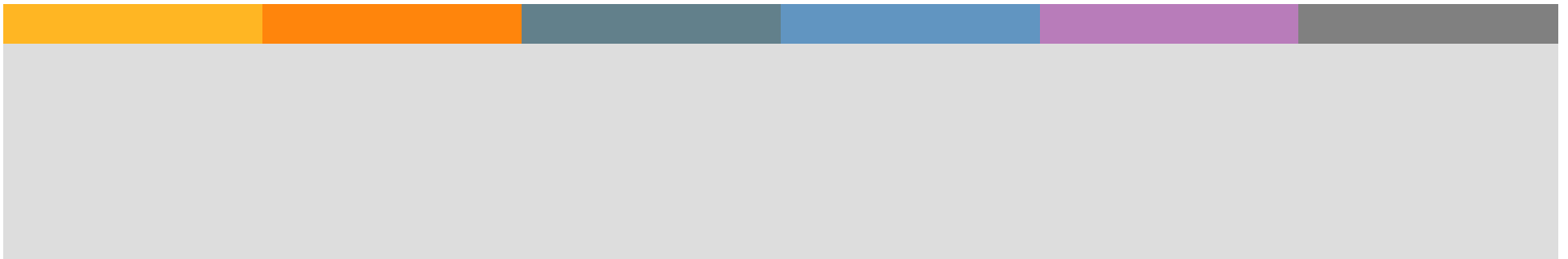
* Includes Radiology and Cardiology IT

HealthCare: Main Drivers behind Key Figures

Q3 2008

- Weakness in US and Western European markets
- Sales decrease excluding currency effects mainly driven by impact of strong Euro on competitive position
 - Market driven decline of classical film
 - Good performance of Hardcopy Dry
 - Decrease in Imaging IT due to impact of NHS contract in Q3'07
 - Recovery of HIS/CIS revenues versus Q3'07
- Good momentum in emerging countries
- Continued significant reduction of SG&A costs (-18.2%)
- EBIT affected by silver costs (9 million Euro), sales decline and unfavorable mix effects

Agfa Materials



Materials: Pro Forma Sales

| (in million Euro) | Q3 '07 | Q3 '08 | 9M '07 | 9M '08 |
|--------------------|---------------|---------------|---------------|---------------|
| Internal sales* | 116 | 95 | 354 | 315 |
| Specialty Products | 69 | 73 | 200 | 233 |
| TOTAL | 185 | 168 | 554 | 548 |

* Sales to Agfa Graphics and Agfa HealthCare

Specialty Products: Key Figures (in million Euro)

| | Q3 '07 | Q3 '08 | % change (excl. curr.) | 9M '07 | 9M '08 | % change (excl. curr.) |
|------------------------|--------|--------------|---------------------------|--------|--------------|---------------------------|
| Sales | 69 | 73 | +5.8% (+7.2%) | 200 | 233 | +16.5% (+18.3%) |
| Gross profit | 16 | 14 | -12.5% | 53 | 43 | -18.9% |
| as a % of sales | 23.2% | 19.2% | | 26.5% | 18.5% | |
| R&D | -2 | -1 | -50.0% | -4 | -6 | +50.0% |
| SG&A* | -7 | -7 | 0.0% | -23 | -21 | -8.7% |
| as a % of sales | 10.1% | 9.6% | | 11.5% | 9.0% | |
| Other operating items* | 0 | 0 | | 2 | 1 | |
| Recurring EBITDA* | 8.3 | 6.2 | -25.3% | 32.0 | 20.9 | -34.7% |
| as a % of sales | 12.0% | 8.5% | | 16.0% | 9.0% | |
| Recurring EBIT* | 7.3 | 5.2 | -28.8% | 28.0 | 16.9 | -39.6% |
| as a % of sales | 10.6% | 7.1% | | 14.0% | 7.3% | |

* Before restructuring charges and non-recurring items.

- ➔ Sales increase driven by large volume contracts
- ➔ Profitability negatively impacted by mix effects, silver price, inventory write-downs and fierce competition in traditional markets

Specialty Products: Main Drivers behind Key Figures

Q3 2008

- Sales increase of 7.2% excluding currency effects
 - Mainly driven by large volume contracts in Film Manufacturing Services
 - Market-driven declining trend in some traditional products
- Impact of raw materials (3 million Euro)
- On track with efforts to reduce operational costs
- Profitability negatively impacted by mix effect, silver price and inventory write-downs

Outlook

- Agfa Group
 - Further effects of global economic slowdown
 - First positive effects of exchange rates and raw material prices will show as from the beginning of 2009
 - Continued focus on reduction of the operational costs: 120 million Euro by end of 2010
 - In view of the economic slowdown, additional cost reduction initiatives are being taken to protect the gross margin
- Graphics
 - Effects of economic slowdown increasingly visible
 - Further decline in analog prepress and growth in digital prepress
 - Growth expected in inkjet in 2009, although growth rate could be affected by economic slowdown
- HealthCare
 - Effects of economic slowdown increasingly visible, mainly in HealthCare IT
 - Present trend in Imaging sales is expected to continue, but results will be protected by additional savings
 - IT revenues will benefit from the APHP deal in 2009
- Specialty Products
 - Strengthening its position as leading supplier in traditional film markets
 - Focus on new growth markets such as synthetic paper SYNAPS and Zirfon® Perl membranes

Questions & Answers

