Reporting change IAS 19R as from 2013

Kris Hoornaert, CFO, February 6, 2013

Disclaimer

You are about to view a presentation regarding Agfa-Gevaert that contains time-sensitive information. The information contained therein is only current as of the date thereof. Agfa expressly disclaims any obligation to review, update or correct these materials after the date thereof. Agfa may update, amend, supplement or otherwise alter the information by subsequent presentations, reports, filings, or other means without notice.

Certain statements made in this presentation are “forward-looking statements,” which are subject to risks and uncertainties, and Agfa’s actual numbers may differ (possibly materially) from those indicated in such statements.

Reporting change 2013

- The revised standard IAS 19R - Employee Benefits - will be applicable as from 2013

- Main accounting changes:

  - Immediate recognition of post-employment benefits related actuarial gains and losses in equity: the corridor method, which allowed to defer the recognition of these expenses over multiple accounting periods, is no longer to be used

  - Change in recognition and measurement of pension expenses and their presentation in the income statement

- This change will have no impact on:

  - pension cash outflow
  - business flows
  - bank covenants

Elimination of corridor approach

Mio Euro	2011 Actuals as per December 31, 2011 IAS19	2012 Estimated as per December 31, 2012 IAS19	Pro forma 2012 Estimated as per December 31, 2012 IAS19R
Funded Status	(1091)	*(1169)*	*(1169)*
Net liability (on balance sheet)	(404)	*(402)*	*(1169)*
Unrecognised net (gain)/loss (off balance sheet)	687	*767*	*N.a.*
Equity	995	*978 (Q3 12)*	*211*

- The funded status is negatively impacted by lower discount rates, partly offset by an increase in value of plan assets
- The corridor approach is no longer to be used: unrecognised net loss reflected in equity as from 2013

Pension cost and cash outflow for 2012-2013

Mio Euro	2012 Estimated as per December 31, 2012 IAS19	2013 Estimated as per December 31, 2012 IAS19R
Pension Cost in Ebit	18	19
Net interest cost	74	41
Total pension cost	**92**	**60**
Pension cash outflow	**93**	**93**

- Total pension cost decreases in 2013 due to IAS19R
- Pension cash outflow stable - not driven by IAS19R
- Pension cash outflow for the inactives = about 75 mio Euro

AGFA Agfa

Evolution pension situation

Mio Euro	2009	2010	2011	2012 Est.
Pension cash outflow	88	92	88	*93*
Funded status	(960)	(949)	(1091)	*(1169)*
Discount rate	5.3%	5.0%	4.7%	*3.7%*

- Pension cash outflow relatively stable
- Funded status fluctuates, mainly driven by change in discount rates and by a change in plan assets

Summary

- Impact of IAS19R :

		Impact	Why
Balance Sheet 2013	Equity	Negative	immediate recognition of previously deferred actuarial gains/losses in equity
Balance Sheet As from 2013	Equity	Positive/ Negative	immediate recognition of future actuarial gains/losses in equity
P&L As from 2013	Pension Cost	Positive	decrease in pension cost mainly driven by removing the amortization of deferred actuarial gains/losses

- No impact on cash flow, business flows and bank covenants