

# Agfa-Gevaert Group

Results FY2009

31 March 2010



# Agfa Group: Key Figures (vs. last year – in million Euro)

	Q4 '08	Q4 '09	Δ (excl. curr.)	FY '08	FY '09	Δ (excl. curr.)
Sales	761	<b>735</b>	<b>-3.4% (-1.0%)</b>	3,032	<b>2,755</b>	<b>-9.1% (-10.2%)</b>
Gross profit	229	<b>244</b>	<b>+6.6%</b>	961	<b>886</b>	<b>-7.8%</b>
as a % of sales	30.1%	<b>33.2%</b>		31.7%	<b>32.2%</b>	
R&D	-39	<b>-35</b>	<b>-10.3%</b>	-174	<b>-149</b>	<b>-14.4%</b>
SG&A	-156	<b>-139</b>	<b>-10.9%</b>	-647	<b>-553</b>	<b>-14.5%</b>
SG&A as a % of sales	20.5%	<b>18.9%</b>		21.3%	<b>20.1%</b>	
Other operating items	-3	<b>4</b>		-5	<b>-2</b>	
Recurring EBITDA	60	<b>97</b>	<b>+61.7%</b>	251	<b>284</b>	<b>+13.1%</b>
as a % of sales	7.9%	<b>13.2%</b>		8.3%	<b>10.3%</b>	
Recurring EBIT	31	<b>73</b>	<b>+135.5%</b>	135	<b>182</b>	<b>+34.8%</b>
as a % of sales	4.1%	<b>9.9%</b>		4.5%	<b>6.6%</b>	

➔ Impact of economic crisis has decreased due to starting recovery of Agfa's markets

➔ EBIT improved significantly due to further cost savings

# Main Group Drivers behind Key Figures

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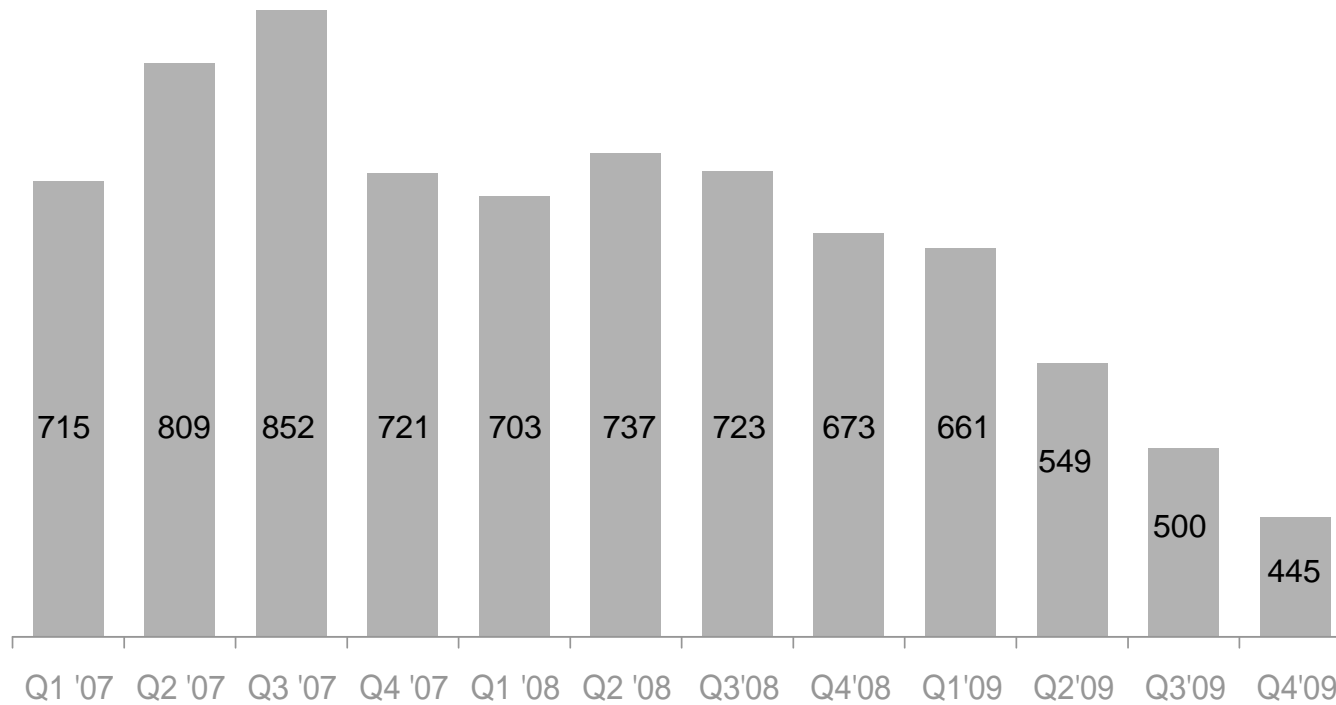
## **Q4 2009**

- Agfa's markets are slowly starting to recover from the effects of the economic crisis
- EBIT improved significantly due to continued cost reductions and improved operational efficiency
- The average monthly SG&A expense was brought down from 52 million Euro in Q4 2008 to 46 million Euro in Q4 2009

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

	Q4 '08	Q4 '09	% change	FY '08	FY '09	% change
Recurring EBIT	31	<b>73</b>	+135.5%	135	<b>182</b>	+34.8%
Restructuring and non-recurring	-134	<b>-2</b>	+98.5%	-158	<b>-12</b>	+92.4%
Operating result	-103	<b>71</b>	+168.9%	-23	<b>170</b>	+839.1%
Non-operating result	-19	<b>-34</b>	+78.9%	-83	<b>-114</b>	+37.3%
Profit before taxes	-122	<b>37</b>	+130.3%	-106	<b>56</b>	+152.8%
Taxes and minority interest	-45	<b>-17</b>	+62.2%	-61	<b>-50</b>	+18.0%
Net result	-167	<b>20</b>	-	-167	<b>6</b>	-

# Net Financial Debt (in million Euro)

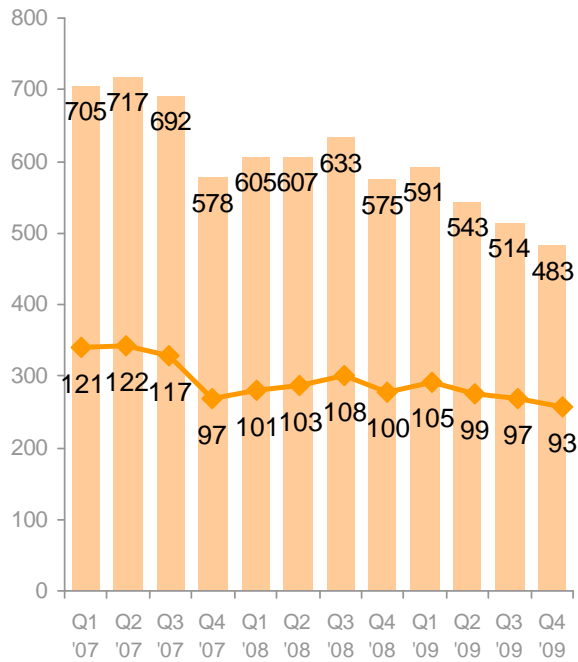


➔ Net financial debt at lowest level

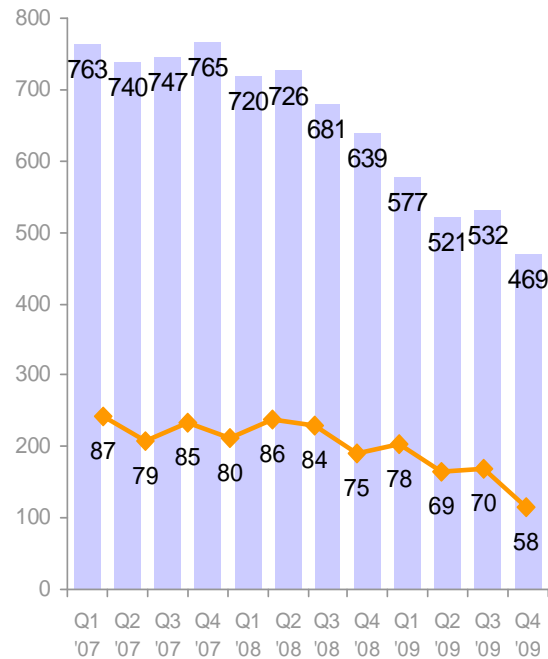
➔ Normal seasonal net debt pattern is expected in 2010

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

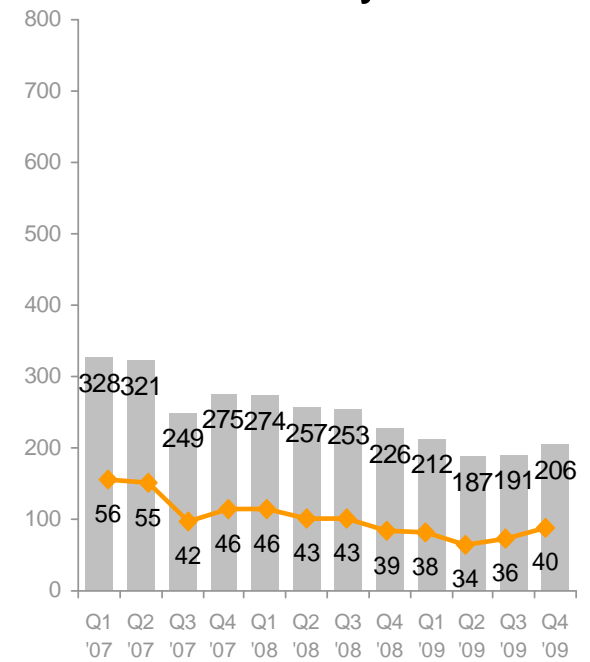
## Inventories



## Trade Receivables\*

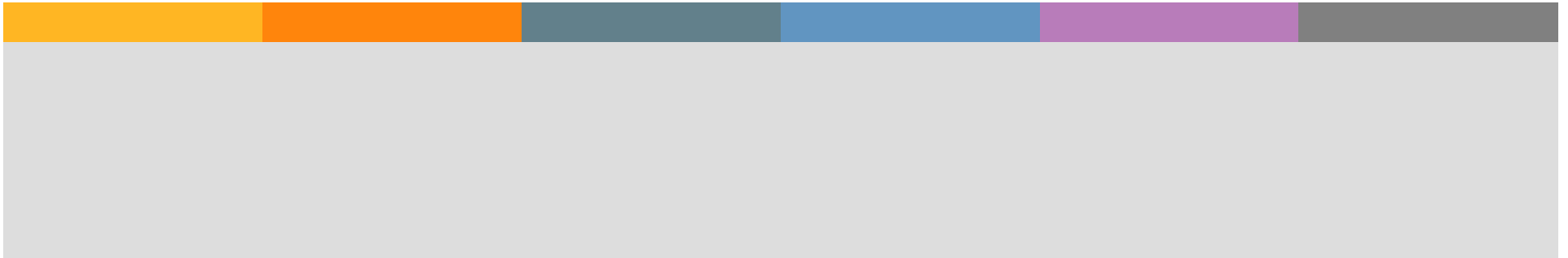


## Trade Payables



\* Trade receivables minus deferred revenue and advanced payments from customers

# Agfa Graphics



# Graphics: Key Figures (vs. last year - in mio Euro)

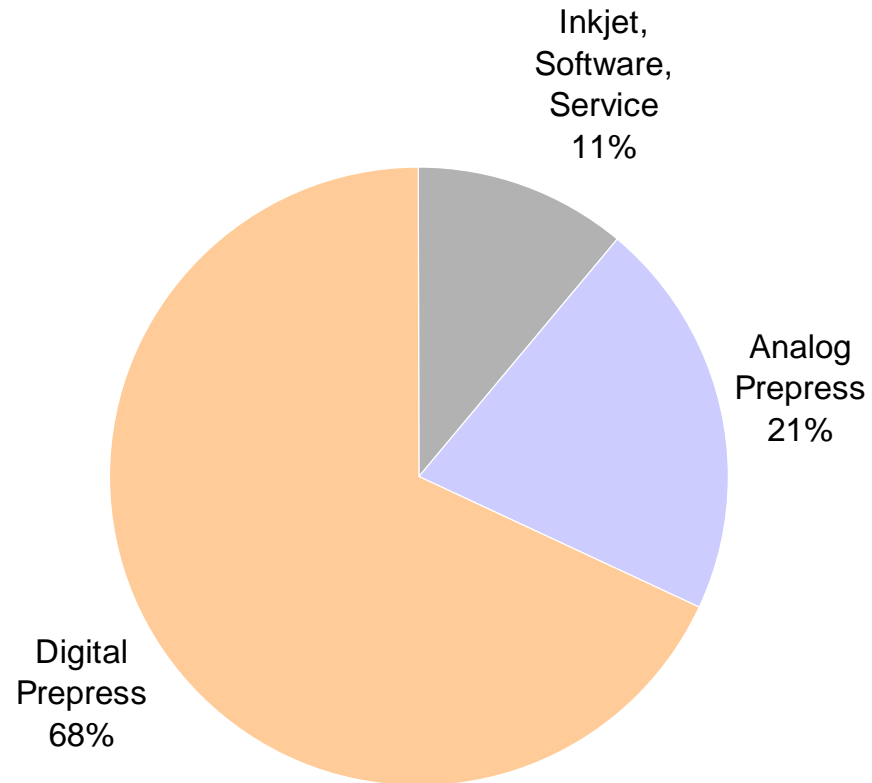
	Q4'08	Q4'09	$\Delta$ % (excl. curr.)	FY'08	FY'09	$\Delta$ % (excl. curr.)
Sales	382	<b>356</b>	<b>-6.8% (-4.9%)</b>	1,522	<b>1,341</b>	<b>-11.9% (-12.8%)</b>
Gross Profit	108	<b>101</b>	<b>-6.5%</b>	456	<b>376</b>	<b>-17.5%</b>
as a % of sales	28.3%	28.4%		30.0%	28.0%	
R&D	-11	<b>-7</b>	<b>-36.4%</b>	-59	<b>-38</b>	<b>-35.6%</b>
SG&A	-77	<b>-68</b>	<b>-11.7%</b>	-320	<b>-270</b>	<b>-15.6%</b>
SG&A as % of sales	20.2%	19.1%		21.0%	20.1%	
Other operating items	-2	<b>4</b>		-12	<b>-5</b>	
Recurring EBITDA	30.7	<b>40.8</b>	<b>+32.9%</b>	116.1	<b>108.3</b>	<b>-6.7%</b>
as a % of sales	8.0%	11.5%		7.6%	8.1%	
Recurring EBIT	18.0	<b>30.1</b>	<b>+67.2%</b>	64.7	<b>62.6</b>	<b>-3.2%</b>
as a % of sales	4.7%	8.5%		4.3%	4.7%	

- ➔ Impact of economic crisis has decreased due to starting recovery of the graphic markets
- ➔ Profitability improved significantly



# Graphics: YTD Sales per Business Segment

YTD 2009  
100% = 1,341 million Euro



# Graphics: Main Drivers behind Key Figures

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## **Q4 2009**

- Traditionally Q4 is a strong quarter
- Starting recovery of the graphic markets, both inkjet and prepress
- Film sales increased significantly due to strong performance in BRIC countries, changes in competitive landscape and shift of part of the film business from Agfa Specialty Products to Agfa Graphics
- EBIT improved significantly due to lower raw material prices and further SG&A cost reduction

# Agfa HealthCare

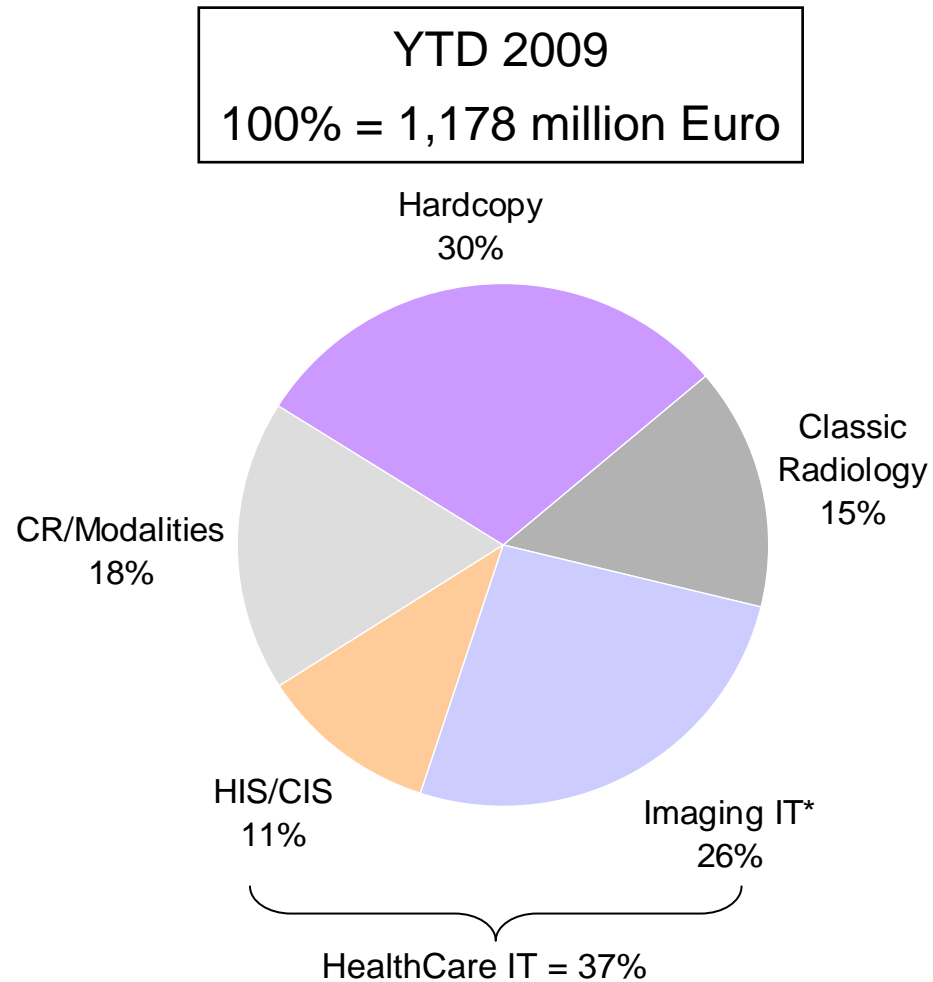


# HealthCare: Key Figures (vs. last year - in mio Euro)

	Q4'08	Q4'09	$\Delta$ % (excl. curr.)	FY'08	FY'09	$\Delta$ % (excl. curr.)
Sales	325	<b>316</b>	<b>-2.8% (+0.3%)</b>	1,223	<b>1,178</b>	<b>-3.7% (-5.0%)</b>
Gross Profit	115	<b>132</b>	<b>+14.8%</b>	457	<b>467</b>	<b>+2.2%</b>
as a % of sales	35.4%	<b>41.8%</b>		37.4%	<b>39.6%</b>	
R&D	-27	<b>-25</b>	<b>-7.4%</b>	-107	<b>-103</b>	<b>-3.7%</b>
SG&A	-72	<b>-65</b>	<b>-9.7%</b>	-298	<b>-255</b>	<b>-14.4%</b>
SG&A as % of sales	22.2%	<b>20.6%</b>		24.4%	<b>21.6%</b>	
Other operating items	-4	<b>-1</b>		+4	<b>+8</b>	
Recurring EBITDA	28.9	<b>51.5</b>	<b>+78.2%</b>	115.8	<b>168.0</b>	<b>+45.1%</b>
as a % of sales	8.9%	<b>16.3%</b>		9.5%	<b>14.3%</b>	
Recurring EBIT	13.7	<b>39.5</b>	<b>+188.3%</b>	56.3	<b>116.2</b>	<b>+106.4%</b>
as a % of sales	4.2%	<b>12.5%</b>		4.6%	<b>9.9%</b>	

- ➔ Market environment and activity levels improved versus the previous quarters of 2009
- ➔ Profitability improved significantly

# HealthCare: YTD Sales per Business Segment



\* Includes Radiology and Cardiology IT

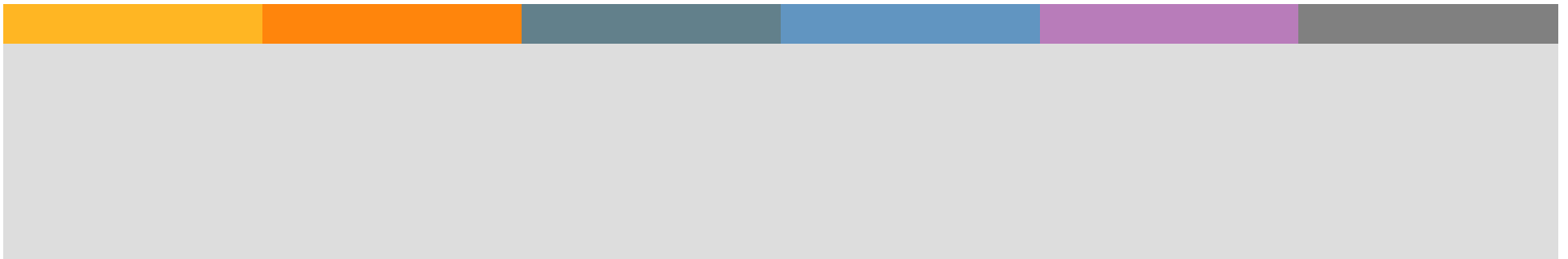
# HealthCare: Main Drivers behind Key Figures

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## **Q4 2009**

- Traditionally Q4 is the strongest quarter
- Starting recovery of the market
- HE IT reported strong sales numbers and CR performed better than expected
- Ebit improved significantly due to increased service efficiencies, further SG&A cost reduction and lower raw material prices

# Agfa Materials



# Specialty Products: Key Figures (vs. last year - in mio Euro)

	Q4 '08	Q4 '09	$\Delta$ % (excl. curr.)	FY'08	FY'09	$\Delta$ % (excl. curr.)
Sales	55	<b>62</b>	<b>+12.7% (+14.2%)</b>	288	<b>236</b>	<b>-18.1% (-18.8%)</b>
Gross profit	6	<b>11</b>	<b>+83.3%</b>	48	<b>43</b>	<b>-10.4%</b>
as a % of sales	10.9%	<b>17.7%</b>		16.7%	<b>18.2%</b>	
R&D	-2	<b>-3</b>	<b>+50.0%</b>	-8	<b>-8</b>	<b>0.0%</b>
SG&A	-8	<b>-7</b>	<b>-12.5%</b>	-29	<b>-27</b>	<b>-6.9%</b>
SG&A as a % of sales	14.5%	<b>11.3%</b>		10.1%	<b>11.4%</b>	
Other operating items	+4	<b>+1</b>		+5	<b>+4</b>	
Recurring EBITDA	1.4	<b>4.2</b>	<b>+200.0%</b>	21.4	<b>17.1</b>	<b>-20.1%</b>
as a % of sales	2.5%	<b>6.8%</b>		7.4%	<b>7.2%</b>	
Recurring EBIT	0.0	<b>3.0</b>		16.3	<b>12.7</b>	<b>-22.1%</b>
as a % of sales	0.0%	<b>4.8%</b>		5.7%	<b>5.4%</b>	



# Specialty Products: Main Drivers behind Key Figures

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## Q4 2009

- Some recovery in the traditional film markets
- Sales of new business products increased
- Ebit improved significantly due to lower raw material prices and more efficient use of the manufacturing facilities

# Outlook

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- Graphic markets expected to continue to recover in 2010:
  - At present stronger recovery in US and ROW versus hesitant recovery in Europe
  - Stronger Q1 performance expected in 2010
- HealthCare: following very strong end of 2009, weaker Q1 top line expected though full year 2010 results expected in line with 2009
- Specialty Products: 2010 will be a transition year because of the investments in new businesses

# Additional slides Analyst Presentation 31/03/10

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*Forward-looking statements are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other factors. Accordingly, actual results may differ materially from those projected due to various factors.*

# Comments “below Ebit”

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- **Restructuring and non-recurring:**
  - Actuals FY09: -12 mio Euro
    - Restructuring expenses:  $\approx$  - 30 mio Euro
    - AgfaPhoto legal expenses:  $\approx$  - 10 mio Euro
    - Exceptional movement in pension provisions (dd Q109):  $<$  + 25 mio Euro
  - Forward-looking: total restructuring + non-recurring estimated at a yearly level of around 30 mio Euro
  
- **Net Finance costs:**
  - Actuals FY09: -114 mio Euro
    - Interest income (expenses): -17 mio Euro
    - Other finance income (expenses): -97 mio Euro
      - Pension related expenses: = - 74 mio Euro
      - Exceptional (one-off) expenses:  $\approx$  - 15 mio Euro
      - Other: - 8 mio Euro
  - Forward-looking:
    - Pension related expenses: expected to remain stable

# Comments “below Ebit”

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- **Income tax expense:**
  - Actuals FY09: -49 mio Euro
    - Current taxes: -14 mio Euro
    - Deferred taxes: -35 mio Euro
  - Forward-looking:
    - Current taxes: difficult to forecast but no major variations expected from current level
    - Deferred taxes: continuation of prudent approach but estimated to decrease over time (= non-cash item)

# Graphics: Strategy and Objectives

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- **Prepress:**

- Become the most efficient provider of prepress printing plates and systems
- Build on technology edge in high-quality innovative plates and systems
- Reinforce presence in emerging markets - JV with Shenzhen Brothers was signed in January 2010

- **Inkjet:**

- Become a leading player in the digital printing market by extending digital printing knowledge to more application areas through:
  - Own development
  - Partnerships
- Become one of the consolidators in the digital printing market
- Recent initiatives : Gandi acquisition, Dilli participation

# Graphics: Long Term Market Trends

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- **Commercial Info Print:**
  - Applications: books, magazines, newspapers, brochures, ...
  - Technology: offset is dominant
  - Printed medium: mainly paper
  - LT trend:
    - Europe and US: offset will decrease due to shift to electronic media and to inkjet printing
    - ROW: still increase in offset expected
- **Industrial Print :**
  - Applications: packaging, labels, textiles, ...
  - Technology: offset, flexo, screen, gravure
  - Printed medium: different substrates
  - LT trend: shift towards inkjet printing

# HealthCare: Strategy and Objectives

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- **Imaging:**
  - Focus on emerging markets for existing product range
  - Introduction of new consumables, mainly for the radiology market (e.g. contrast media), leveraging distribution network capabilities
- **IT:**
  - Imaging IT: grow through migration of installed base to latest IMPAX and build on IMPAX Data Centers offering in mature and developing markets
  - Imaging IT: manage convergence of platforms and optimize service operations
  - Enterprise IT: consolidate position in today's selected markets and expand gradually into new markets



# Materials: Strategy and Objectives

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- Reinforce worldwide leadership position in PCB film for the electronics industry by providing new technologies
- Cost leadership and operational excellence regarding film manufacturing in declining film markets
- Focus on new initiatives
  - Based on Agfa's key competences in film manufacturing
  - Benefiting from existing infrastructure
- 2010 will be a transition year: many projects are in the investment phase

# Questions & Answers

