



1st Half 2005 Results

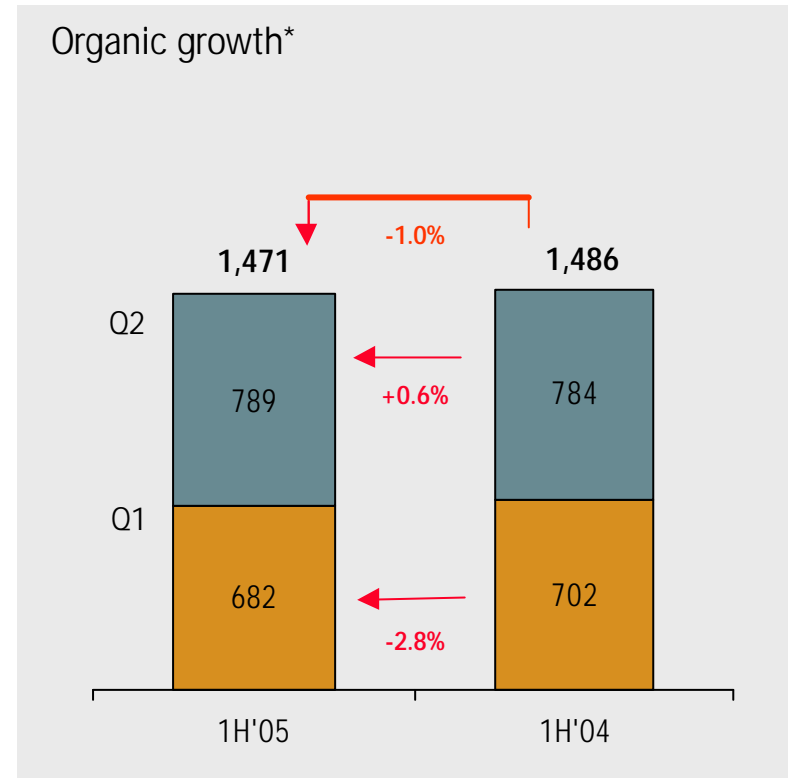
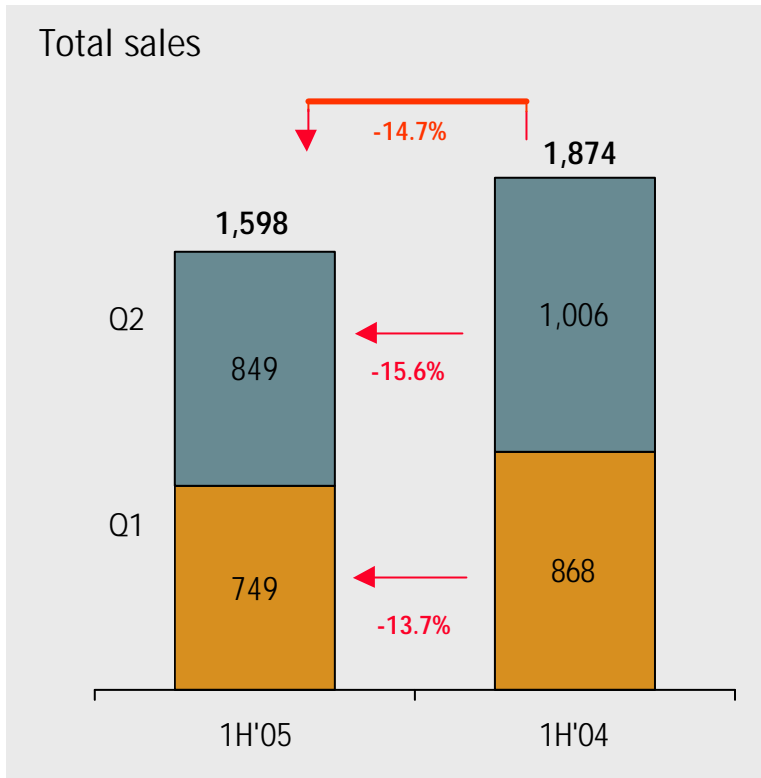
August 18, 2005



Results Summary

- Sales and profit improved in 2nd quarter
- Graphic Systems:
 - market environment improves
 - solid volume growth
 - efforts to counter price erosion show first effects
 - major impact of increased raw material costs
- HealthCare:
 - weaker market environment, particularly in the US
 - results affected by higher price erosion, especially in film
 - IT portfolio integration on track
 - continued strength in IT business
- Additional cost savings initiated

Sales (in mio Euros)



* at constant exchange rates

➡ Q2 sales 13% up compared to Q1

➡ First half 2005 characterized by difficult trading environment

Profit & Loss: Key Figures (in mio Euros)

	Q2 '05	Q2 '04	% change		H1 '05	H1 '04	% change
Sales	849	1,006	-15.6%		1,598	1,874	-14.7%
Gross profit	316	414	-23.7%		600	782	-23.3%
Gross profit margin	37.2%	41.2%			37.5%	41.7%	

➡ The gross profit margin is mainly affected by increased raw material costs and price erosion

Profit & Loss: Key Figures (in mio Euros)

	Q2 '05	Q2 '04	% change		H1 '05	H1 '04	% change
Gross profit	316	414	-23.7%		600	782	-23.3%
R&D	-48	-49	-2.0%		-95	-100	-5.0%
% of sales	5.7%	4.9%			5.9%	5.3%	
SG&A	-211	-256	-17.6%		-408	-498	-18.1%
% of sales	24.9%	25.4%			25.5%	26.6%	
Other operating items*	-9	-475	-98.1%		-7	-504	-98.6%
Operating result	48	-366	+113.1%		90	-320	+128.1%

* Income minus expenses

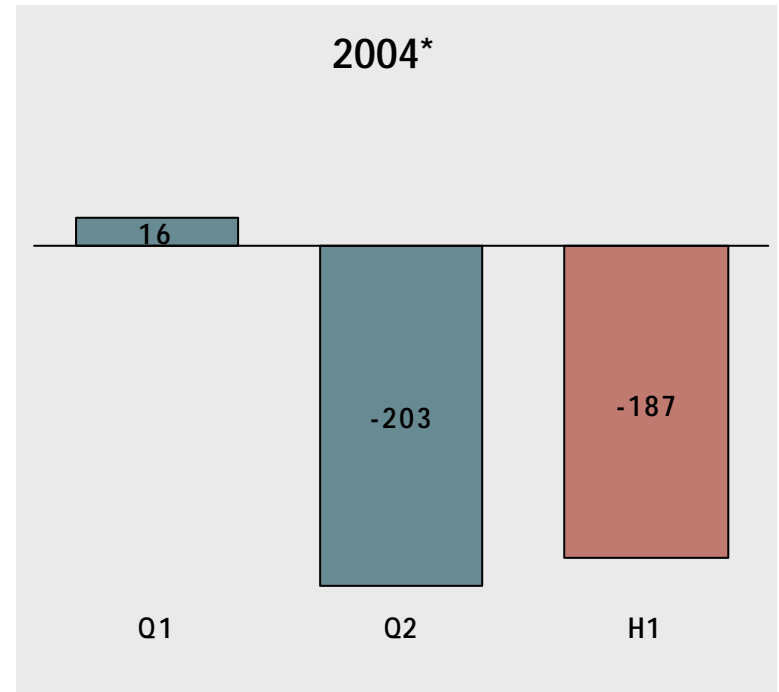
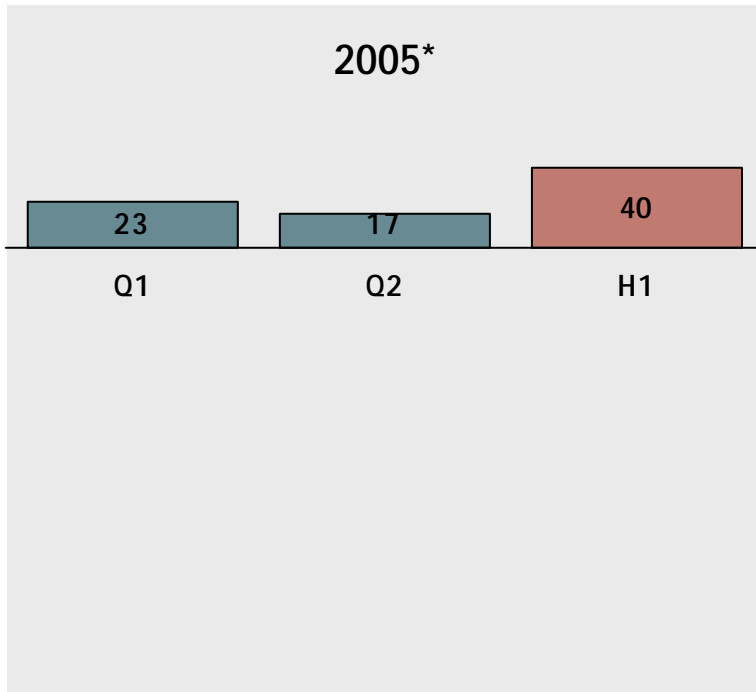
- ➡ SG&A as % of sales decreased to 24.9% in Q2
- ➡ Comparison with previous year difficult because of portfolio changes and 2004 exceptional loss due to CI divestiture

Profit & Loss: Key Figures (in mio Euros)

	Q2 '05	Q2 '04	% change		H1 '05	H1 '04	% change
Operating result	48	-366	+113.1%		90	-320	+128.1%
Non-operating result	-14	-11	-27.3%		+6	-26	+123.1%
Profit before taxes	34	-377	+109.0%		96	-346	+127.7%
Taxes	-12	+122	-109.8%		-45	+111	-140.5%
Net result	22	-255	+108.6%		51	-235	+121.7%

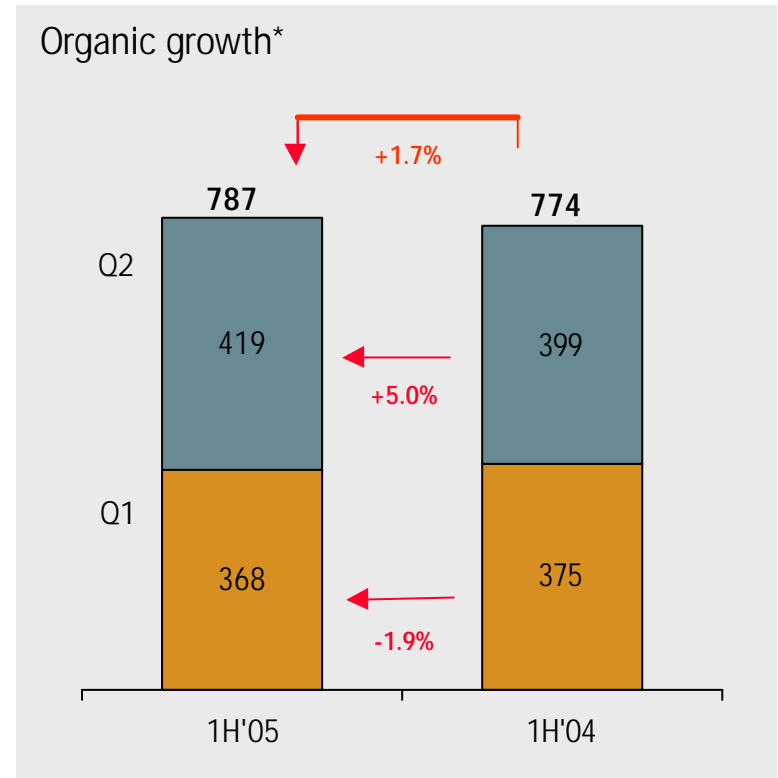
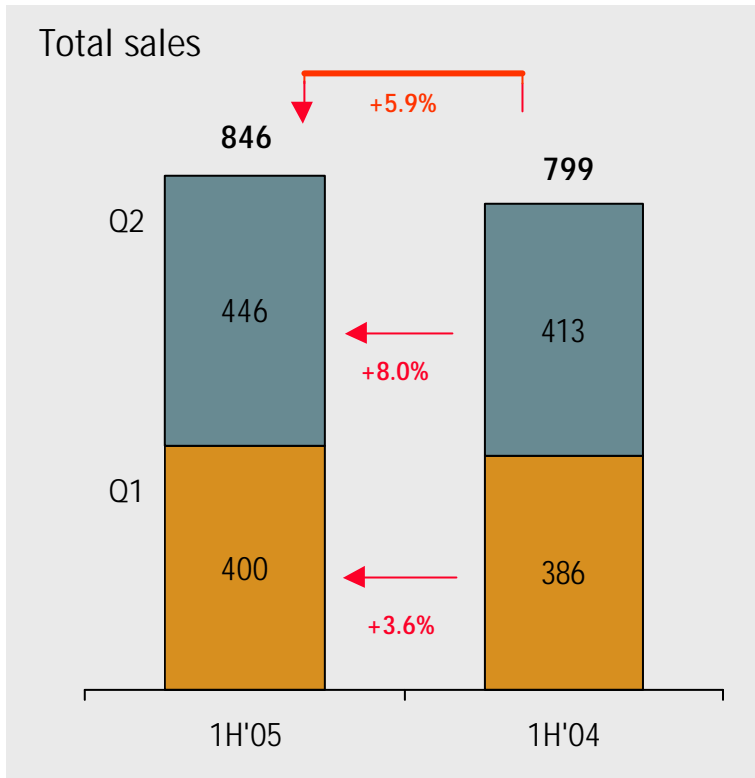
➡ Non-operating result of H1'05 affected by exceptional income related to the capital reduction of the US subsidiary

Earnings per share (in Eurocents)



* Based on an average number of outstanding shares of 126.000.000 in 2004 and 126.152.306 in 2005

Graphic Systems Sales (in mio Euros)



* at constant exchange rates

➡ Organic growth in Q2 of 5.0% thanks to strong volume increase and lower price pressure

Graphic Systems: Key Figures (in mio Euros)

	Q2 '05	Q2 '04	% change		H1 '05	H1 '04	% change
Sales	446	413	+8.0%		846	799	+5.9%
EBITDA*	37.0	45.1	-18.0%		72.6	86.0	-15.6%
% of sales	8.3%	10.9%			8.6%	10.8%	
EBIT*	17.0	29.1	-41.6%		33.6	55.0	-38.9%
% of sales	3.8%	7.0%			4.0%	6.9%	
Operating result	13.2	19.8	-33.3%		29.3	40.7	-28.0%
% of sales	3.0%	4.8%			3.5%	5.1%	

* before restructuring and non-recurring items

➡ Operating margins mainly affected by higher raw material costs



Graphic Systems Growth Strategy

1. Reinforce market leadership in pre-press
2. Become a leading player in industrial inkjet (systems, printing heads and consumables)

Graphic Systems: Highlights

Pre-press

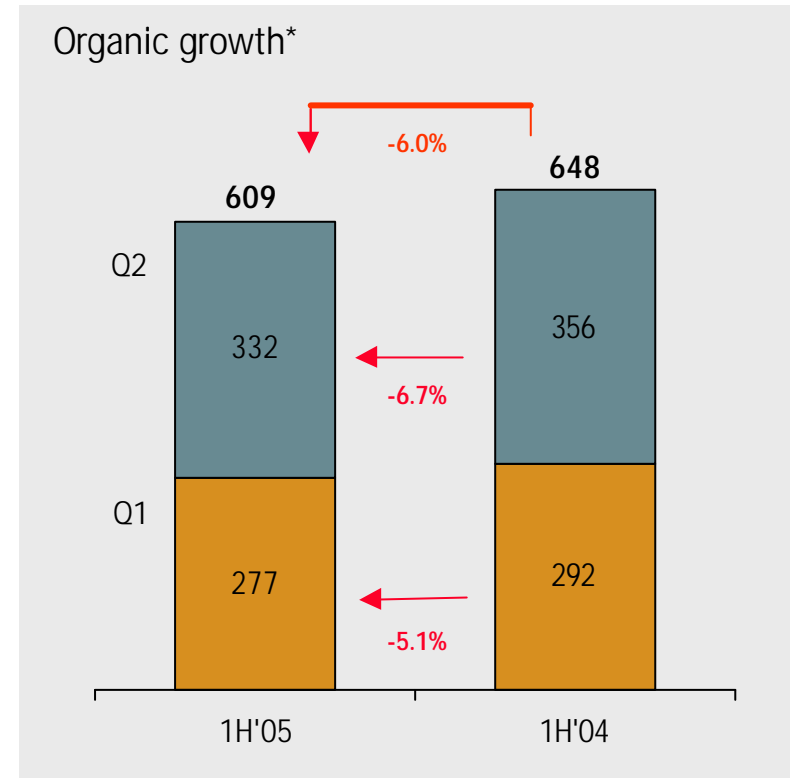
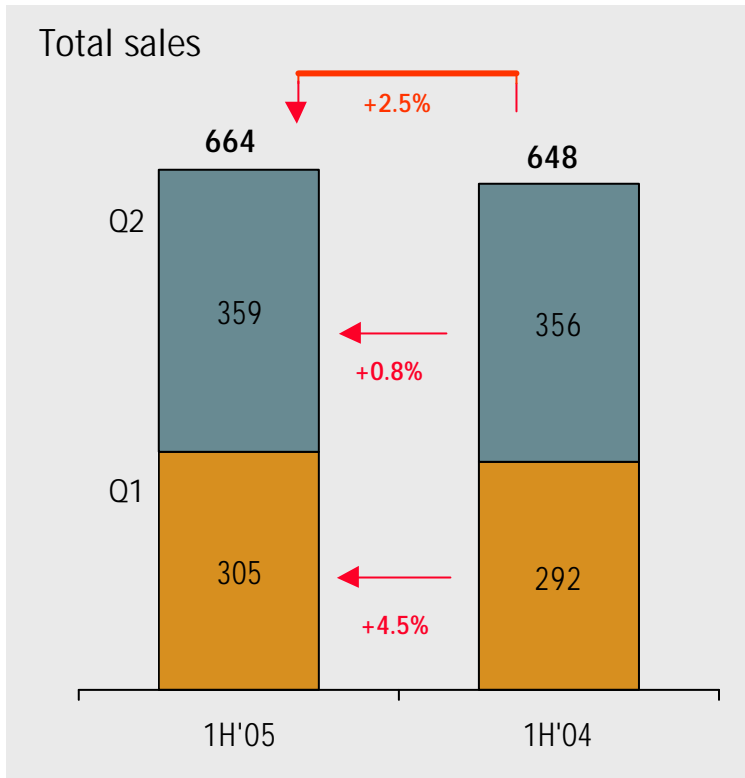
- Continuing success for violet computer-to-plate systems with large newspaper publisher contracts
- :Azura chemistry-free printing plate performance very successful: Q2 volumes doubled (vs. Q1)

Industrial inkjet

- Product introductions:
 - :M-Press (hybrid UV inkjet press) + UV-curable inks
 - :Anapurna 100 wide-format printer for high-volume industrial inkjet operations + :Anapurna UV-curable inks
 - :Grand Sherpa Universal AM + new mild solvent inks
- Major contracts:
 - Several orders for :M-Press and wide-format inkjet systems



HealthCare Sales (in mio Euros)



* at constant exchange rates

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

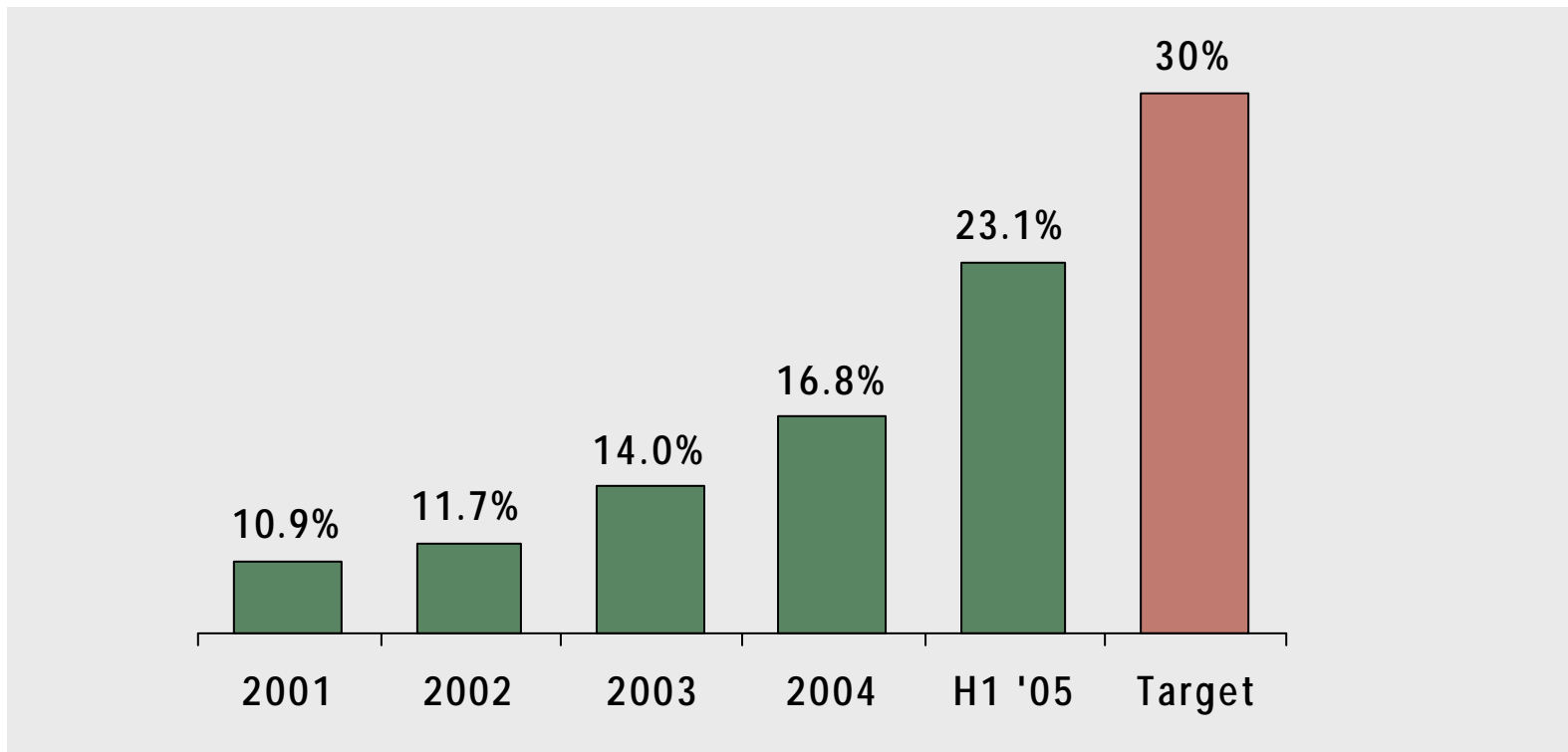
HealthCare: Key Figures (in mio Euros)

	Q2 '05	Q2 '04	% change	H1 '05	H1 '04	% change
Sales	359	356	+0.8%	664	648	+2.5%
EBITDA*	54.7	75.7	-27.7%	97.5	135.2	-27.9%
% of sales	15.2%	21.3%		14.7%	20.9%	
EBIT*	35.7	56.7	-37.0%	58.5	97.2	-39.8%
% of sales	9.9%	15.9%		8.8%	15.0%	
Operating result	34.0	53.7	-36.7%	60.2	90.1	-33.2%
% of sales	9.5%	15.1%		9.1%	13.9%	

* before restructuring and non-recurring items

- ➡ Weak sales and more pronounced seasonality of HealthCare IT explain the lower operating margins in H1
- ➡ Focus on achieving additional savings in Operating Expenses

Service Revenues as % of HealthCare Sales



➡ Service revenues represent an increasing share of sales



HealthCare Growth Strategy

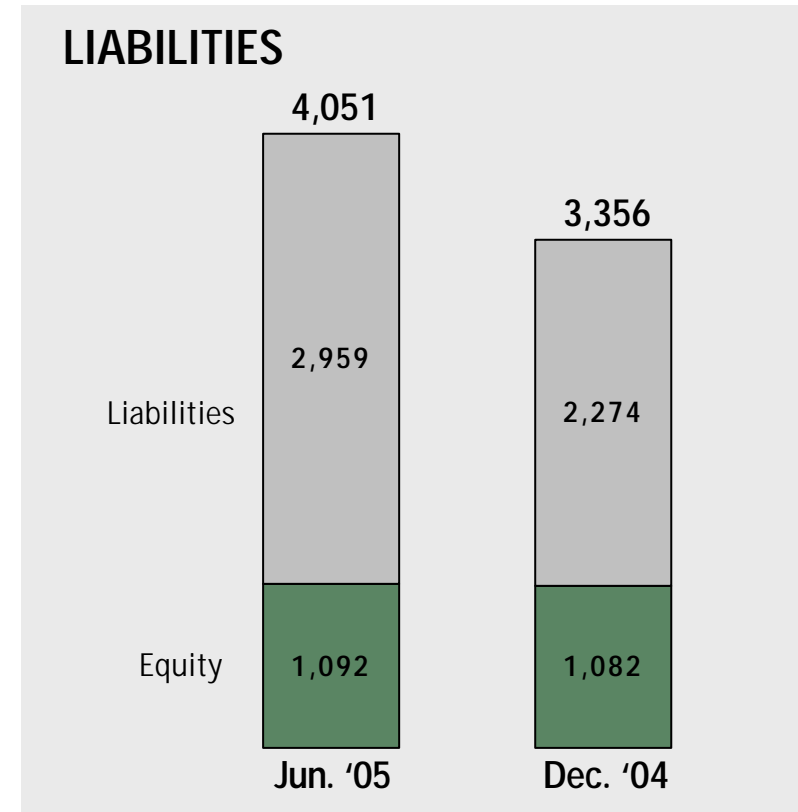
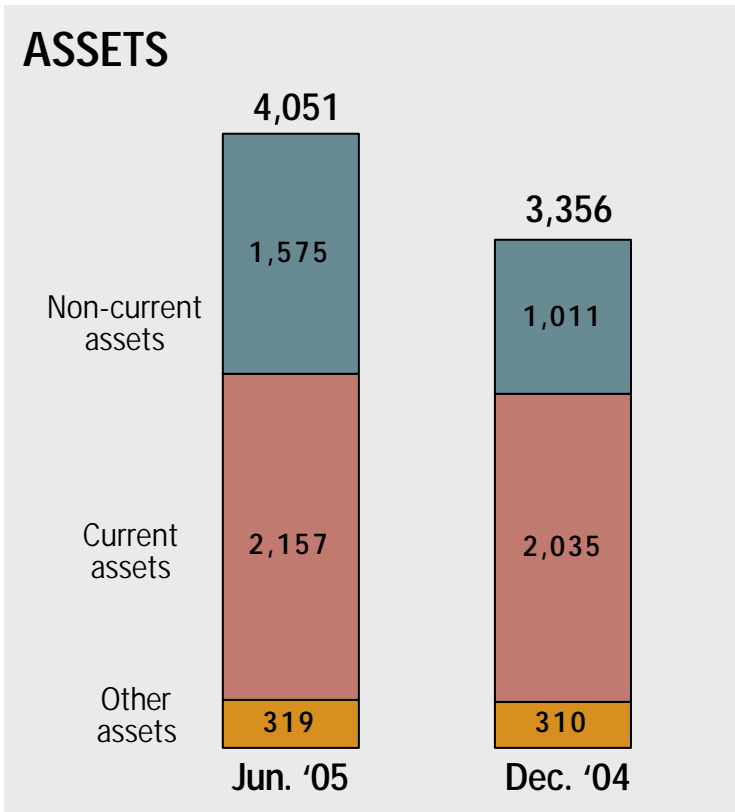
1. Reinforcing strong position in radiology
2. Expanding into other departments in the hospitals and leveraging our imaging technologies
3. Taking a leading position in enterprise-wide IT systems for hospitals

HealthCare: Highlights

- Acquisitions: Heartlab (US) and Med2Rad (Italy)
- Product development:
 - *ORBIS/IMPAX* platforms; *NICE* next generation user interface for ORBIS
 - Integrated RIS/PACS/Speech solution for North American imaging centers
 - Table-top printer for decentralized radiology
- Major contracts in the US, Canada and Finland
- Won 25 new hospitals for ORBIS since acquisition of GWI
- Strong growth in Latin America and with OEMs
- Service at 23.1% of sales (H1'05)
- *One Million Women Project* in China

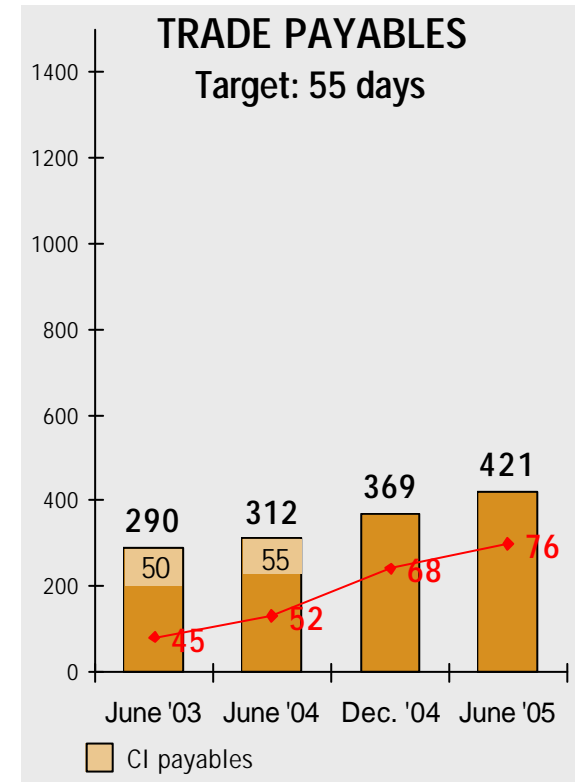
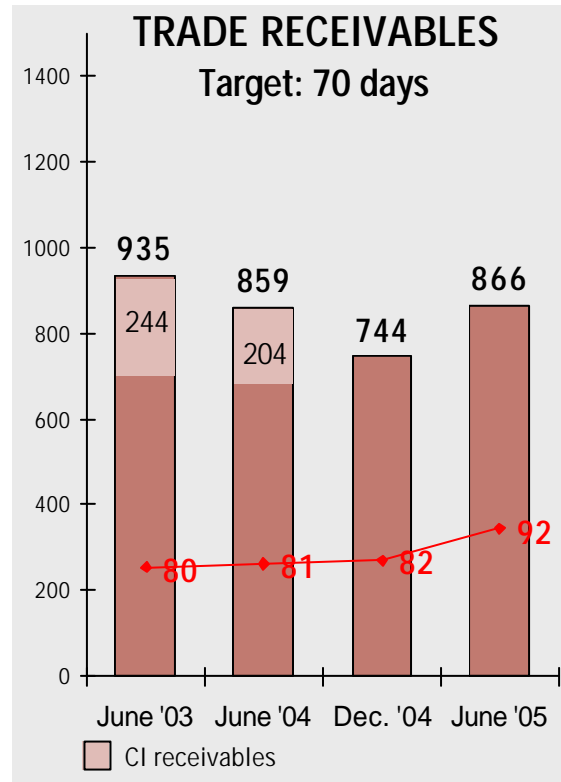
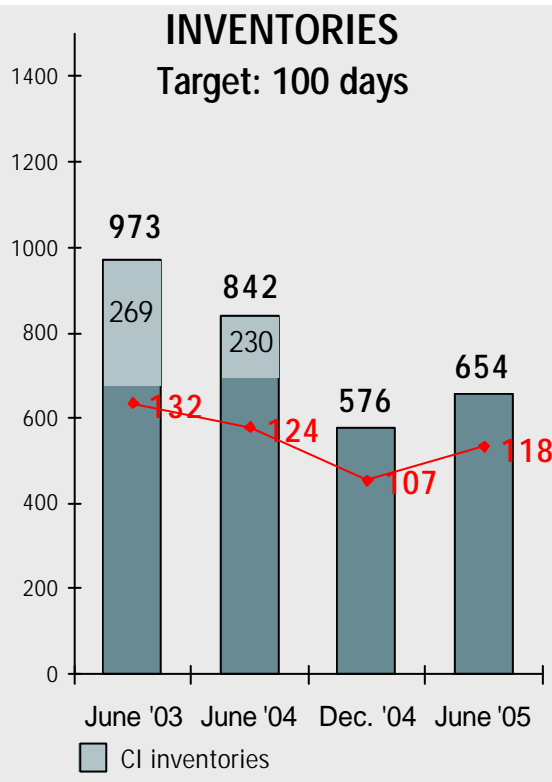


Balance Sheet: Key Figures (mio Euros)



➡ Total assets increased by almost 600 million Euros, due to consolidation of GWI and Heartlab

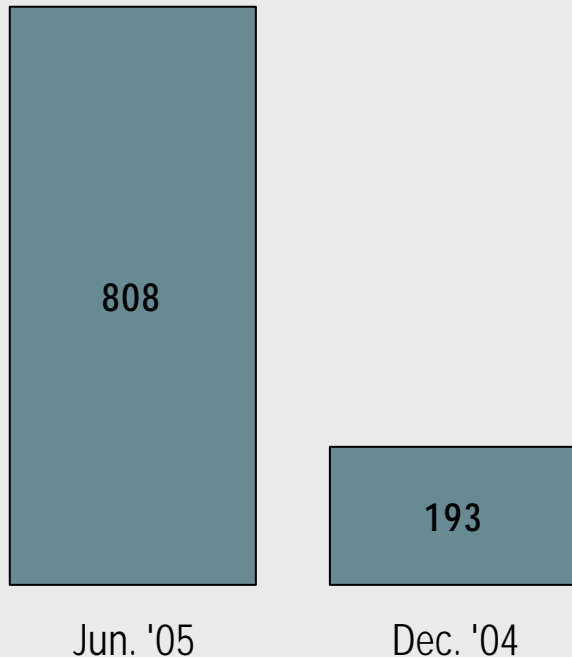
Working Capital: Key Figures (in mio Euros/days)



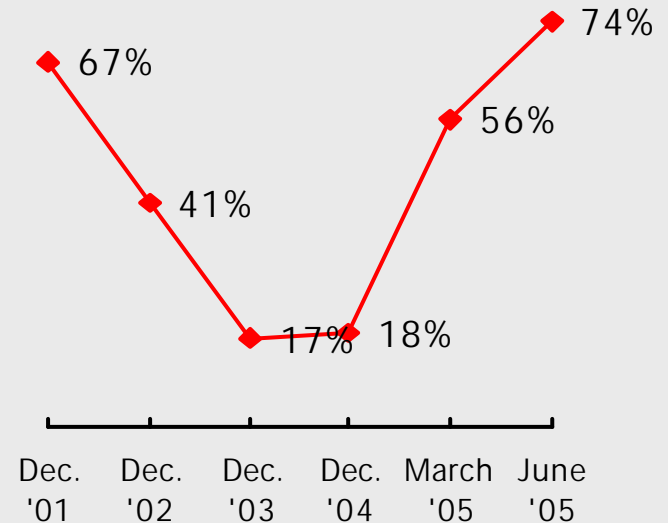
- ➡ Compared to June 2004, days of inventories decreased by 6 days
- ➡ Days of sales outstanding increased to 92 days
- ➡ Target for days of trade payables largely exceeded
- ➡ Seasonal build-up of working capital in the first half of the year

Balance Sheet: Key Figures

NET FINANCIAL DEBT (mio Euros)



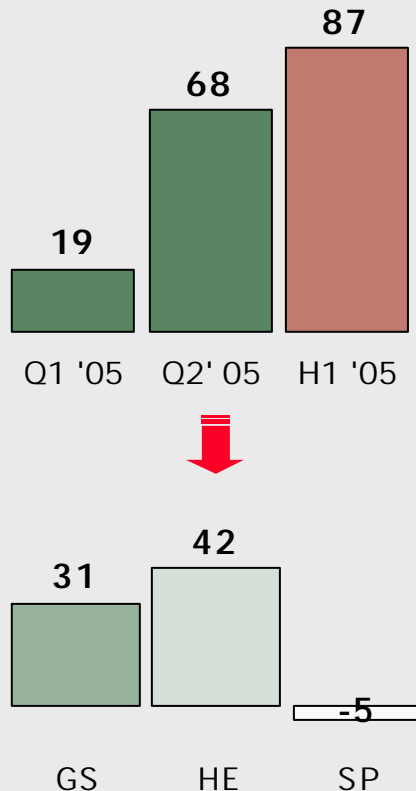
GEARING RATIO (%)



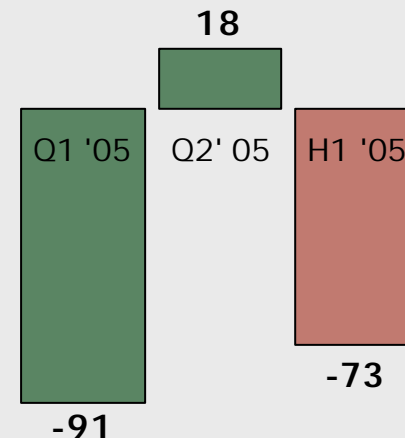
Net financial debt increased mainly due to acquisition of GWI and Heartlab, the dividend payment, the phase out of the securitization of receivables, and the seasonal build-up of working capital

Cash Flow: Key Figures (in mio Euros)

GROSS OPERATING CASH FLOW



NET OPERATING CASH FLOW



➡ Cash flow Specialty Products includes pension disbursement for retired CI employees

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

Update AgfaPhoto

- November 1, 2004:
AgfaPhoto created as fully independent group, with a holding company, an operating company and 32 sales organizations
- May 26, 2005:
AgfaPhoto GmbH, the German operating company files for insolvency
- August 1, 2005:
 - AgfaPhoto will continue its operations with existing management under court supervision ('Eigenverwaltung')
 - Company will be restructured
 - Special purpose company will be created to which the redundant staff will be transferred
- Agfa has constructively co-operated with receiver and agreed to grant a fully secured loan to co-fund the transfer company



Update AgfaPhoto: Main Exposure

- Vendor loan: 112 Mio Euros
 - loan to holding company
 - fully secured by lease portfolio
 - purchase price under discussion with purchaser
- Working capital prefinancing
 - reimbursement of prefinancing at date of filing for insolvency expected in around 3-4 months
 - prefinancing stopped at date of filing for insolvency



Outlook

- 2005 is a transition year
- Stronger sales expected in the 2nd half
- 2nd half profits will not offset shortfall of the 1st half
- Agfa Transformation Program operational implementation accelerated
- Strong focus on cost reduction and price improvement
- Significant progress in developing new businesses of industrial inkjet and healthcare IT



Questions & Answers



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