

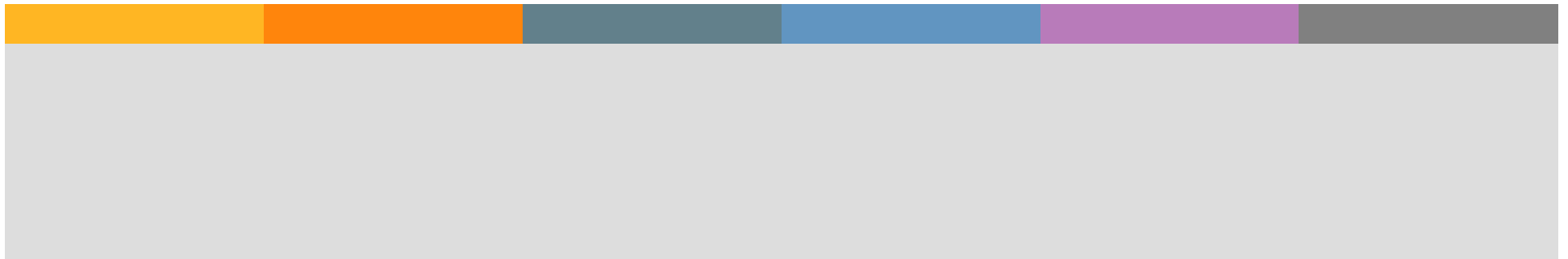
# Agfa-Gevaert Group

## Business Overview and Results 2007

Analyst and Investor Meetings



# Q4 & Full Year Results 2007



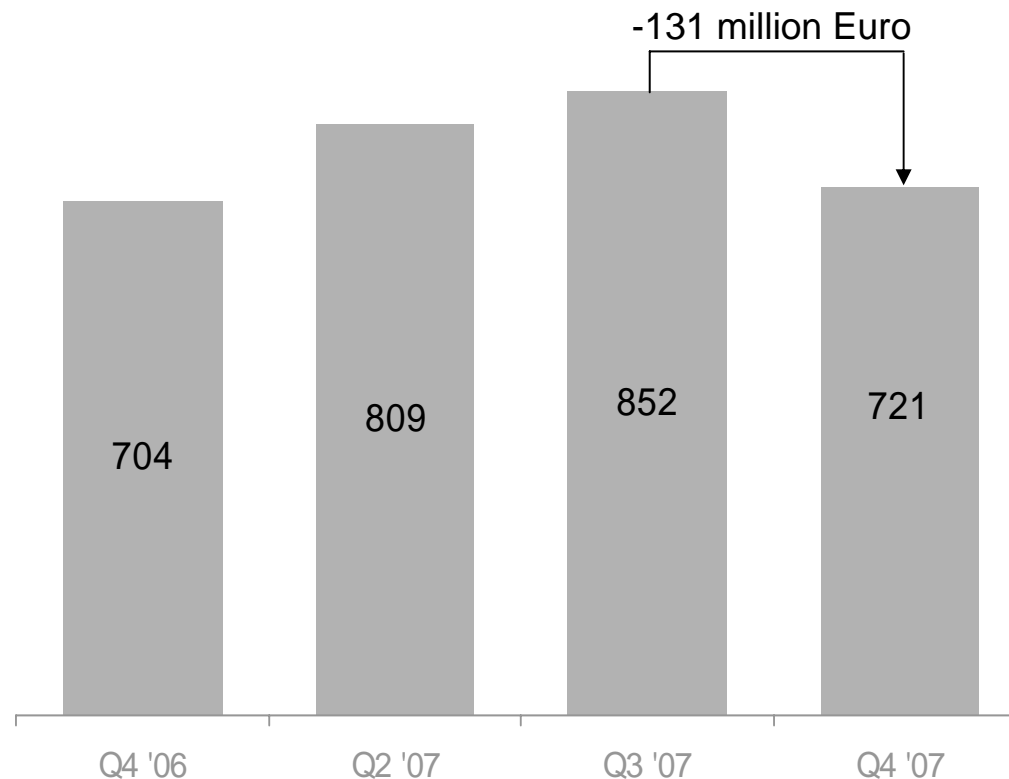
# Profit & Loss: Key Figures (in million Euro)

	Q4 '06	Q4 '07	% change (excl. curr.)	FY '06	FY '07	% change (excl. curr.)
Sales	927	<b>864</b>	-6.8% (-3.2%)	3,401	<b>3,283</b>	-3.5% (-0.5%)
Gross profit*	342	<b>291</b>	-14.9%	1,299	<b>1,158</b>	-10.9%
as a % of sales	36.9%	<b>33.7%</b>		38.2%	<b>35.3%</b>	
R&D	-50	<b>-50</b>	0.0%	-193	<b>-191</b>	-1.0%
SG&A*	-218	<b>-197</b>	-9.6%	-832	<b>-766</b>	-7.9%
as a % of sales	23.5%	<b>22.8%</b>		24.5%	<b>23.3%</b>	
Other operating items*	6	<b>16</b>	166.7%	-18	<b>-6</b>	-66.7%
Recurring EBITDA*	117	<b>92</b>	-21.4%	408	<b>340</b>	-16.7%
as a % of sales	12.6%	<b>10.6%</b>		12.0%	<b>10.4%</b>	
Recurring EBIT*	80	<b>59</b>	-26.3%	256	<b>197</b>	-23.0%
as a % of sales	8.6%	<b>6.8%</b>		7.5%	<b>6.0%</b>	

\* Before restructuring charges and non-recurring items.

- ➔ Sales significantly affected by strong Euro
- ➔ High raw material costs (+9 million Euro in Q4, +84 million Euro in full year)
- ➔ Continued reduction of SG&A costs

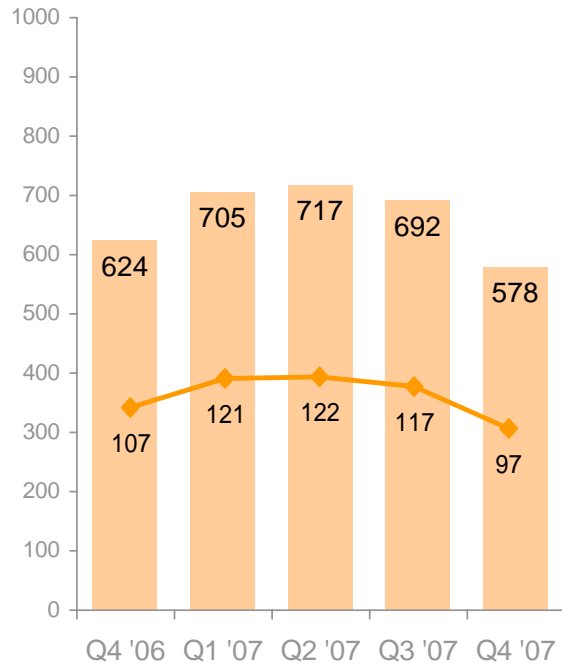
# Net Financial Debt (in million Euro)



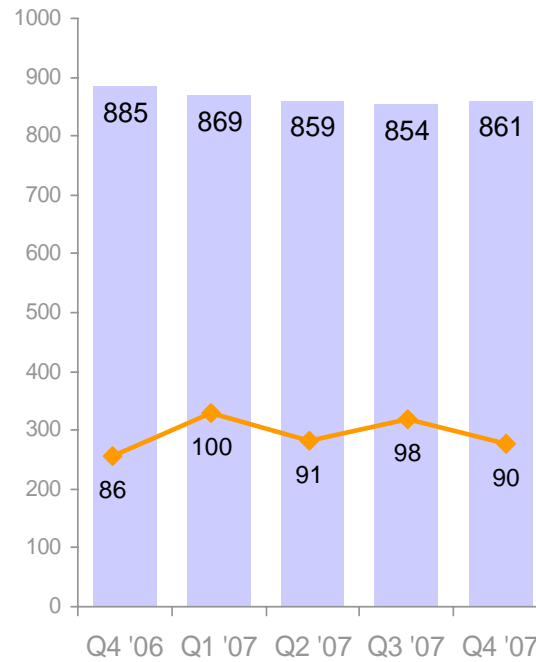
➔ Target to decrease net financial debt by 75-100 million Euro exceeded, driven by operating result and a major improvement of working capital

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

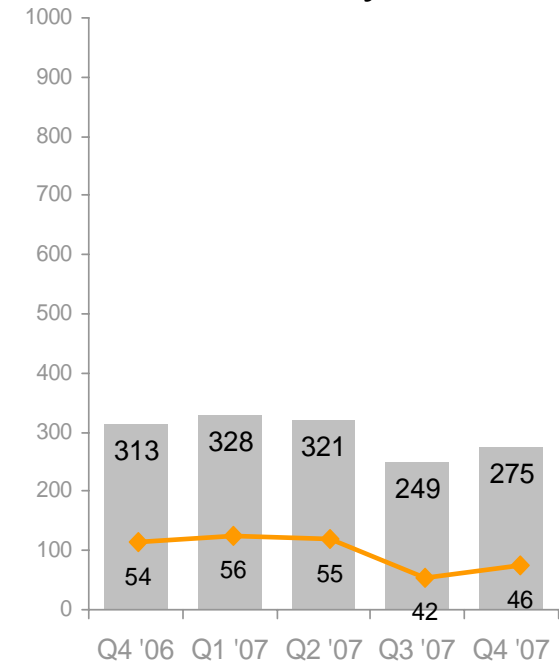
## Inventories



## Trade Receivables



## Trade Payables



➔ Strong improvement of working capital, mainly driven by inventory reduction in Graphics

# Main Drivers behind Key Figures

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## Q4

- Sales impacted by strong Euro (all business groups) and economic slowdown in USA (Graphics)
- Net financial debt 131 million Euro lower, exceeding target
- Substantial reduction of working capital
- Significant negative impact of raw materials (9 million Euro)


## FY 2007

- Sales impacted by strong Euro (all business groups)
- Significant negative impact of raw materials (84 million Euro)
- Cost savings plan on track

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

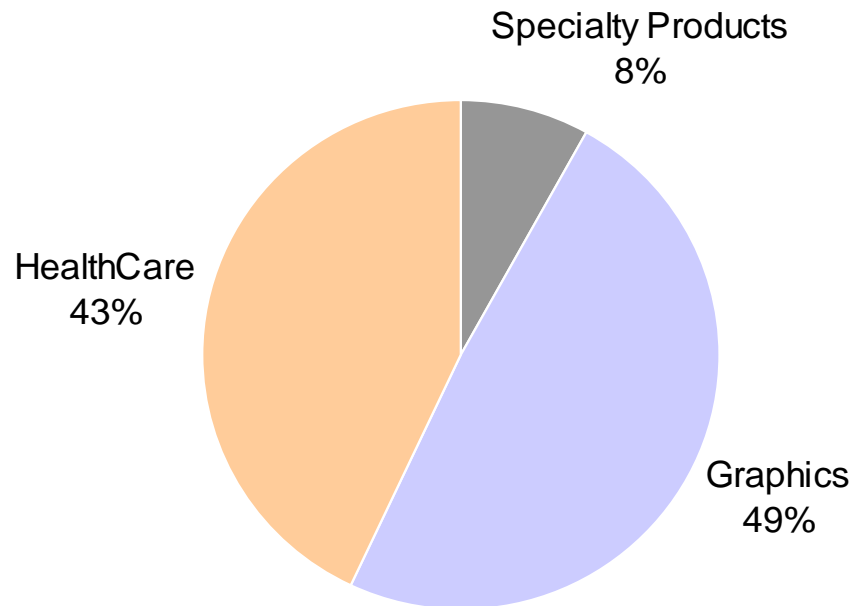
	Q4 '06	Q4 '07	% change	FY '06	FY '07	% change
Recurring EBIT*	80	<b>59</b>	-26.3%	256	<b>197</b>	-23.0%
Restructuring and non-recurring	-122	<b>-33</b>		-191	<b>-72</b>	
Operating result	-42	<b>26</b>		65	<b>125</b>	92.3%
Non-operating result	-15	<b>-18</b>		-64	<b>-63</b>	
Profit before taxes	-57	<b>8</b>		1	<b>62</b>	x62
Taxes and minority interest	32	<b>-35</b>		14	<b>-20</b>	
Net result	-25	<b>-27</b>		15	<b>42</b>	x2.8

\* Before restructuring charges and non-recurring items.

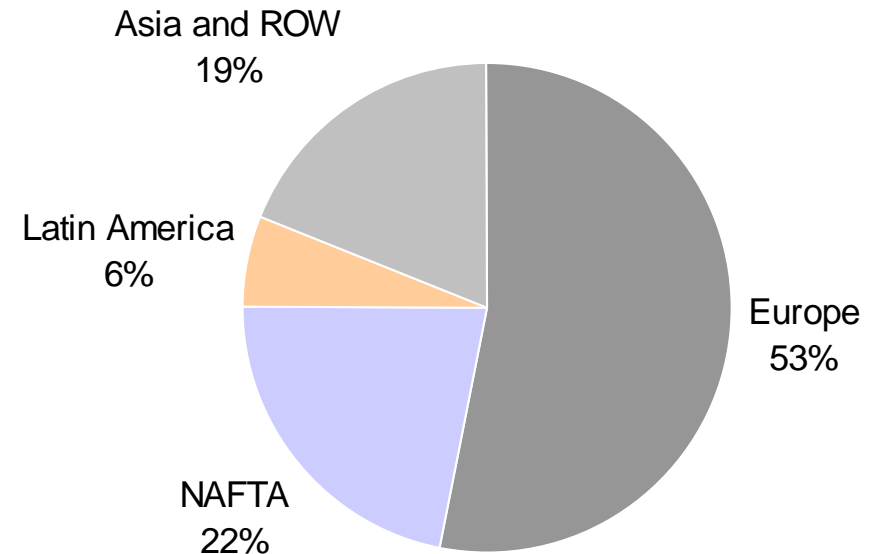
 EPS of 34 Eurocent

# Agfa Group: 2007 Sales

Split per Business Group (YTD)



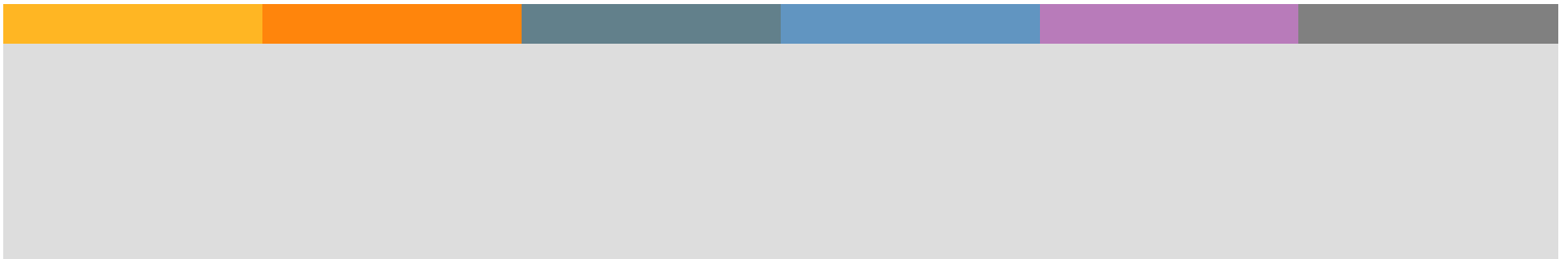
By Region (YTD)



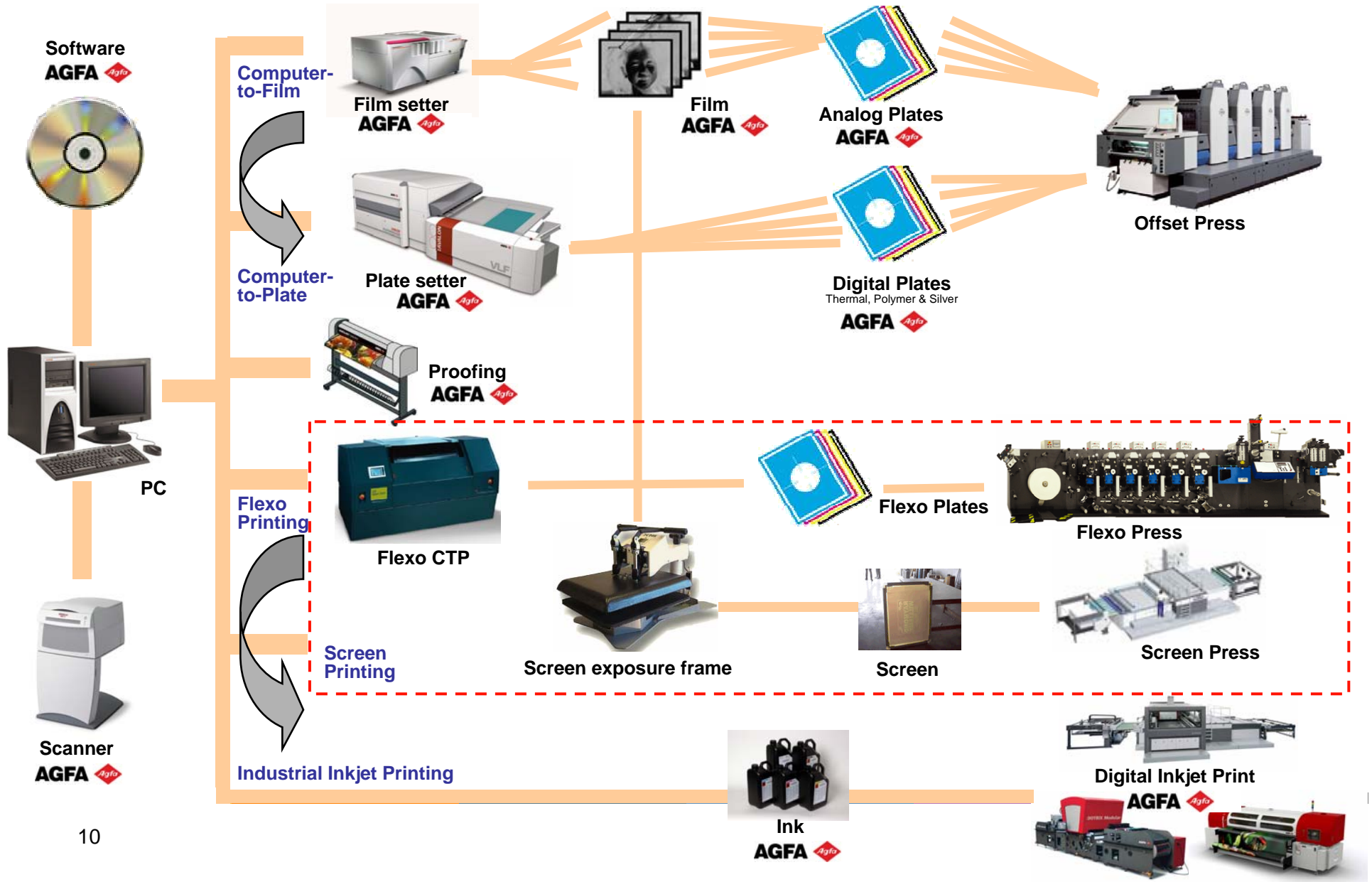
- ➡ Two strong business groups and a smaller niche business
- ➡ Half of sales in Europe; strong presence in North America and Asia (excl. Japan)



# Agfa Graphics

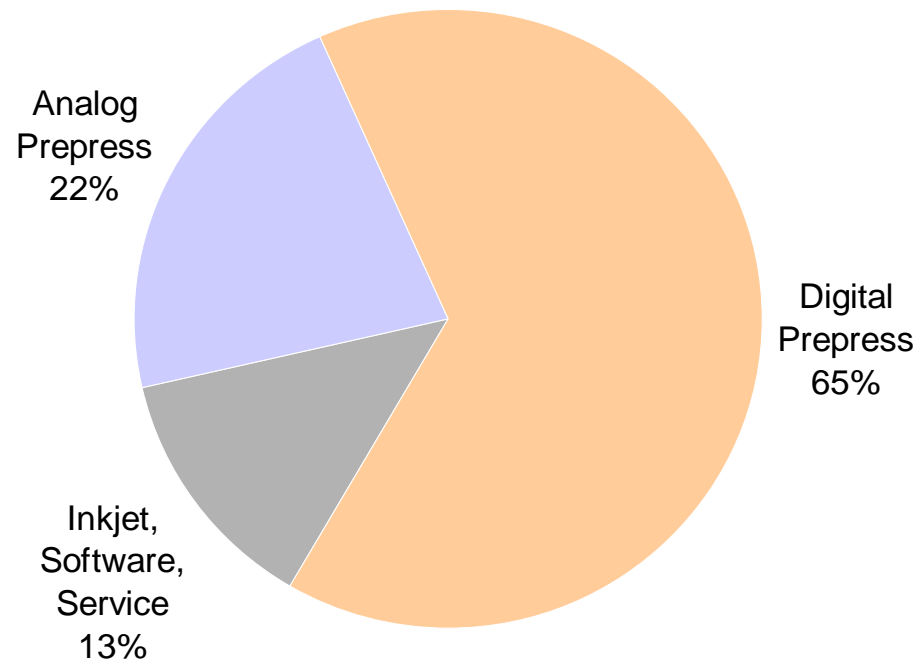


# Graphics: Product Portfolio



# Graphics: FY'07 Sales per Business Segment

100% = 1,617 million Euro



# Graphics: Key Figures (in million Euro)

	Q4 '06	Q4 '07	% change (excl. curr.)	FY '06	FY '07	% change (excl. curr.)
Sales	444	<b>416</b>	-6.3% (-2.8%)	1,712	<b>1,617</b>	-5.6% (-2.7%)
Gross profit*	139	<b>118</b>	-15.1%	561	<b>499</b>	-11.0%
as a % of sales	31.3%	<b>28.4%</b>		32.7%	<b>30.9%</b>	
R&D	-21	<b>-19</b>	-9.5%	-77	<b>-79</b>	2.6%
SG&A*	-103	<b>-91</b>	-11.3%	-399	<b>-356</b>	-10.8%
as a % of sales	23.3%	<b>22.1%</b>		23.3%	<b>22.0%</b>	
Other operating items*	3	<b>7</b>	133.3%	-12	<b>-3</b>	
Recurring EBITDA*	33.7	<b>29.5</b>	-12.5%	140.6	<b>123.6</b>	-12.1%
as a % of sales	7.6%	<b>7.1%</b>		8.2%	<b>7.6%</b>	
Recurring EBIT*	17.7	<b>14.5</b>	-18.1%	72.6	<b>60.6</b>	-16.5%
as a % of sales	4.0%	<b>3.5%</b>		4.2%	<b>3.8%</b>	

\* Before restructuring charges and non-recurring items

# Graphics: Main Drivers behind Key Figures

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## Q4

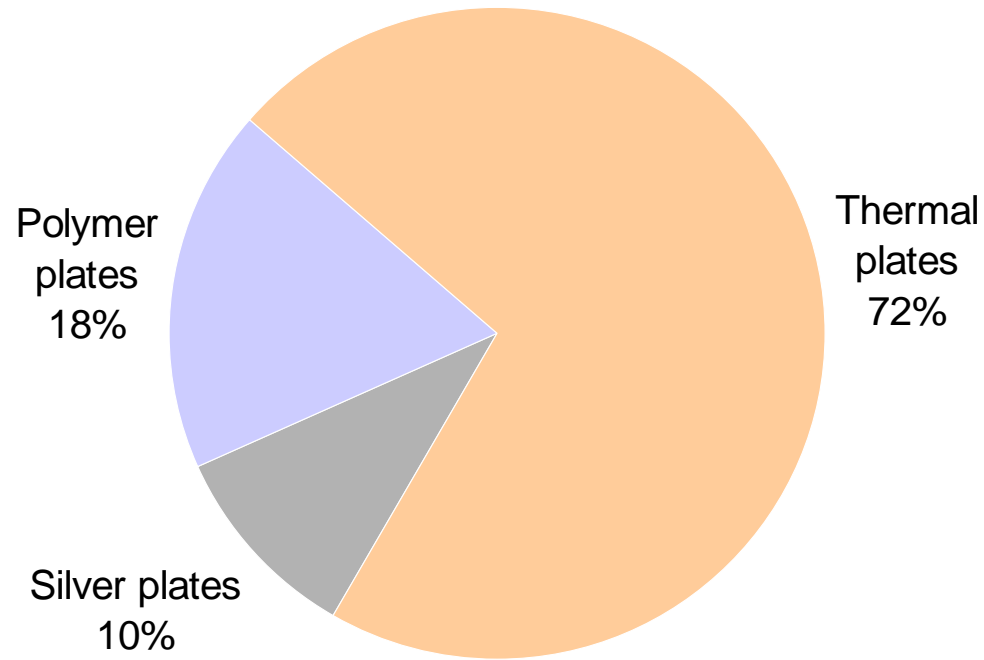
- Sales decrease due to slowdown in USA, decline analog prepress and price competition
- Recurring EBIT significantly impacted by 8 million Euro higher raw material costs, the effect of inventory reduction and inkjet losses
- Substantial cash generation due to lower working capital (inventory reduction)

## FY 2007

- Sales impacted by strong Euro, economic slowdown in USA and accelerated decline of analog prepress market
- Strict implementation of cost savings plan
- EBIT significantly impacted by 69 million Euro higher raw material costs
- Prepress EBIT margin stable at approx. 7% of sales
- Very high start-up losses of inkjet of approx. 50 million Euro

# Graphics: Market Split of Digital Plates

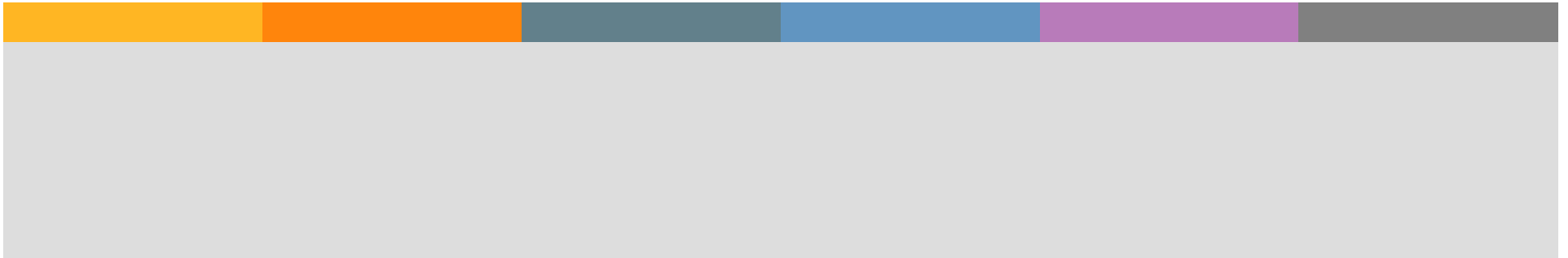
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# Graphics: Strategy and Objectives

- **Prepress**
  - Total solution provider, offering a full range of printing plates, equipment, software and service, based on technical innovation
  - Stable sales (at constant exchange rates) in a mature market
  - Grow in digital plates building on technology edge in high quality innovative plates
  - Efficiency improvement and transition to digital plate production in existing facilities in Europe, US and China
  - Manage analog prepress for cash
  - EBIT margin of approx. 7%
- **Inkjet**
  - Play a leading role in industrial inkjet through own product development and partnerships
  - Focus in 2008 on sales of first generation of inkjet products
  - Break even in 2009 through revenue growth and cost savings of approx. 30 million Euro
  - Reach 10% market share in 2010
- **Cost savings program**
  - Closure of Wilmington (US) production site to outsource manufacturing of all CtP equipment
  - Immediate adaptation of cost structure in inkjet in 2008
  - Increase efficiency of services
  - Further SG&A reduction
  - Continued focus on working capital improvement

# Agfa HealthCare





# HealthCare: Portfolio

## Radiology Solutions

### → Build on radiology

- **Conventional:**
  - Classic film
  - Hardcopy
- **CR/DR**

Provide image acquisition solutions & imaging information systems and services

**Benefiting from depth of expertise in imaging**

## Departmental Solutions

### → Extend beyond radiology

- **Image treatment**
  - PACS
  - Cardio

Provide image management and information systems & services

**Target image-intensive departments that are going digital, e.g. cardiology, orthopedic surgery, ...**

## Enterprise Solutions

### → Establish position as global leader

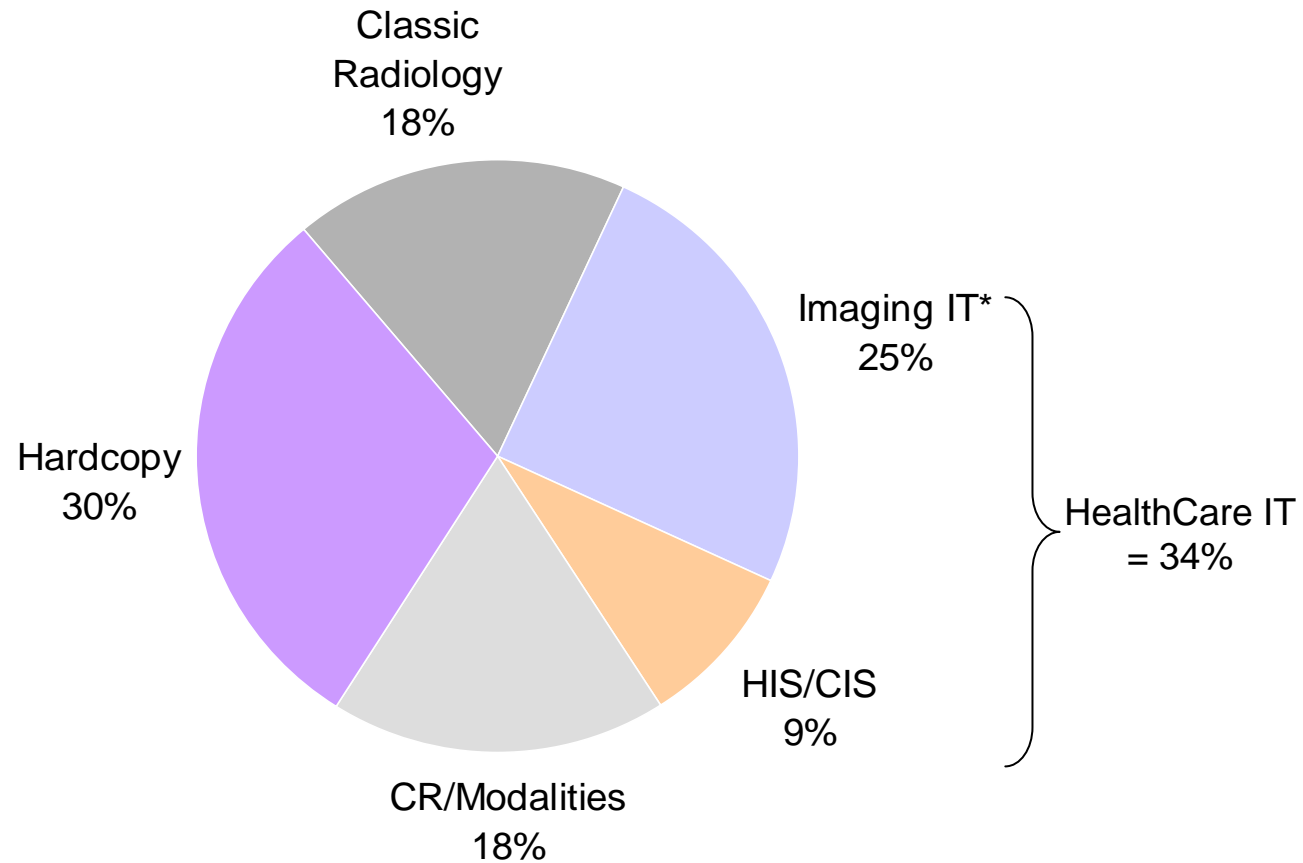
- **HIS/CIS**

Provide community-wide systems & services, Clinical Information Systems, EPR and healthcare management consulting

**Consolidate the heavily fragmented market, target healthcare senior management building on highly developed Imaging & IT know-how**

Agfa HealthCare's growth strategy is proactively aligned with evolving customer needs

# HealthCare: FY'07 Sales per Business Segment



\* Includes Radiology and Cardiology IT

# HealthCare: Key Figures (in million Euro)

	Q4 '06	Q4 '07	% change (excl. curr.)	FY '06	FY '07	% change (excl. curr.)
Sales	425	<b>374</b>	-12.0% (-8.1%)	1,452	<b>1,392</b>	-4.1% (-0.8%)
Gross profit	190	<b>159</b>	-16.3%	668	<b>594</b>	-11.1%
as a % of sales	44.8%	<b>42.5%</b>		46.0%	<b>42.7%</b>	
R&D	-28	<b>-29</b>	3.6%	-111	<b>-106</b>	-4.5%
SG&A*	-107	<b>-97</b>	-9.4%	-401	<b>-377</b>	-6.0%
as a % of sales	25.1%	<b>25.9%</b>		27.6%	<b>27.1%</b>	
Other operating items*	5	<b>6</b>	20.0%	5	<b>-5</b>	-200.0%
Recurring EBITDA*	80.3	<b>54.9</b>	-31.6%	239.4	<b>179.6</b>	-25.0%
as a % of sales	18.9%	<b>14.7%</b>		16.5%	<b>12.9%</b>	
Recurring EBIT*	60.3	<b>38.9</b>	-35.5%	161.4	<b>105.6</b>	-34.6%
as a % of sales	14.2%	<b>10.4%</b>		11.1%	<b>7.6%</b>	

\* Before restructuring charges and non-recurring items

# HealthCare: Main Drivers behind Key Figures

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## Q4

- Change in commercial policy to soften quarterly peaks and improve profitability
- Continued market driven fall in highly profitable film and hardcopy
- PACS sales slowed down due to anticipation of new release with additional features
- Cardiology roll-out in Europe moved to 2008
- Impact of Deficit Reduction Act in USA for Imaging and Imaging IT products
- Focus of ORBIS on marketing and development in countries where investments were already made

## FY 2007

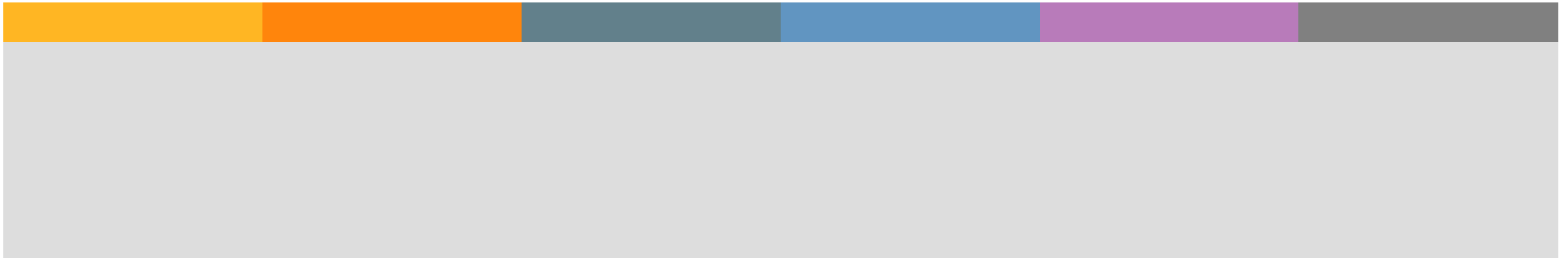
- Sales slightly decreasing due to weak Q4
- Strong Euro impacting sales and EBIT
- EBIT affected by raw material costs (8 million Euro) and unfavorable mix effects
- High level of SG&A
- Exceptional elements in Q3

# HealthCare: Strategy and Objectives

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- Growth in digital sales (IT and CR) will not completely compensate the decline in the traditional film segments in 2008
- Imaging
  - Grow market share in hardcopy
  - Grow CR business also in emerging markets
  - Streamline portfolio and costs
- IT
  - Grow PACS also in emerging markets
  - Grow Cardio in Europe
  - Build on HIS/CIS in selected markets
- Cost savings program
  - Adjust cost structure
  - Prioritize R&D and portfolio
  - Optimize service operations

# Agfa Materials



# Materials: Pro Forma Sales

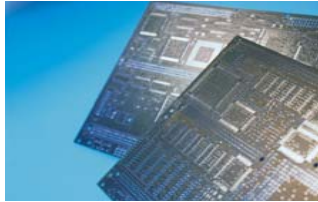
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(in million Euro)	<b>FY '06</b>	<b>FY '07</b>
Internal sales	548	479
Specialty Products	237	274
<b>TOTAL</b>	<b>785</b>	<b>753</b>

# Specialty Products: Product Portfolio

- Major film applications:

Printed Circuit Boards, Non-Destructive Testing, Specialty Foils and Cine  
83% of revenues: cash generating and growing markets



- Specialist film applications:

Aerial, Micro  
6% of revenues: cash generating mature markets



- New specialty foil applications:

Identification & Security, Advanced Materials, Synthetic Paper, Membranes  
11% of revenues: new and rapidly growing markets





# Specialty Products: Key Figures (in million Euro)

	Q4 '06	Q4 '07	% change (excl. curr.)	FY '06	FY '07	% change (excl. curr.)
Sales	58	<b>74</b>	27.6% (30.0%)	237	<b>274</b>	15.6% (17.3%)
Gross profit	13	<b>14</b>	7.7%	70	<b>67</b>	-4.3%
as a % of sales	21.7%	<b>18.9%</b>		29.6%	<b>24.5%</b>	
R&D	-2	<b>-2</b>	0.0%	-5	<b>-6</b>	20.0%
SG&A*	-8	<b>-9</b>	12.5%	-29	<b>-31</b>	6.9%
as a % of sales	13.1%	<b>12.2%</b>		12.3%	<b>11.3%</b>	
Other operating items*	2	<b>4</b>	100.0%	3	<b>5</b>	66.7%
Recurring EBITDA*	5.6	<b>9.2</b>	64.3%	45.3	<b>41.2</b>	-9.1%
as a % of sales	9.7%	<b>12.4%</b>		19.1%	<b>15.0%</b>	
Recurring EBIT*	4.6	<b>7.2</b>	56.5%	39.3	<b>35.2</b>	-10.4%
as a % of sales	7.9%	<b>9.7%</b>		16.6%	<b>12.9%</b>	

\* Before restructuring charges and non-recurring items

# Specialty Products: Main Drivers behind Key Figures

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## Q4

- Sales increase driven by Specialty Foils and Security & Identification (Moroccan ID cards project)

## FY 2007

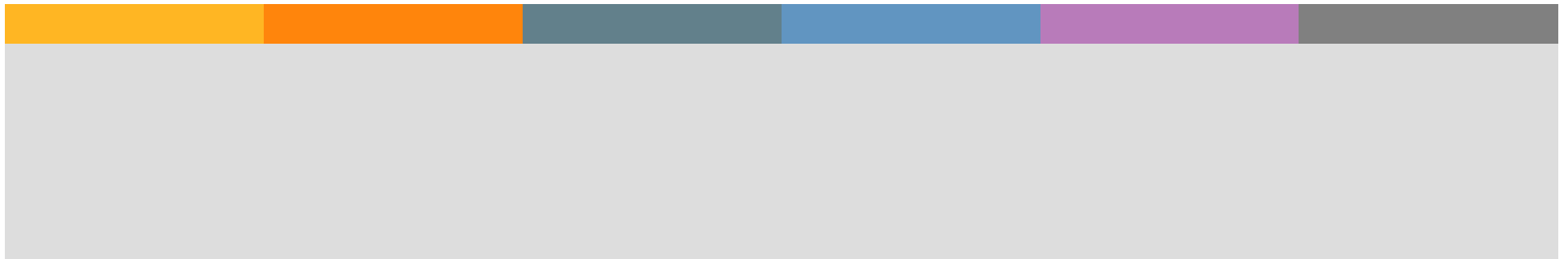
- Impact of raw materials in 2007 was 7 million Euro, partly compensated by price increases
- EBIT impacted by negative mix effect

# Materials: Strategy and Objectives

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- Cost leadership and operational excellence in film manufacturing enabling Materials to be the film market consolidator
- Market volume decline of  $\pm 10\%$  per year in traditional segment expected
- New activities in markets which can benefit from existing know-how and infrastructure, e.g. electronic ID cards, synthetic paper (market of 600 million Euro), membranes (market of 9 billion euro), foils for LCD displays

# Corporate Actions

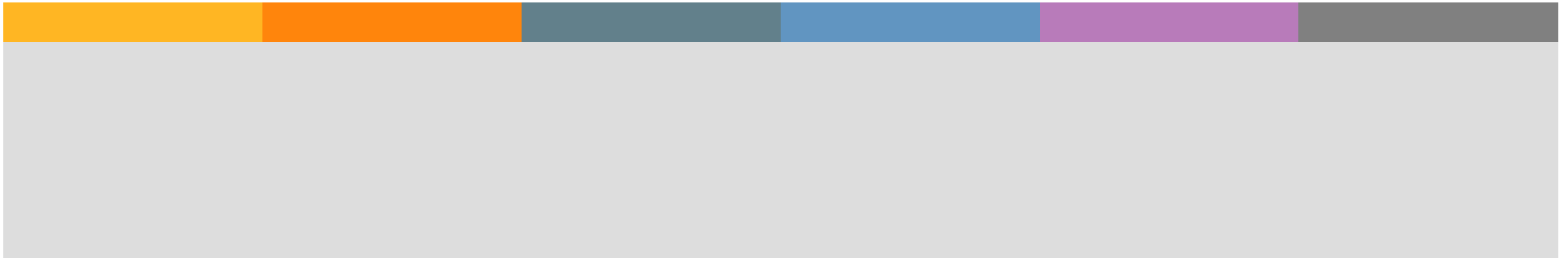


# Update on Corporate Actions

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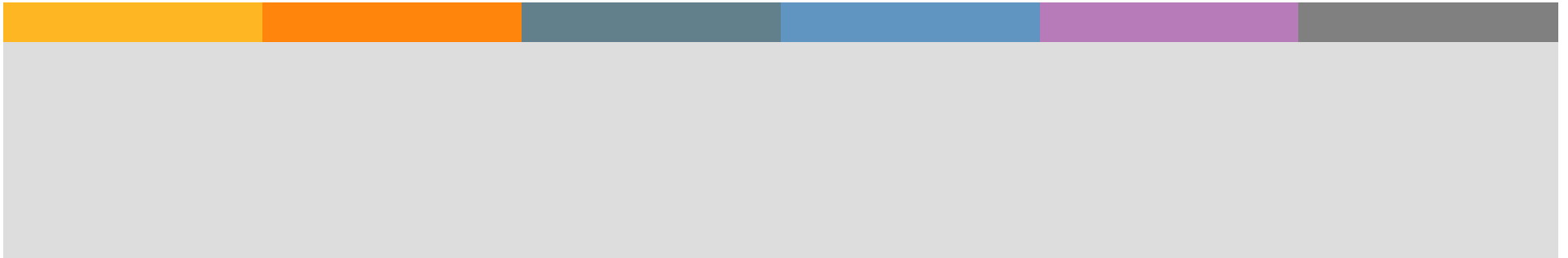
- Focus on cash generation and SG&A reduction to improve the company's profitability
- Program launched to reduce cost of purchased goods and services by 50 million Euro (on a run rate basis) progressively over 2008
- SG&A in HealthCare to be reduced by 5 points from present 27% level. First step in HealthCare Belgium: savings of approx. 12 million Euro on a run rate basis
- Savings in inkjet: approx. 30 million Euro on a run rate basis

# Questions & Answers



# BACK UP

## Update on AgfaPhoto



# Update on AgfaPhoto

- In July 2007, Agfa and AgfaPhoto Holding submitted their dispute over the purchase price to an expert dispute resolution proceeding
  - The independent accounting expert, Ernst & Young Ltd., has set the final purchase price at 81 million Euro
- The dispute with the acquirer of the business, AgfaPhoto Holding GmbH, on the trademark has been resolved
  - Agfa initiated an arbitration procedure (ICC) against AgfaPhoto Holding with regard to the Trademark License Agreement and its termination
  - The majority of the court did not uphold, despite the strong dissent of one of the three arbitrators, Agfa's decision to terminate the Trademark License Agreement on October 1st, 2005
  - A court ruling regarding the financial compensation claims from AgfaPhoto Holding is not expected before early 2009
- Disputes ongoing with
  - former employees and former customers -> the divestiture was done strictly in accordance with applicable laws and regulations; provisions have been taken
  - the buyer and the insolvency receiver of AgfaPhoto GmbH -> these claims are without merit.