

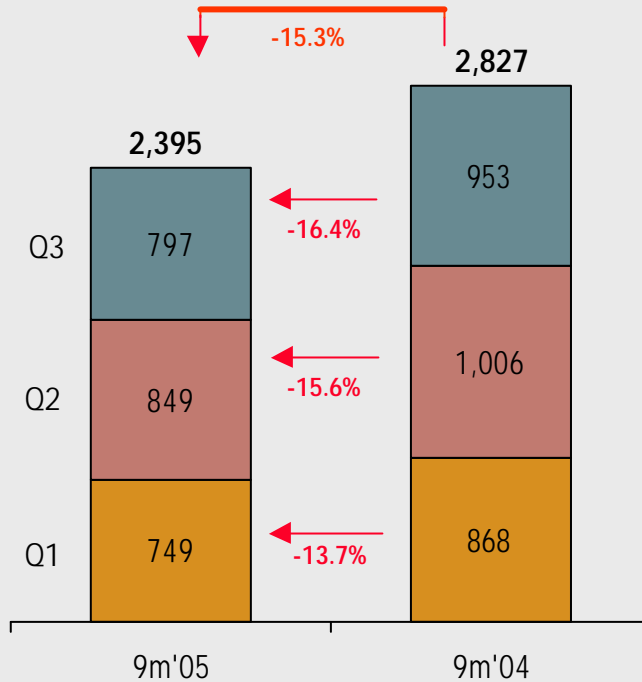


# 3rd Quarter 2005 Results

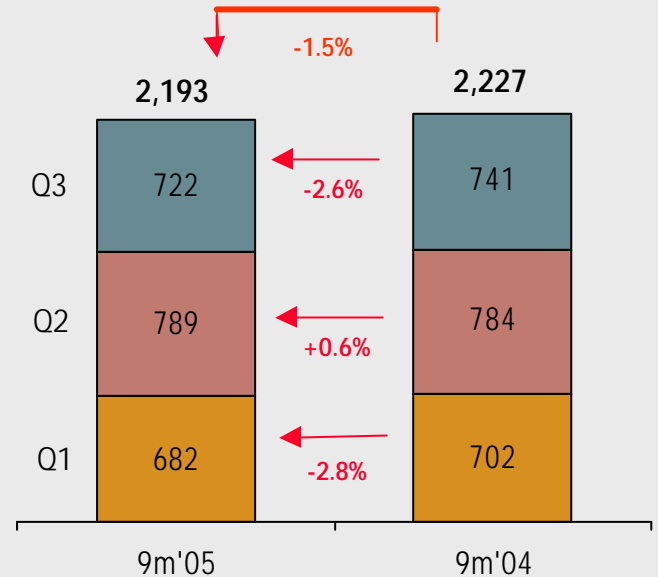
November 17, 2005

# Sales (in Mio Euro)

Total sales



Organic growth\*



\* at constant exchange rates

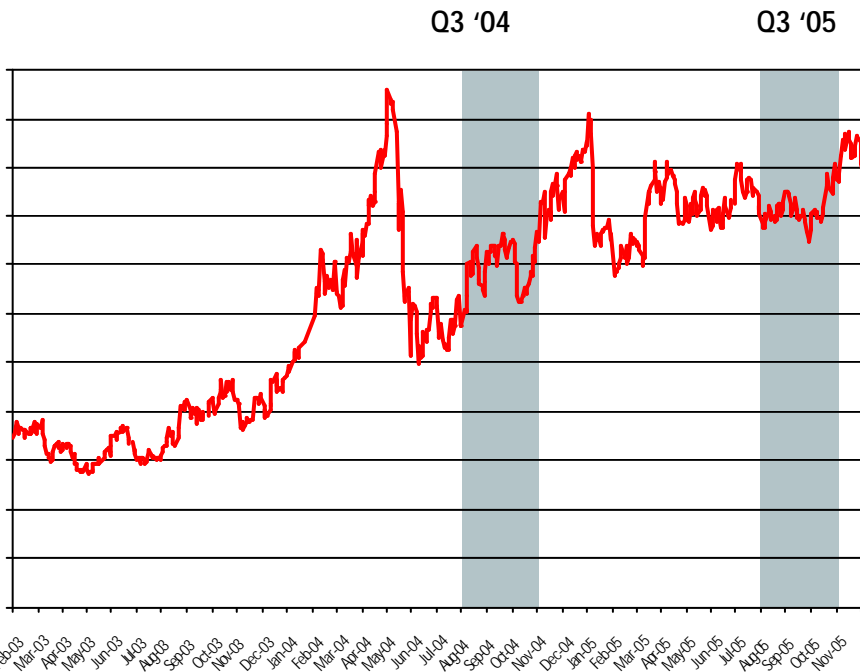
# Profit and Loss: Key Figures (in Mio Euro)

	Q1 '05	Q2 '05	Q3 '05	9m '05	9m '04	% change
Sales	749	849	797	2,395	2,827	-15.3%
Gross Profit	284	316	273	873	1,155	-24.4%
Gross Profit Margin	37.9%	37.2%	34.3%	36.5%	40.9%	

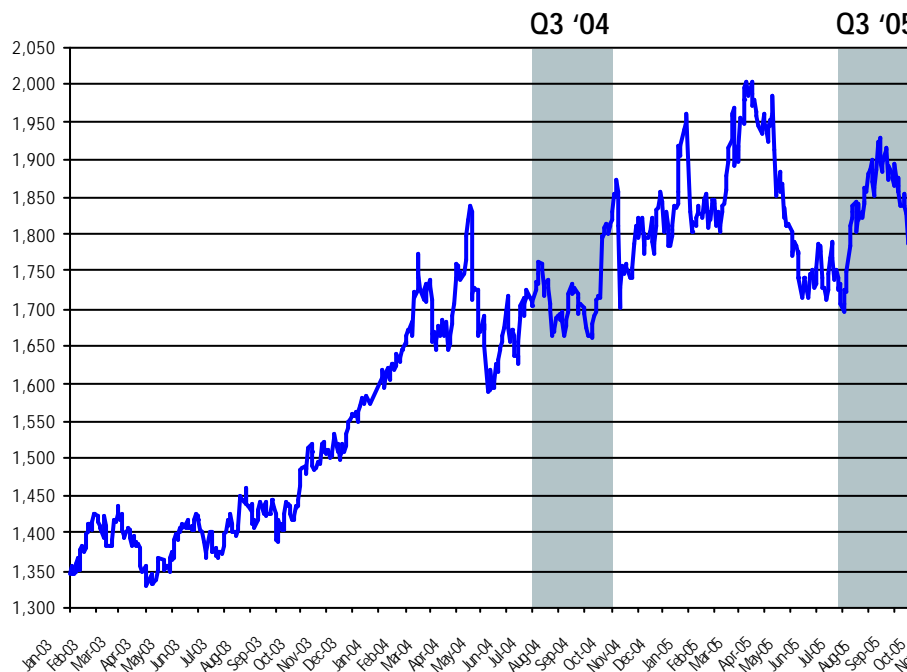
- ➡ Comparison with previous year difficult because of many changes in portfolio: divestitures of Consumer Imaging and Monotype, acquisitions of Lastra, SOL, GWI and Heartlab
- ➡ Gross Profit Margin affected by high raw material costs and price erosion

# Raw Materials

**SILVER** (USD/troyounce)



**ALUMINUM** (USD/ton)



Q3 affected by 12.5 Mio Euro increase in raw material costs, 10 Mio Euro of which are due to Silver and Aluminum

# Impact of AgfaPhoto Insolvency

- The AgfaPhoto operating entity filed for insolvency on May 26th, 2005
- In October 2005, the receiver of AgfaPhoto decided to liquidate the whole Group, after sale of assets
- Agfa decided to book a provision of 55 mio Euro in Q3 to cover
  - environmental clean-up costs
  - other claims and possible losses
- Agfa also decided to reverse 54 mio Euro of the deferred tax assets related to the CI divestiture
  - due to the liquidation of AgfaPhoto, tax losses can only be used later than anticipated
  - No cash impact

# Profit and Loss: Key Figures (in Mio Euro)

	Q1 '05	Q2 '05	Q3 '05	9m '05	9m '04	% change
Gross profit	284	316	273	873	1,155	-24.4%
R&D	-47	-48	-48	-143	-148	-3.4%
SG&A	-197	-211	-193	-601	-738	-18.6%
Other operating items*	1	-3	6	4	-56	
EBIT**	41	54	38	133	213	-37.6%
Restructuring charges	1	-6	-19	-24	-53	-54.7%
AgfaPhoto provision	-	-	-55	-55	-430	-87.2%
Operating result	42	48	-36	54	-270	120.0%

\* 2004 other operating items include goodwill amortizations

\*\* before restructuring charges and non recurrent items

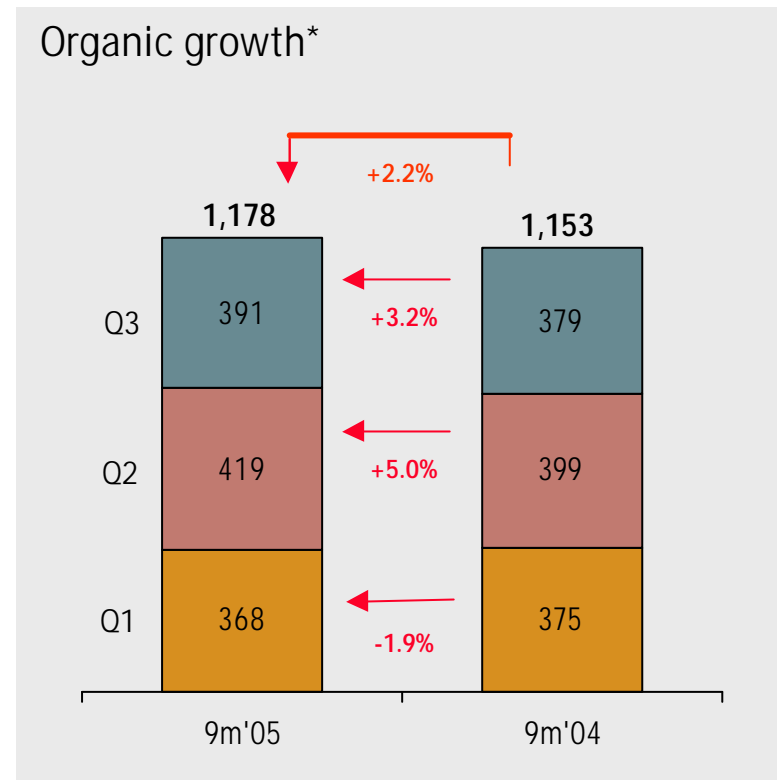
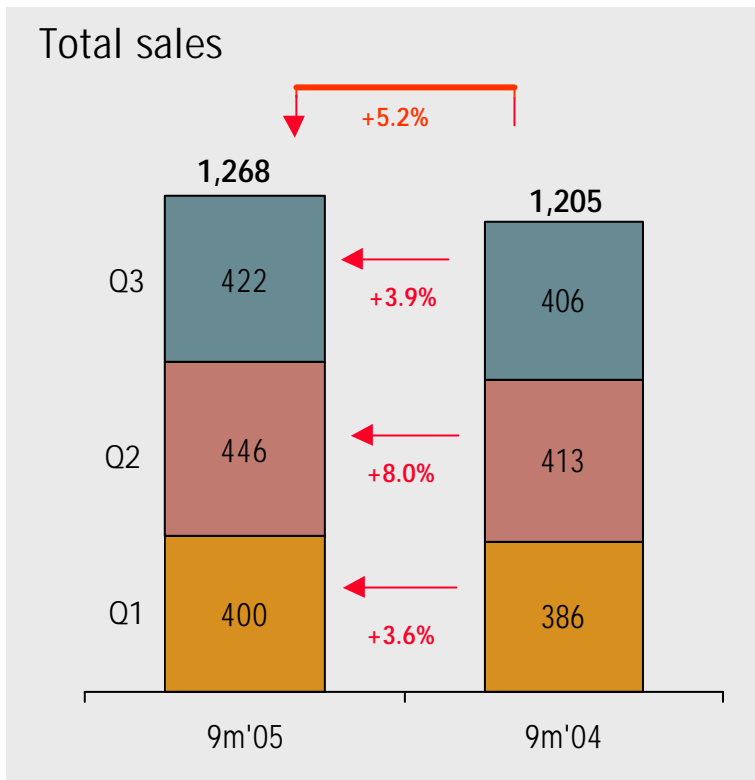
➡ Quarter sequentially, SG&A expenses decrease by 18 Mio Euro

# Profit & Loss: Key Figures (in Mio Euro)

	Q1 '05	Q2 '05	Q3 '05	9m '05	9m '04	% change
Operating result	42	48	-36	54	-270	120.0%
Non-operating result	20	-14	-16	-10	-41	75.6%
Profit before taxes	62	34	-52	44	-331	114.1%
Taxes	-33	-12	-56	-101	99	-202.0%
Net result	29	22	-108	-57	-212	73.1%

➡ Income taxes affected by 54 Mio Euro reversal of deferred tax assets resulting from the CI divestiture. No cash impact

# Graphic Systems Sales (in Mio Euro)



\* at constant exchange rates

➡ Continued strong organic growth in Q3



# Graphic Systems: Key Figures (in Mio Euro)

	Q3 '05	Q3 '04	% change		9m '05	9m '04	% change
Sales	422	406	3.9%		1,268	1,205	5.2%
EBITDA*	33.4	40.7	-17.9%		106.0	126.7	-16.3%
% of sales	7.9%	10.0%			8.4%	10.5%	
EBIT*	13.4	23.7	-43.5%		47.0	78.7	-40.3%
% of sales	3.2%	5.8%			3.7%	6.5%	
Operating result	7.3	22.8	-68.0%		36.6	63.5	-42.4%
% of sales	1.7%	5.6%			2.9%	5.3%	

\* before restructuring and non-recurring items

- ➡ Raw material costs 10 Mio Euro higher than in Q3 '04
- ➡ Volume growth and cost savings more than compensate the effect of price erosion, resulting in a more limited (7 Mio Euro) decrease in EBITDA

# Graphic Systems Highlights

- Product Launch

- :Avalon, new line of thermal platesetters

- New Contracts

- Commercial printing:

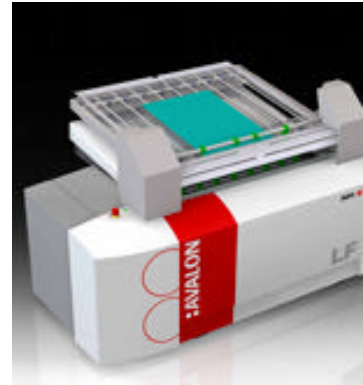
- Webprint Concepts (Ireland), Buxton Press (UK), Professional Graphic Communications (USA), BDF Printing (China)

- Packaging printing:

- New Island Printing Holdings (China)

- Newspaper printing:

- Kansas City Star (USA), Guardian (UK), West Ferry (UK)



# Graphic Systems Highlights

- New Contracts

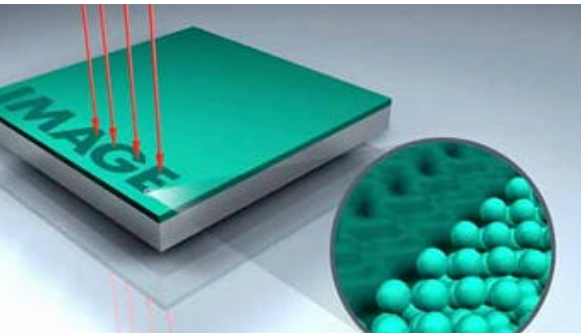
- New York Times Company:
  - Agfa becomes The NYT Company's preferred prepress supplier in 5-year strategic alliance
    - workflow solutions (:Arkitex)
    - violet CtP equipment (:Advantages)
  - Expansion of 3-year alliance on consumables
  - Covers all the NYT Company's newspaper properties (18), including *The New York Times*, *International Herald Tribune*, *The Boston Globe*, and The Regional Media Group



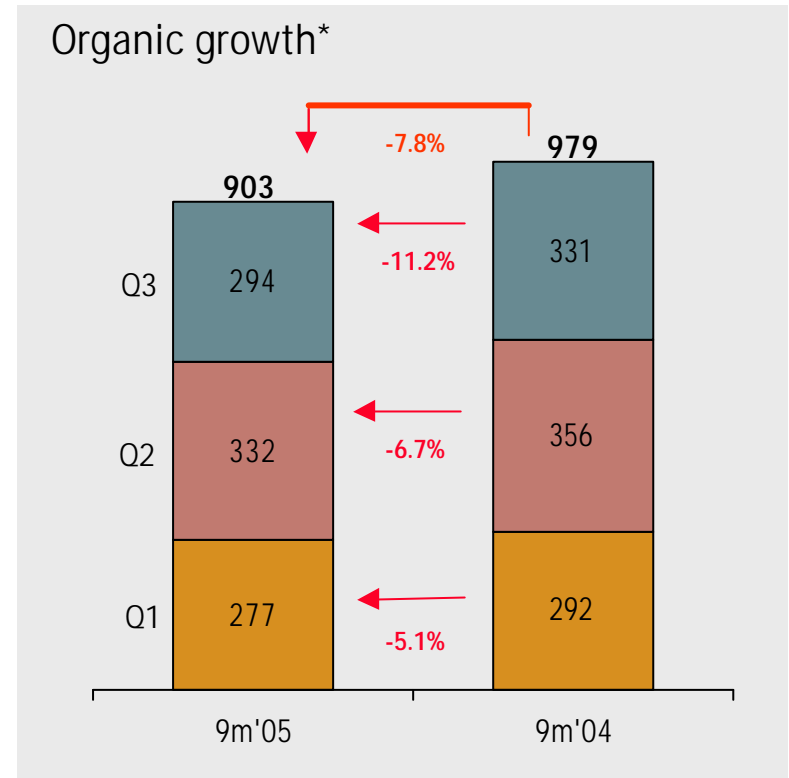
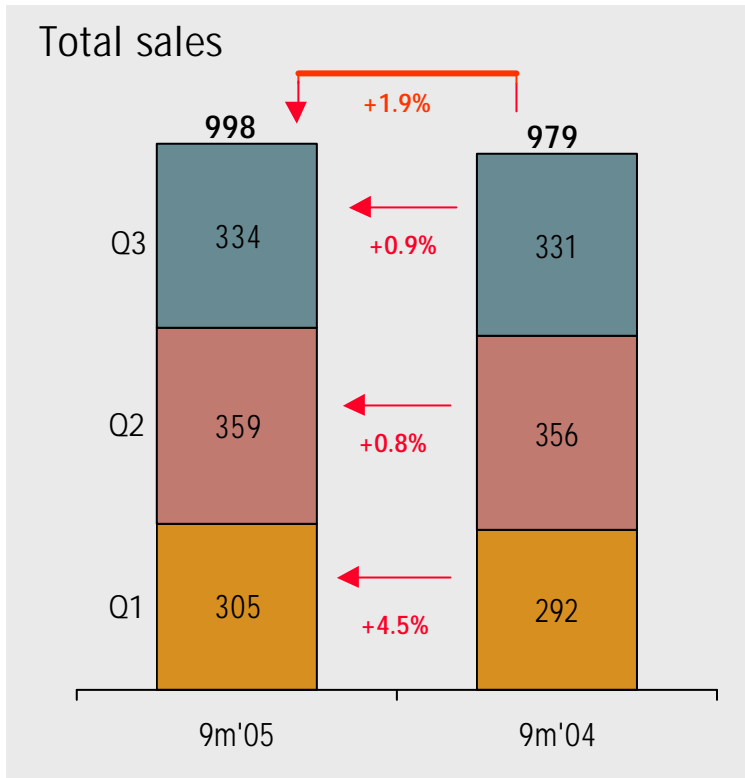
# Graphic Systems Highlights

## ● Milestones

- Sales expectations Print 05 Chicago largely exceeded
- Over 1,000 customers around the world are using Agfa's advanced :Sublima XM screening solution
- 300 printers worldwide turn to Agfa for chemistry-free prepress plate system



# HealthCare Sales (in Mio Euro)



\* at constant exchange rates

➡ Sales affected by weak trading environment and higher than expected price erosion

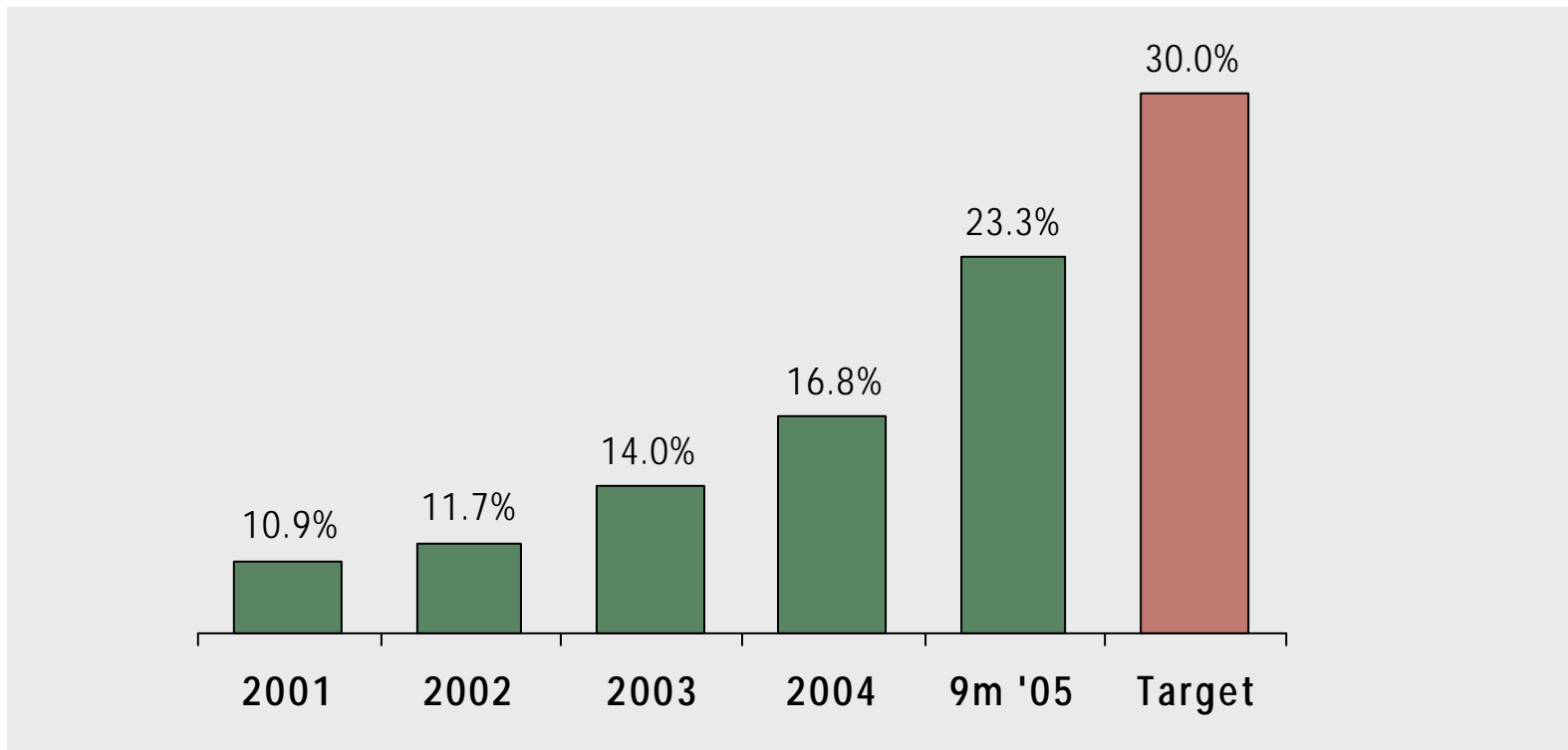
# HealthCare: Key Figures (in Mio Euro)

	Q3 '05	Q3 '04	% change		9m '05	9m '04	% change
Sales	334	331	0.9%		998	979	1.9%
EBITDA*	39.2	72.9	-46.2%		136.7	208.1	-34.3%
% of sales	11.7%	22.0%			13.7%	21.3%	
EBIT*	22.2	51.9	-57.2%		80.7	149.1	-45.9%
% of sales	6.6%	15.7%			8.1%	15.2%	
Operating result	12.2	46.8	-73.9%		72.4	136.9	-47.1%
% of sales	3.7%	14.1%			7.3%	14.0%	

\* before restructuring and non-recurring items

- ➡ Results affected by price erosion, higher raw material costs and weaker trading environment in film and print
- ➡ Operating expenses lower

# Service Revenues as % of HealthCare Sales

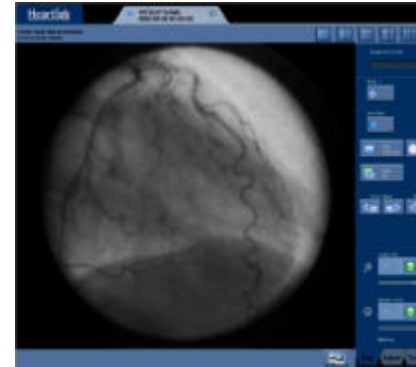


➡ Service revenues represent an increasing share of sales

# HealthCare Highlights

- Product Launches

- Introduction new cardiology portfolio in Europe, including the Agfa Heartlab Cardiovascular Information System
- DX-S: revolutionary CR digitizer, combining:
  - flexibility and cost effectiveness of CR
  - image quality comparable to DR
  - high productivity





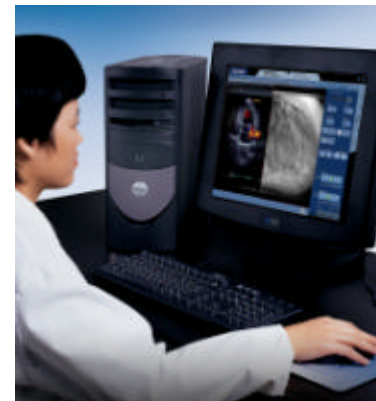
# HealthCare Highlights

- New Contracts

- NHS: as a subcontractor to Accenture, Agfa will provide PACS and CR to the North East and East clusters in England (largest ever PACS deal)
- NORTH Network: IMPAX selected by Canada's busiest video conference-based telemedicine network
- National Taiwan University Hospital: installation of RIS/PACS in Taiwan's most renowned medical center
- Major contracts for ORBIS/IMPAX IT suite in the German-speaking region



**NORTH Network**  
Bringing health care closer to home



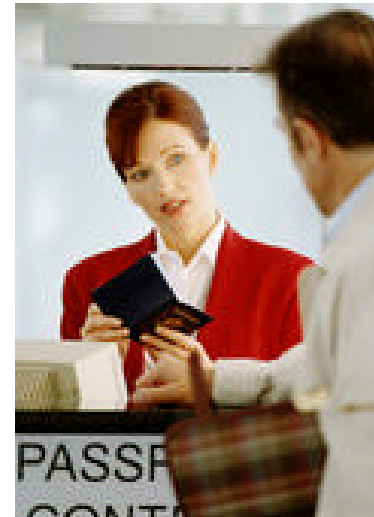
I see more | do more

# Specialty Products

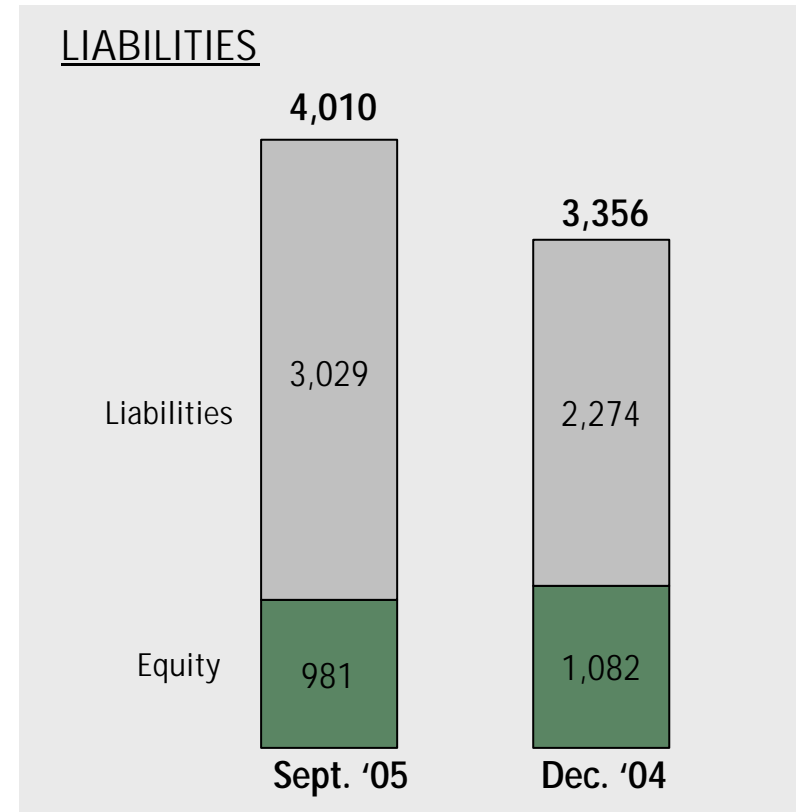
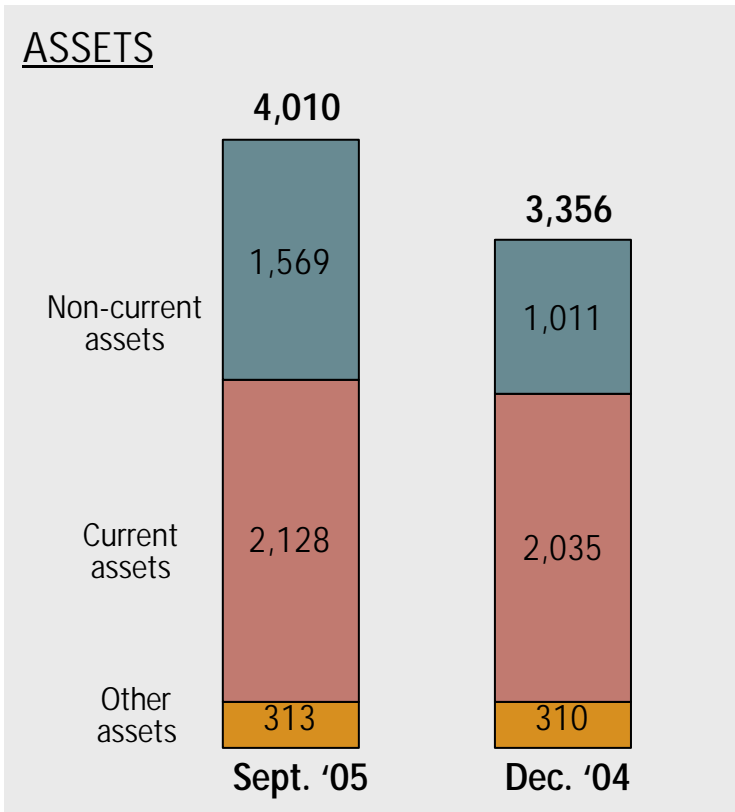
- New Contract

- Thales Security Systems: Agfa will provide a complete sub-system consisting of equipment, consumables and materials for the production of about 20 million e-ID cards for the Moroccan government
- Also addresses the market of company security systems, including the use of Agfa's inkjet technology

THALES

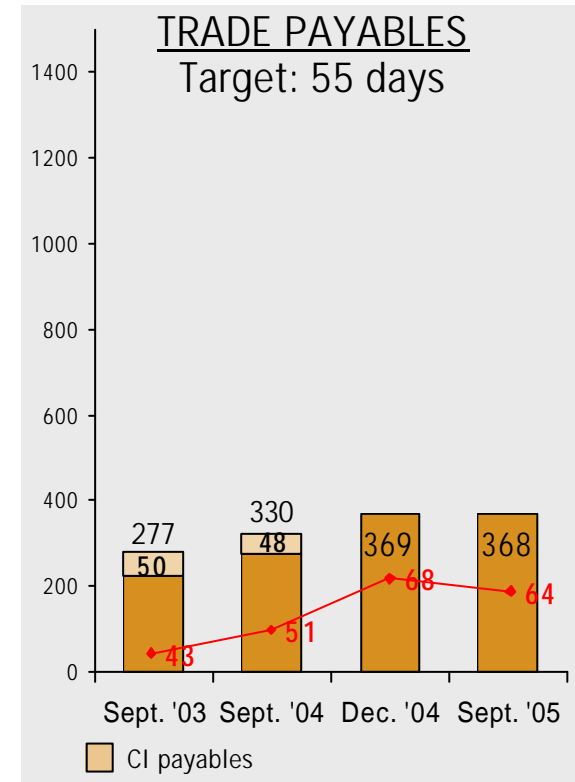
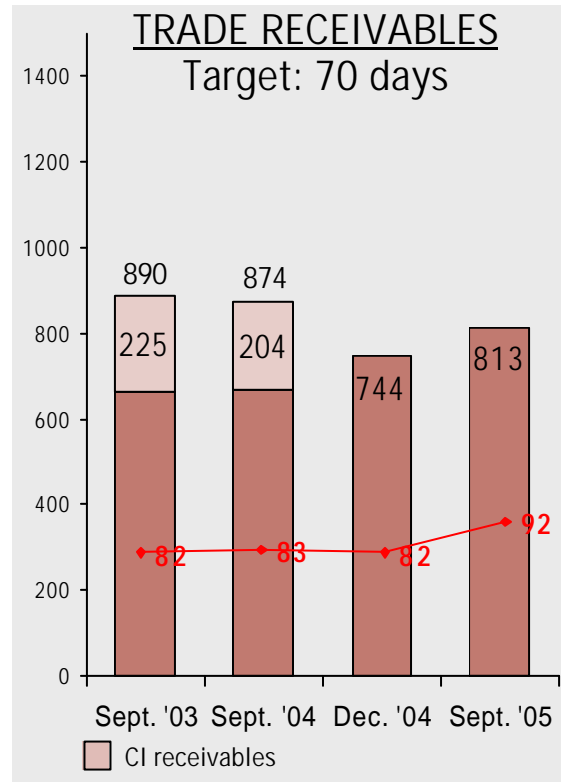
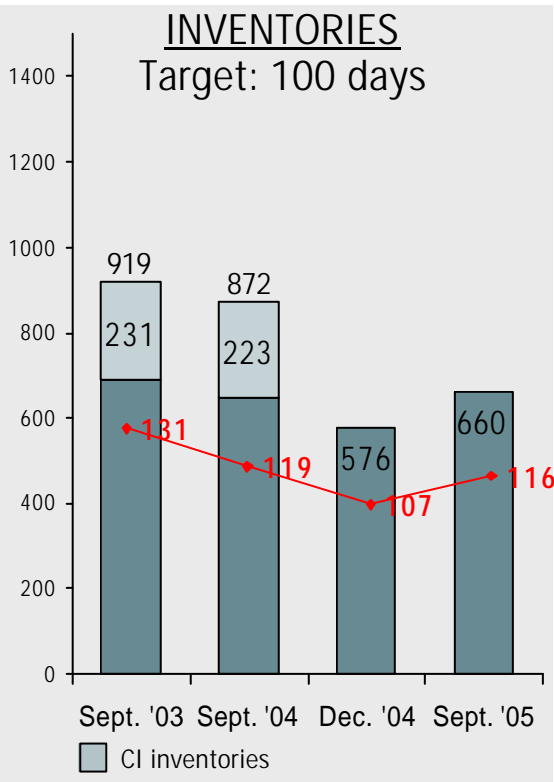


# Balance Sheet: Key Figures (in Mio Euro)



➡ Total assets increased by more than 600 million Euro, due to consolidation of GWI and Heartlab

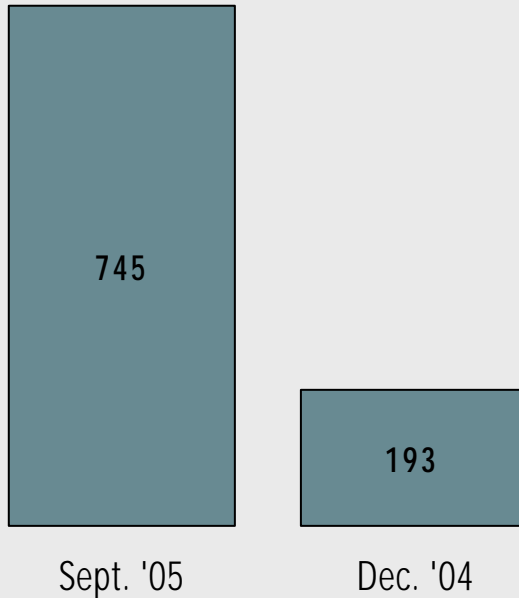
# Working Capital: Key Figures (in Mio Euro/days)



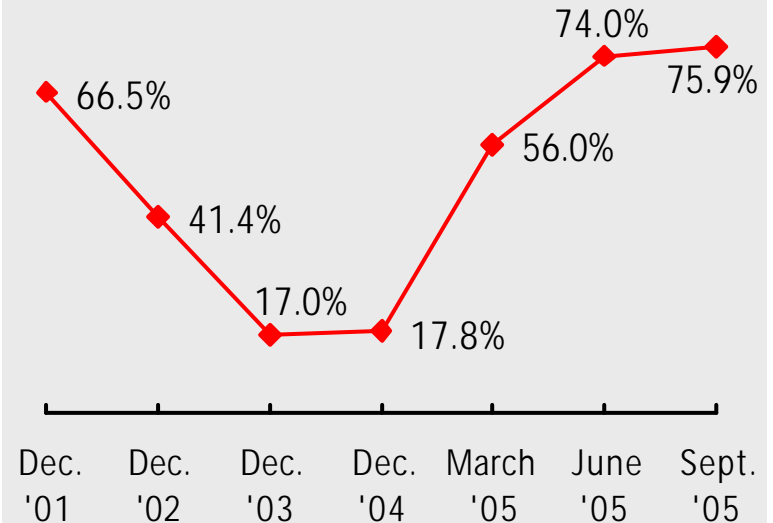
- ➡ Compared to Sept. 2004, modest improvement of days of inventories
- ➡ Days of sales outstanding increased to 92 days
- ➡ Target for days of trade payables largely exceeded

# Balance Sheet: Key Figures

NET FINANCIAL DEBT (in Mio Euro)

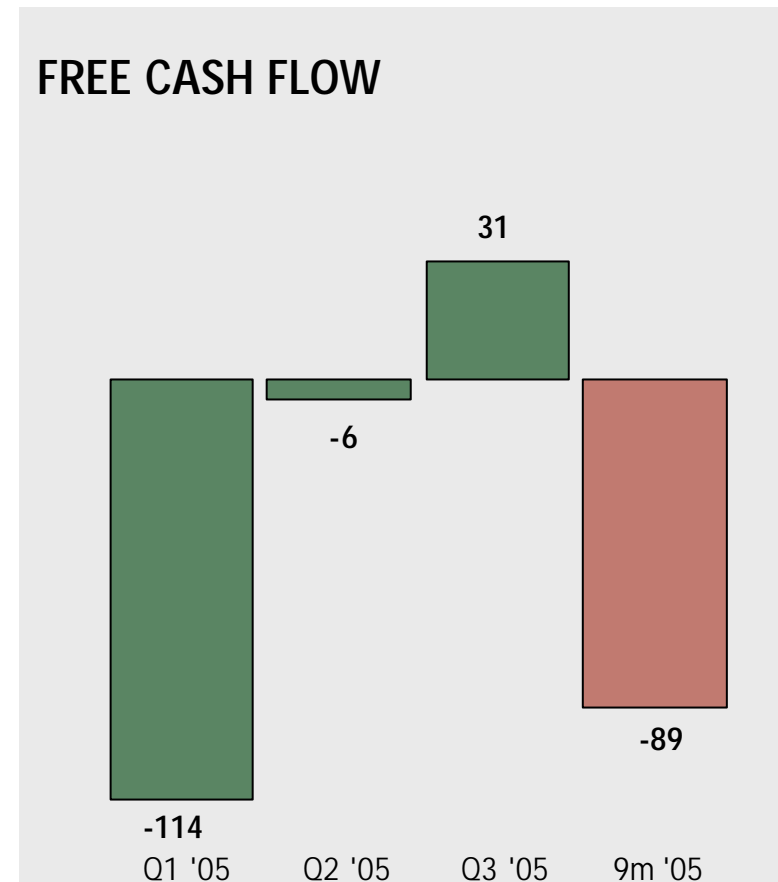
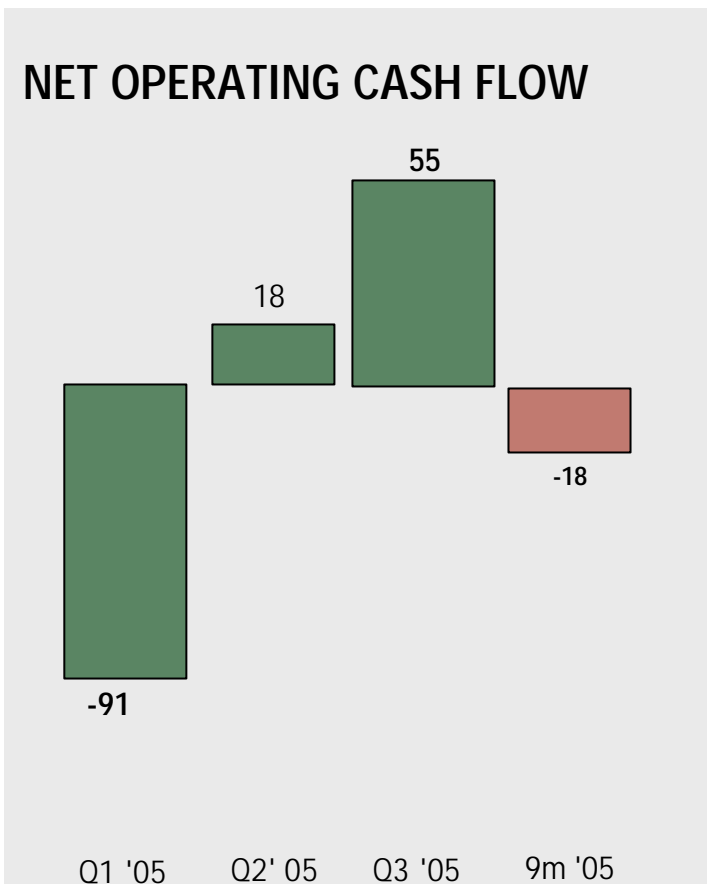


GEARING RATIO (%)



- ➡ Net financial debt increased mainly due to acquisition of GWI and Heartlab, the dividend payment, the phase out of the securitization of receivables, and the seasonality of working capital

# Cash Flow: Key Figures (in Mio Euro)



➡ Net operating cash flow affected by phase out of securitization of receivables (60 Mio Euro) in Q1 and by seasonal build-up of working capital



# Outlook

- Firm indications for a strong year-end
- Strong focus on cost reduction and price erosion remains
- Continue to develop the new businesses of Industrial Inkjet and HealthCare IT



# Questions & Answers