

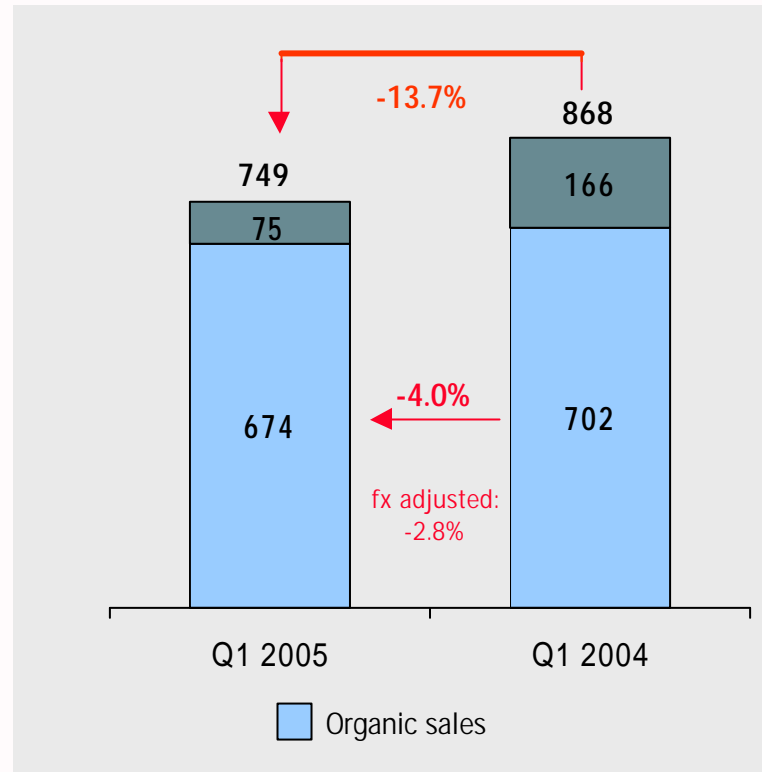


# First Quarter Results 2005

May 12, 2005



# Sales (in mio Euros)



➡ Excluding currency effects, organic sales decreased by 2.8%

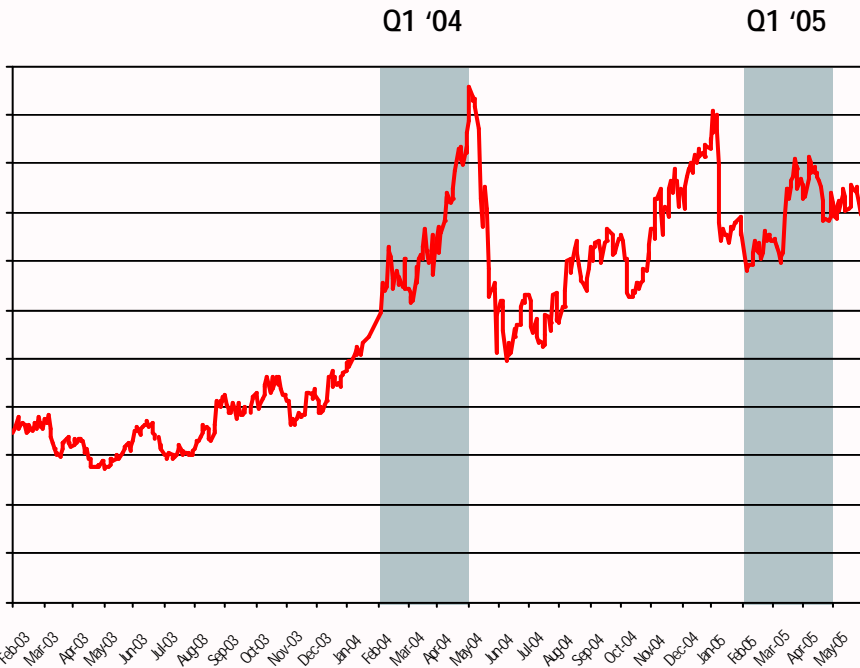
# Profit & Loss: Key Figures (in mio Euros)

	Q1 '05	Q1 '04	% change
Sales	749	868	-13.7%
Gross profit	284	368	-22.8%
% of sales	37.9%	42.4%	
SG&A	-197	-242	-18.6%
% of sales	26.3%	27.9%	
R&D	-47	-51	-7.8%
% of sales	6.3%	5.9%	
Other operating income & expenses	2	-29	N.R.
Operating result	42	46	-8.7%
% of sales	5.6%	5.3%	

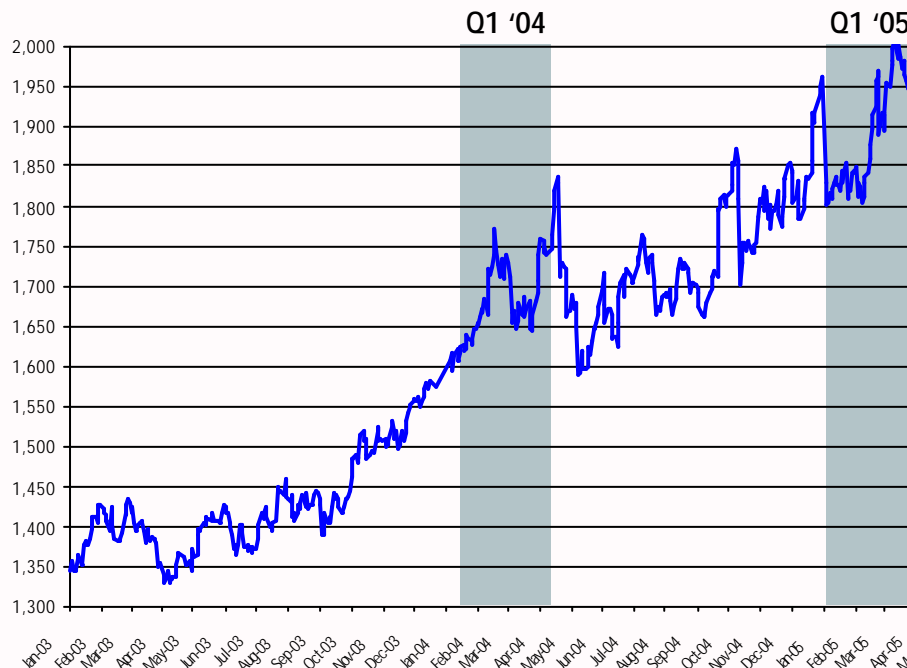
➡ Gross profit margin mainly affected by increased raw material costs and price erosion

# Raw Materials

**SILVER** (USD/troyounce)





**ALUMINUM** (USD/ton)




➔ Increase of raw material costs amounted to 19 mio Euros, of which 14 mio Euros were due to silver and aluminium



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 SG&A as % of sales decreased to 26.3% against a target of 22%

 Other operating items affected by fewer write-offs for bad debt, changes in IFRS rules with regard to goodwill and fewer restructuring charges.

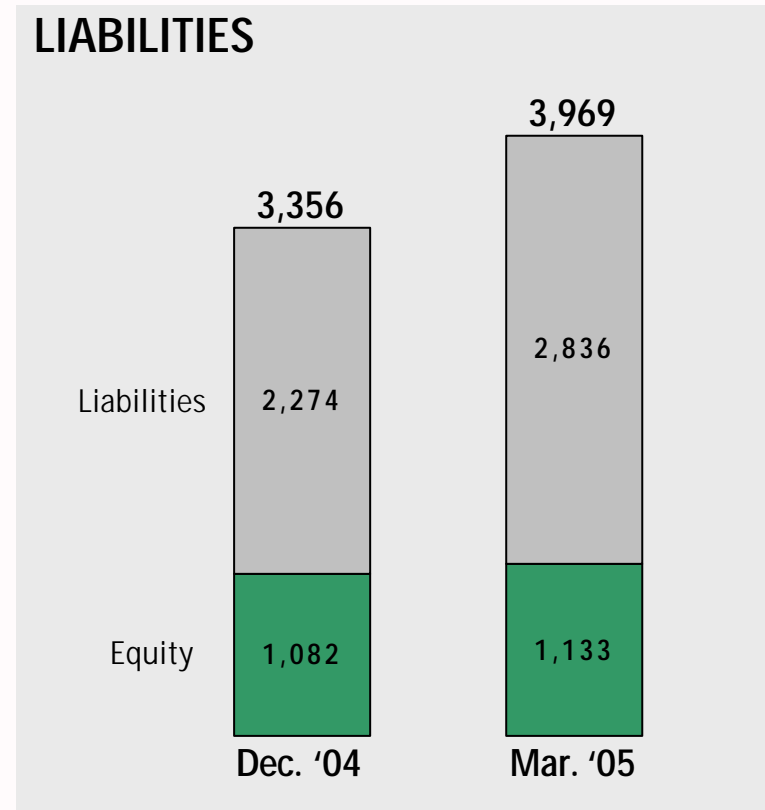
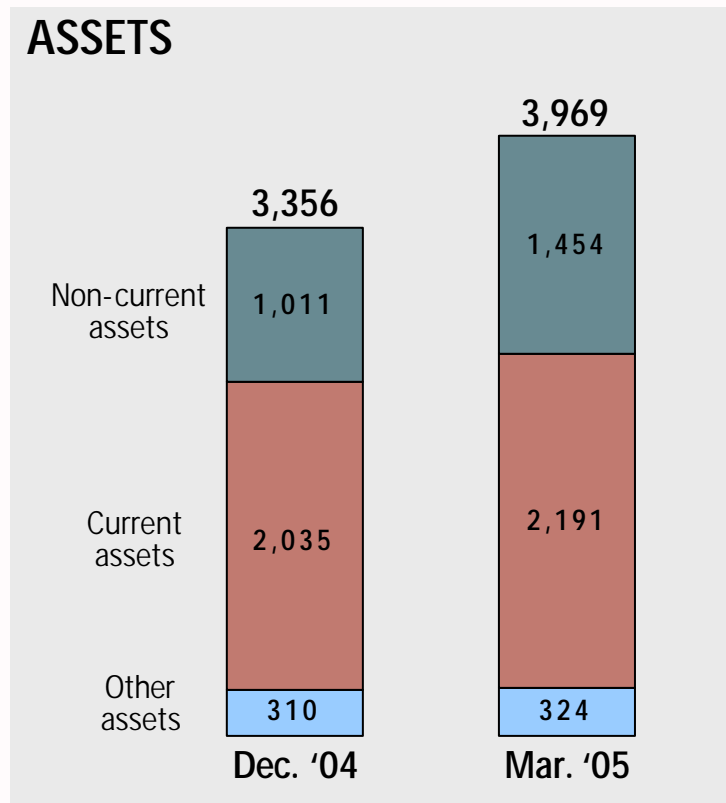
# Profit & Loss: Key Figures (in mio Euros)

	Q1 '05	Q1 '04	% change
Operating result	42	46	-8.7%
Non-operating result	20	-15	N.R. 
Profit before taxes	62	31	100.0%
Taxes	-33	-11	200.0%
Net result	29	20	45.0% 
Earnings per share (in Eurocents)*	23	16	45.0%

\* based on 126,214,127 million shares outstanding in Q1 '05 and 126 million shares in Q1 '04

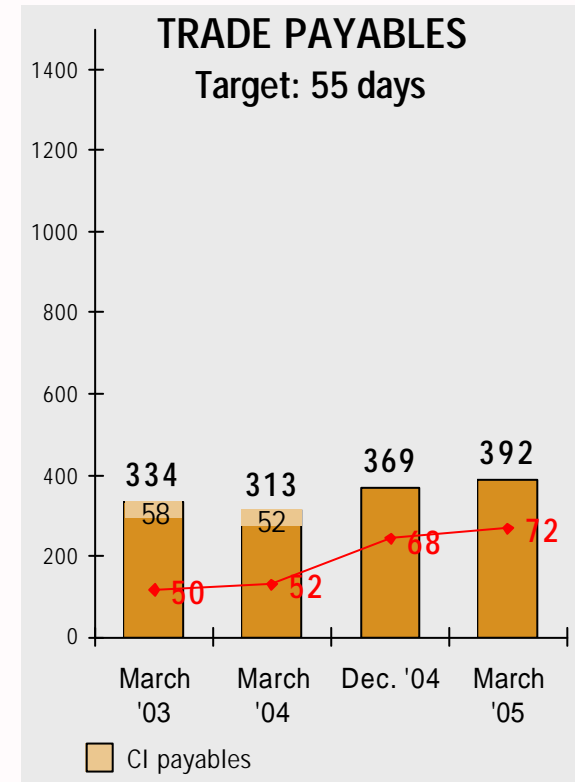
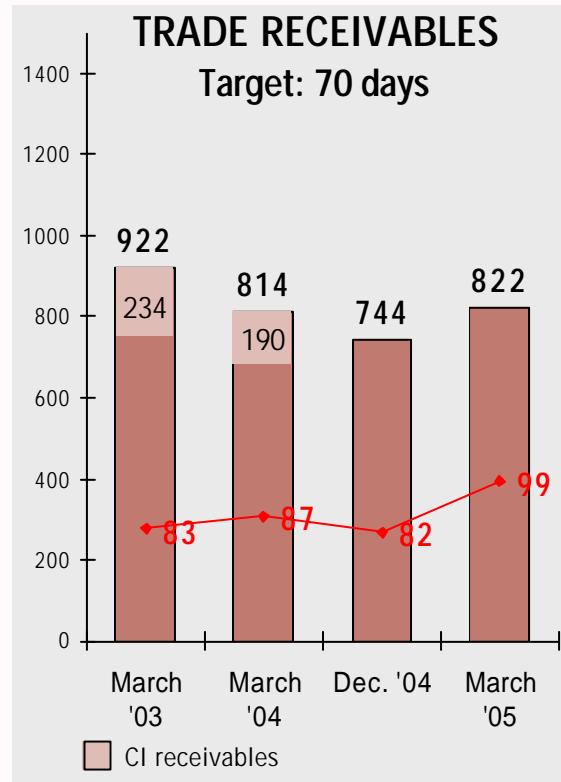
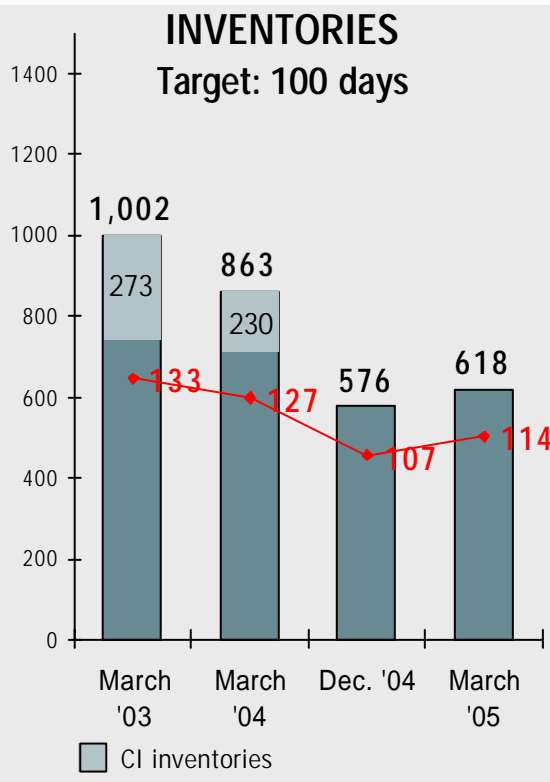
-  Non-operating result affected by currency gains related to the capital reduction of the US subsidiary
-  Net result up 45%, due to one-time non-operating items

# Balance Sheet: Key Figures (mio Euros)



➡ Total assets increased by almost 600 mio Euros, due to consolidation of GWI.

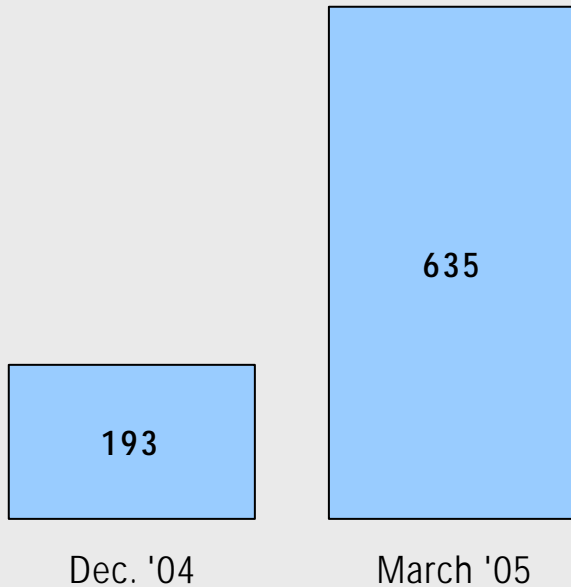
# Working Capital: Key Figures (in mio Euros/days)



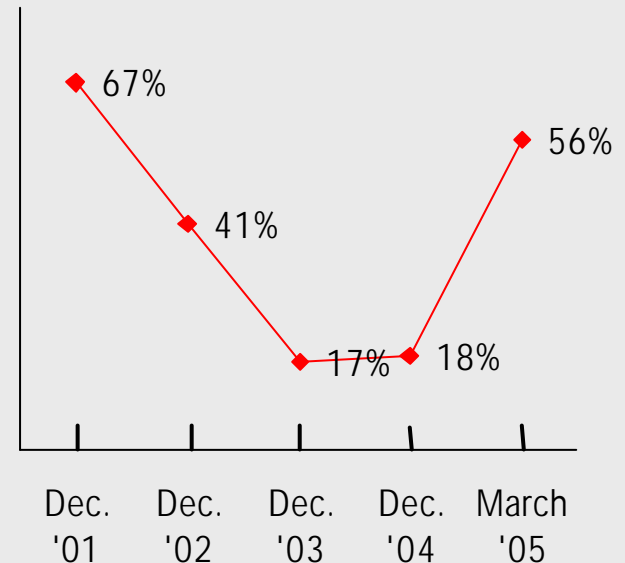
- ➡ Seasonal inventory build up. Compared to March '04, days of inventories decreased by 13 days
- ➡ Days of sales outstanding increased significantly to 99 days
- ➡ Target for days of trade payables largely exceeded

# Balance Sheet: Key Figures

**NET FINANCIAL DEBT** (mio Euros)



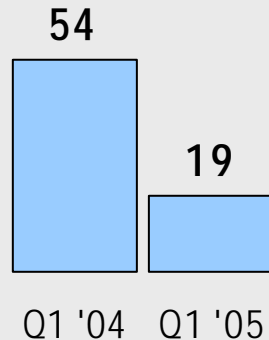
**GEARING RATIO (%)**



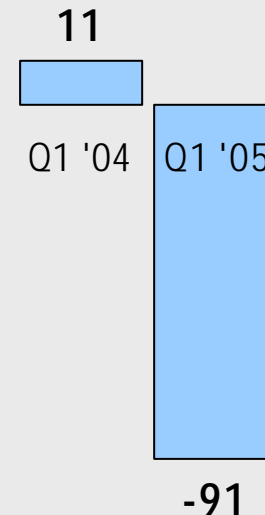
➡ Net financial debt increased mainly due to acquisition of GWI, the phase out of the securitization of receivables and the seasonal build-up of working capital

# Cash Flow: Key Figures (in mio Euros)

## GROSS OPERATING CASH FLOW



## NET OPERATING CASH FLOW



➡ Cash flow statement mainly affected by large one-time effects in current tax expenses (gross operating) and phase out of securitization of receivables (net operating)

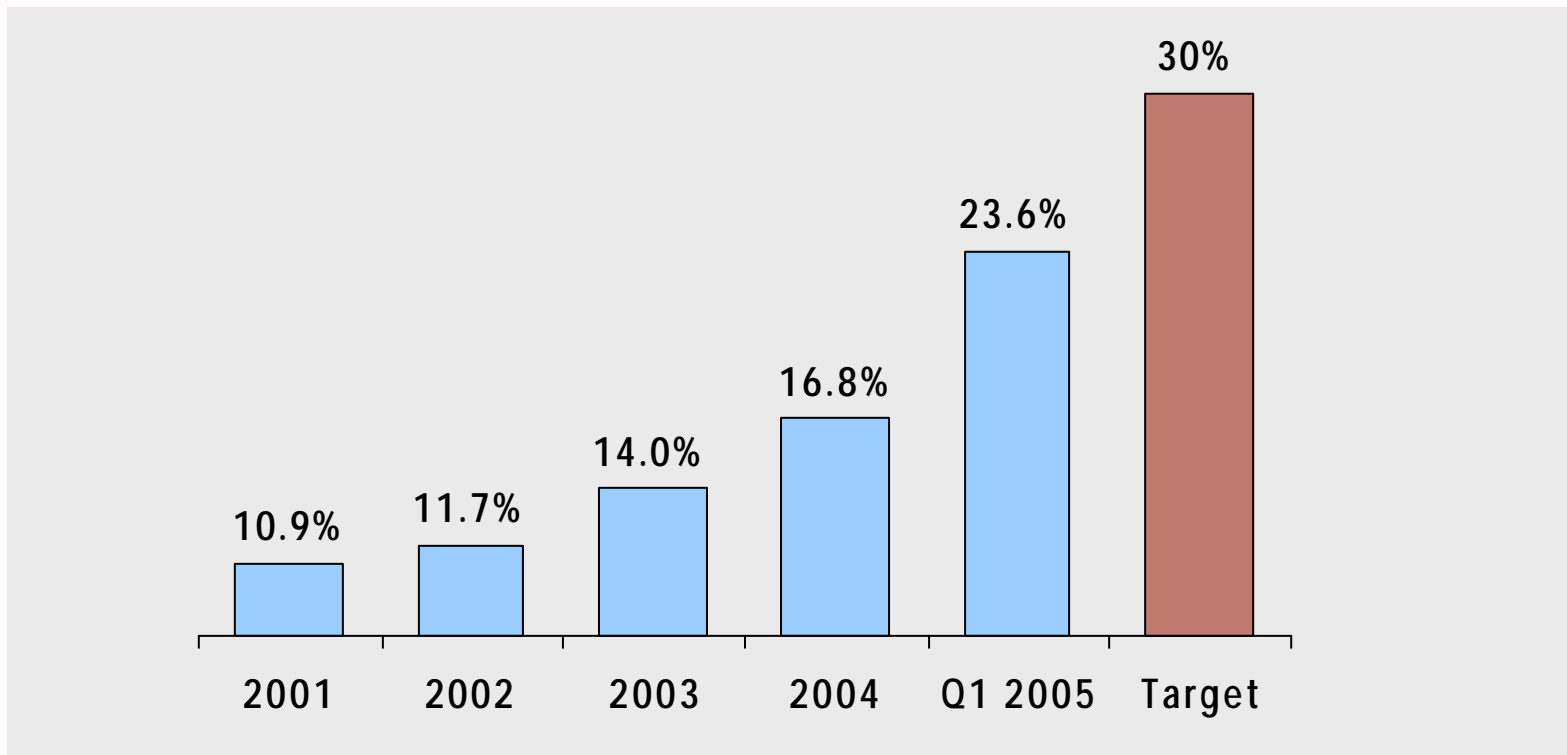
# HealthCare: Key Figures (in mio Euros)

	Q1 '05	Q1 '04	% change	
Sales	305	292	4.5%	←
Organic sales excl. currency effect	277	292	-5.1%	
EBITDA*	42.8	59.5	-25.9%	
% of sales	14.0%	20.4%		
EBIT*	22.8	40.5	-43.7%	
% of sales	7.5%	13.9%		
Operating result	26.2	36.4	-28.0%	←
% of sales	8.6%	12.5%		

\* before restructuring and non-recurring items

- ➡ Sales affected by more pronounced seasonality of HealthCare IT business, price erosion, subdued trading environment in the US and fewer billing days
- ➡ Margin influenced by higher raw material costs and price erosion

# Service Revenues as % of Total HealthCare Sales



➡ Substantial increase of service revenues, on track to reach 30%

# HealthCare: Growth Strategy

## Radiology Solutions

- ➔ Grow with radiology
  - Provide imaging information systems and services

## Departmental Solutions

- ➔ Develop presence in clinical departments
  - Provide image management and information systems and services

## Enterprise IT Solutions

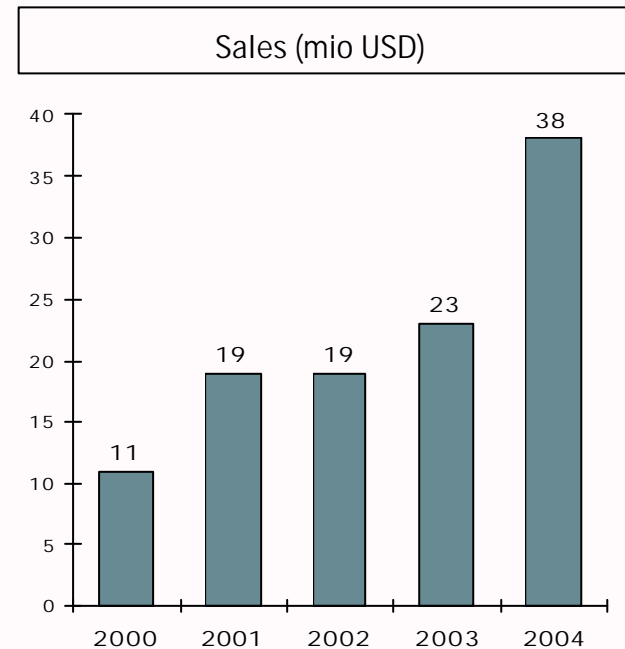
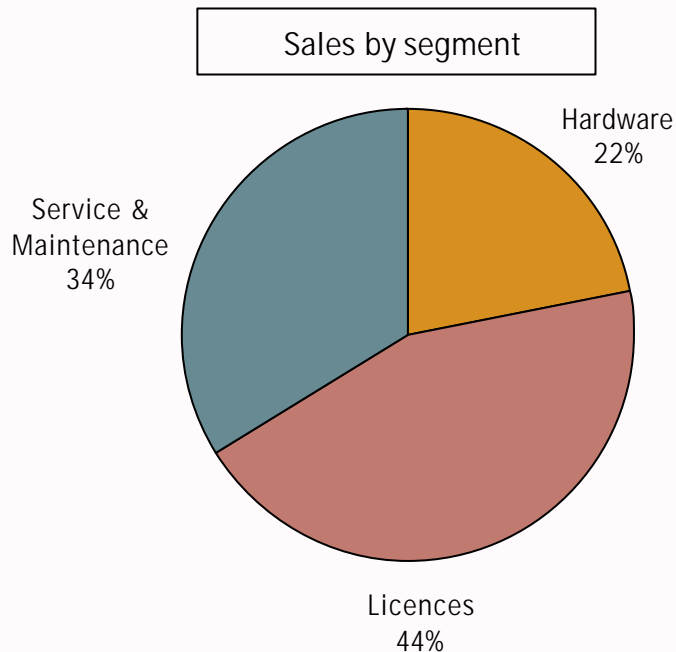
- ➔ Establish position as global leader
  - Provide community wide systems and services, Hospital Information System and Electronic Patient Record (HIS, EPR)

## IMAGING SOLUTIONS

➔ Major steps in implementation of strategy were taken in Departmental Solutions by the announced acquisition of Heartlab, and in Enterprise IT Solutions by the acquisition of Symphonie On Line (2004) and GWI (2005)

# Heartlab: Profile

- Founded: 1994
- Installed base: 270 cardiology centers (Cathlab)
- Number of employees:  $\pm$  150
- EBITDA 2004: 14%
- Transaction price: 132.5 mio USD



# Graphic Systems: Key Figures (in mio Euros)

	Q1 '05	Q1 '04	% change	
Sales	400	386	3.6%	
Organic sales excluding currency effect	368	375	-1.9%	←
EBITDA*	35.6	40.9	-22.7%	
% of sales	8.9%	10.6%		
EBIT*	16.6	25.9	-35.9%	←
% of sales	4.2%	6.7%		
Operating result	16.1	20.9	-23.0%	
% of sales	4.0%	5.4%		

\* before restructuring and non-recurring items

- ➡ Organic sales primarily affected by fewer billing days due to Easter holidays
- ➡ Cost savings sufficient to offset price erosion but EBIT affected by increase of raw material costs

# Graphic Systems: Growth Strategy

## Prepress

Consolidate leading position

- cost, technology and market leadership
- make equipment business profitable
- focus on higher growth segments (Asia, software, packaging, newspapers)

## Industrial inkjet printing

Take leading position in rapidly growing industrial inkjet markets

- wide format printing, screen printing, packaging and newspapers
- offering presses, software, inkjet media, inks
- leveraging our technological advantages

➡ Agfa is the leading pre-press company and is building a growth platform by entering the high growth market of inkjet printing.

➡ Agfa offers a full solution: consumables, equipment and software.



# Questions & Answers

