

Agfa-Gevaert reports first quarter results

AGFA Agfa

- 7.4 percent growth in recurring EBIT on modest sales growth excluding currency effects
- SG&A costs decreased by 7.3 percent
- Net profit more than doubled to 41 million Euro

Agfa-Gevaert announced its first quarter results on May 3. Group sales reached 786 million Euro, an increase of 0.4 percent (excluding currency effects) compared to the first quarter of 2006. The Group's recurring EBIT grew 7.4 percent to 58 million Euro (or 7.4 percent of sales), as positive mix effects and the reduction of expenses more than offset higher silver and aluminum costs. The Group's net result more than doubled from 20 million Euro to 41 million Euro.

The shift from analog to digital and IT accelerated both in Graphics and in HealthCare. In Graphics, this resulted in solid margins for the prepress segment. In HealthCare, strong sales were generated for Computed Radiography and IT solutions, resulting in growing market shares. Specialty Products again reported very strong margins.

Agfa Group – First Quarter

(million Euro)	Q1 2006	Q1 2007	change
Net sales	810	**786**	-3.0%
Gross profit	316	**302**	-4.4%
Recurring EBITDA (*)	93	**94**	1.1%
% of sales	11.5%	**12.0%**	
Recurring EBIT (*)	54	**58**	7.4%
% of sales	6.7%	**7.4%**	
Operating result	43	**50**	16.3%
Net result	20	**41**	105.0%
Net operating cash flow	67	**23**	

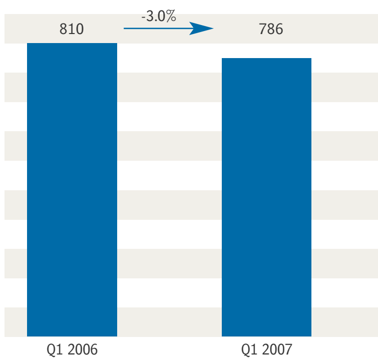
(*) before restructuring and non-recurring items

Sales amounted to 786 million Euro, an increase of 0.4 percent excluding the impact of currency fluctuations (a decrease of 3.0 percent including currency effects).

Raw materials continued to heavily impact the results. Silver costs were 21 million Euro higher than in the first quarter of 2006, while aluminum costs increased by 20 million Euro. As the positive effects of product mix changes, improved pricing and production and service efficiencies partially offset the evolution of the raw materials, the Group's gross profit margin amounted to 38.4 percent of sales, or 302 million Euro.

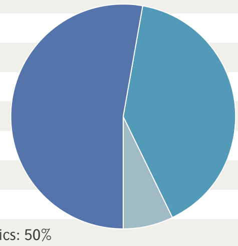
The implementation of the Group's measures to reduce costs annually by 250 million Euro by 2008 is starting to show its first results. Sales and General Administration costs (excluding non-recurring items) decreased from 207 million Euro in the first quarter of 2006 to 192 million Euro. Total SG&A costs represented 24.4 percent of sales, compared to 25.6 percent last year.

Group Sales (million Euro)



Share of Group Sales by Business Group

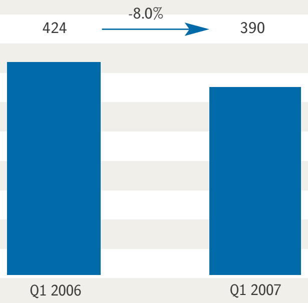
100% = 786 million Euro



Sales by Business Group

(million Euro)

Agfa Graphics



R&D expenses remained stable at 47 million Euro. The main areas of focus were industrial inkjet printing in Graphics and IT and software solutions in HealthCare.

In the first quarter of 2007, a one-off benefit of 3.5 million Euro was recorded in the unallocated segment, reflecting changes in the retiree medical plan in France. The Group's recurring EBIT (the sum of Graphics, HealthCare, Specialty Products and the unallocated segment) increased 7.4 percent from 54 million Euro to 58 million Euro.

Restructuring and non-recurring items amounted to 8 million Euro, versus 11 million Euro in 2006.

The non-operating result was 0 million Euro and was affected by a 16 million Euro capital gain related to the sale of the Group's stake in Indaver, a waste management company. The net profit more than doubled from 20 million Euro in the first quarter of 2006 to 41 million Euro.

Balance Sheet and Cash Flow

- At the end of March 2007, total assets were 3,840 million Euro, compared to 3,832 million Euro at the end of 2006.
- Days of inventories amounted to 121 at the end of March 2007, compared to 109 days in the same period of 2006. Days of trade receivables were 100, versus 93 after three months in 2006. Trade payables remained stable at 56 days.
- Net financial debt increased by 11 million Euro over the quarter to 715 million Euro at the end of March, and was affected by the payment of the final earn-out of 38 million Euro related to the acquisition of GWI.
- Net operating cash flow amounted to 23 million Euro in the first quarter.

Agfa Graphics – First Quarter

(million Euro)	Q1 2006	Q1 2007	change
Net sales	424	**390**	-8.0%
Recurring EBITDA (*)	38.1	**35.0**	-8.1%
% of sales	9.0%	**9.0%**	
Recurring EBIT (*)	20.1	**18.0**	-10.5%
% of sales	4.7%	**4.6%**	

(*) before restructuring and non-recurring items

Graphics' sales amounted to 390 million Euro, a decrease of 4.6 percent excluding currency effects. Sales were particularly affected by Agfa's discontinuation of some unprofitable business of analog consumables. The more profitable digital prepress segment continued to grow strongly. Moreover, Graphics installed its second :M-Press high-speed inkjet press during the quarter and continued to build its order book of inkjet equipment.

The recurring EBITDA-margin amounted to 9,0 percent and the recurring EBIT-margin remained virtually stable at 4.6 percent of sales. Improved production efficiencies, significantly lower SG&A costs, price increases and positive mix effects all contributed to profitability, while substantially higher raw material costs and the start-up losses of the inkjet business continued to affect the results. Excluding industrial inkjet, the recurring EBIT of the prepress segment exceeded 7 percent of sales.

In the beginning of the year, Agfa Graphics announced the 3,000th installation of its :IntellSyst remote diagnostic system. :IntellSyst detects possible problems with customers' prepress devices and automatically alerts a team of Agfa engineers, so they can take immediate action to prevent interruptions in the printer's production process.

In Japan, Agfa Graphics signed important prepress agreements with two major printing companies. Daicolo and Nishikawa Group decided to install several :Avalon CtP systems, as well as prepress automation software, and they both will use the :Azura chemistry-free printing plate. Less than 15 months after its introduction in Japan, more than 40 Japanese printers were already using the :Azura plate.
Sweden's largest newspaper group, V-TAB Group, signed a contract for four :Advantage CtP machines and seven :Arkitex NewsdriveX workflow automation systems. Also in Europe, the leading Luxembourg printing company Imprimerie Centrale, will take a next step in the digitization of prepress and printing through the installation of Agfa Graphics' software.

In inkjet, Advantage Sign Supply (Michigan, U.S.), a distributor of large format printing solutions, added the :Anapurna wide-format printer to its portfolio for customers along the East Coast and in the Midwest of the United States. Agfa Graphics expanded its range of industrial inkjet printers. The :Dotrix Transcolor adds high-quality color to fast database printing, making it the ideal machine for printing transactional documents (such as invoices) and direct mailings.

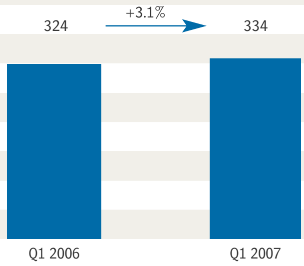
At the end of the quarter, Agfa Graphics announced that it sold Xitron to Vanguard Graphics International. Agfa acquired the company as part of the Autologic takeover at the end of 2001. Xitron develops Raster Imaging Processors and software.

Agfa HealthCare – First Quarter

(million Euro)	Q1 2006	Q1 2007	change
Net sales	324	**334**	3.1%
Recurring EBITDA (*)	45.0	**45.0**	0.0%
% of sales	13.9%	**13.5%**	
Recurring EBIT (*)	25.0	**27.0**	8.0%
% of sales	7.7%	**8.1%**	

(*) before restructuring and non-recurring items

Agfa HealthCare



Excluding currency effects, HealthCare's sales increased 6.4 percent (3.1 percent including currency effects) compared to the first quarter of 2006. The growth was particularly driven by sales in CR (Computed Radiography)/Modalities and healthcare IT, especially Radiology IT solutions (Radiology Information Systems and Picture Archiving and Communication Systems).

The recurring EBITDA-margin amounted to 13.5 percent of sales and recurring EBIT increased 8.0 percent to 27.0 million Euro or 8.1 percent of sales. Higher silver costs and expenses related to the international roll-out of ORBIS were offset by cost savings and the growing share of highly profitable services. The ORBIS Hospital and Clinical Information Systems (HIS/CIS) were introduced in the Netherlands, the United Kingdom and the United States in the first quarter of 2007, and the complete solutions or some of the key modules are now available in ten countries.

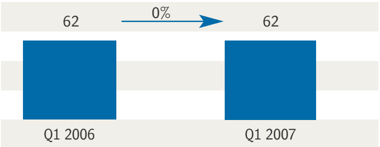
In February, the German hospital document management system provider HYDMedia was acquired. Agfa HealthCare will offer the company's solutions on a stand-alone basis or as part of Agfa's ORBIS system.

Agfa HealthCare extended its Radiology IT range with new solutions, including the IMPAX Clinical Module, designed to bring together and structure data from various sources for the radiologists, and OrthoGon, a software tool to simplify complex orthopedic measurements. Other innovative solutions were shown as work in progress at various trade events. IMPAX Registration & Fusion, for instance, is developed to compare single modality as well as multi modality images. IMPAX Virtual Colonoscopy offers a non-invasive method to visualize the colon, making it the ideal alternative to conventional endoscopy.

In the U.S., a new three-year agreement was signed with the leading contracting services company Novation to provide radiology and cardiology IT solutions to the organization's member sites.

In January, the first phase of Germany's largest hospital IT project was completed, putting ORBIS in operation in all nine healthcare institutions of the Vivantes group in the Berlin area. The University Clinic of Schleswig-Holstein, one of the three largest university hospitals in Germany, awarded Agfa HealthCare a contract for the installation of ORBIS with integrated Radiology IT solutions. Agfa HealthCare is also making significant progress with the international roll-out of the ORBIS HIS/CIS.

Agfa Specialty Products



Agfa Specialty Products – First Quarter

(million Euro)	Q1 2006	Q1 2007	change
Net sales	62	**62**	0.0%
Recurring EBITDA (*)	13.4	**12.4**	-7.5%
% of sales	21.6%	**20.0%**	
Recurring EBIT (*)	12.4	**11.4**	-8.7%
% of sales	20.0%	**18.4%**	

(*) before restructuring and non-recurring items

Excluding currency effects, Specialty Products' first quarter sales increased 3.1 percent (status-quo including currency effects) to 62 million Euro compared to the same period of last year, with particularly strong performances for film for non-destructive testing and specialty foils and components. The recurring EBITDA-margin was 20 percent of sales. Due to high silver costs, recurring EBIT decreased slightly from 12.4 million Euro (or 20.0 percent of sales) in the first quarter of 2006 to 11.4 million Euro, resulting in an EBIT-margin of 18.4 percent.

Outlook

For the coming months, Graphics expects further growth of the digital prepress segment and a continued decline of the analog business. The very high raw material costs will also have a significant impact on the business group's results. For industrial inkjet, Graphics anticipates increasing sales and the gradual elimination of the start-up losses in the course of the second half of the year. HealthCare expects that the positive evolution of both sales and profitability will continue in the next quarters. Orders for IT remain strong and the roll-out of the enterprise-wide IT solutions in additional countries is on track. Together with further growth in CR/Modalities, this will more than offset the market driven decline of film and print sales. Specialty Products sees a further strengthening of its position in its traditional film markets. While focusing on reducing costs and improving quality of its traditional products, the business group is also working on innovative products and materials to secure its future growth.

"Despite the significantly higher raw material costs, we were able to improve our profitability. This clearly reflects the positive impact of our strategies and our cost savings measures and we are confident that the effects of these elements will further increase in the course of this year. However, high raw material costs and adverse currency effects are also expected to continue to impact our results in the months to come. We are also progressing well with the demerger process of the Group and we are on track to split into three independent, listed companies by the end of the year," said Marc Olivié, Agfa's President and CEO.

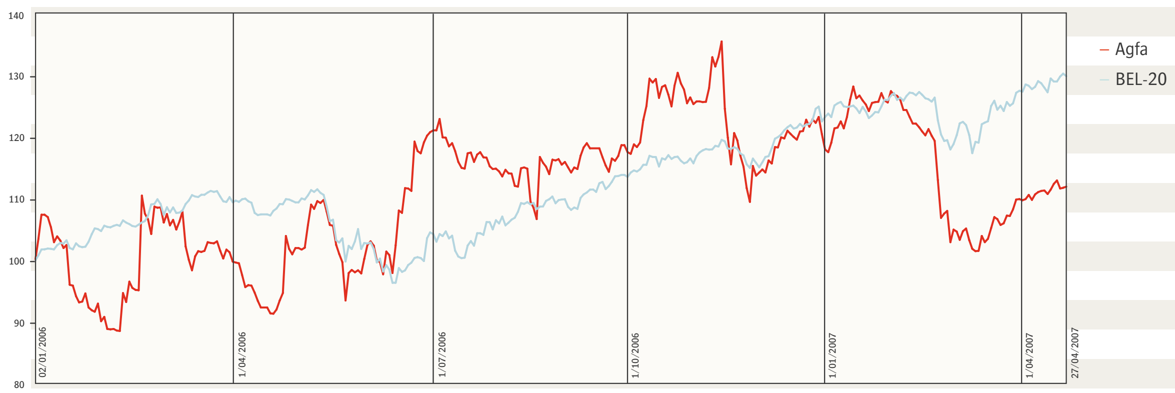
Consolidated Statements of Income (million Euro)

Non-audited, consolidated figures following IFRS/IAS valuation rules

	Q1 2006	Q1 2007	change
Net sales	**810**	**786**	-3.0%
Cost of goods sold	(494)	(484)	-2.0%
Gross profit	**316**	**302**	-4.4%
Gross margin	39.0%	38.4%	
Selling expenses	(140)	(132)	-5.7%
Research & Development expenses	(47)	(47)	-
General administration expenses	(70)	(65)	-7.1%
Other operating income	81	81	-
Other operating expenses	(97)	(89)	-8.2%
Operating result	**43**	**50**	16.3%
Net interest expenses	(7)	(6)	-14.3%
Other non-operating income (expense)	(9)	6	-166.7%
Non-operating result	**(16)**	**-**	-100,0%
Profit before tax	**27**	**50**	85.2%
Tax	(7)	(8)	14.3%
Net income of consolidated companies	**20**	**42**	110.0%
of which minority interest	-	1	
of which Agfa-Gevaert NV stockholders (net result)	**20**	**41**	105.0%
Operating result	43	50	16.3%
Restructuring and non-recurring items	(11)	(8)	-27.3%
Recurring EBIT (*)	54	58	7.4%
Outstanding shares per end of period	124,780,270	124,788,430	
Weighted number of shares used for calculation	124,780,270	124,787,761	
Earnings per share (in Euro)	0.16	0.33	

(*) Recurring EBIT = Earnings before interest and taxes, and before restructuring charges, non-recurring items and other exceptional items

Evolution Agfa share price against BEL-20



Consolidated Balance Sheets (million Euro)

Non-audited, consolidated figures following IFRS/IAS valuation rules

ASSETS	FY 2006	3m 2007
Non-current assets	**1,407**	**1,370**
Intangible assets	856	850
Property, plant and equipment	455	440
Investments	29	23
Long-term loans receivable	65	56
Derivative financial instruments	2	1
Non-current assets classified as held for sale	**3**	**1**
Current assets	**2,071**	**2,128**
Inventories	624	705
Trade receivables	885	869
Other receivables and other assets	456	429
Cash and cash equivalents	85	95
Deferred charges	19	28
Derivative financial instruments	2	2
Deferred taxes	**351**	**341**
TOTAL ASSETS	**3,832**	**3,840**

EQUITY AND LIABILITIES		
Shareholder's equity	**933**	**971**
Capital stock of Agfa-Gevaert NV	140	140
Share premium of Agfa-Gevaert NV	109	109
Retained earnings	987	1,002
Reserves	(289)	(287)
Net income	15	41
Translation differences	(32)	(38)
Minority interest	3	4
Non-current liabilities	**1,269**	**1,328**
Liabilities for post-employment benefits	721	701
Liabilities for personnel commitments	30	29
Financial obligations > 1 year	445	521
Provisions > 1 year	72	75
Deferred income	1	2
Derivative financial instruments	-	-
Current liabilities	**1,517**	**1,441**
Financial obligations < 1 year	344	289
Trade payables	313	328
Deferred revenue and advance payments	87	106
Miscellaneous liabilities	341	275
Liabilities for personnel commitments	93	100
Provisions < 1 year	319	316
Deferred income	13	25
Derivative financial instruments	7	2
Deferred taxes	**113**	**100**
TOTAL EQUITY AND LIABILITIES	**3,832**	**3,840**

Consolidated Cash Flow Statements (million Euro)

Non-audited, consolidated figures following IFRS/IAS valuation rules

	Q1 2006	Q1 2007
Operating result	43	50
Current tax expense	(19)	(12)
Depreciation/Amortization and impairment losses	39	36
Changes in fair value of derivative financial instruments	(3)	0
Change in long-term provisions	(11)	(25)
Loss on divestiture	0	1
(Gains)/losses on retirement of non-current assets	(7)	(1)
Gross operating cash flow	**42**	**49**
Decrease (increase) in inventories	(61)	(84)
Decrease (increase) in trade receivables	13	13
Increase (decrease) in trade payables and deferred revenue	42	36
Change in short-term provisions	25	(2)
Change in other working capital	6	11
Changes in working capital	**25**	**(26)**
Net operating cash flow	**67**	**23**
Cash outflows for additions to intangible assets	(5)	(10)
Cash outflows for additions to property, plant and equipment	(18)	(13)
Cash inflows from disposals of property, plant and equipment	12	5
Cash inflows from disposals of assets held for sale	2	17
Cash inflows from divestiture	0	2
Cash inflows (outflows) for equity and debt instruments	2	18
Cash outflows for previous acquisitions	(53)	(38)
Interests and dividends received	2	3
Net cash provided by/(used in) investing activities	**(58)**	**(16)**
Prefinancing AgfaPhoto in respect of previous CI divestiture	(10)	(1)
Net issuances of debt	(56)	21
Interest paid	(5)	(7)
Other financial inflows/(outflows)	3	(9)
Net cash provided by/(used in) financing activities	**(68)**	**4**
Change in cash due to business activities	**(59)**	**11**
Change in cash due to changes in exchange rate	(2)	0
Total change in cash	**(61)**	**11**

Financial Calendar 2007 - 2008

Half year 2007 results	July 31, 2007
Third quarter 2007 results	October 31, 2007
Annual General Meeting	April 22, 2008

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