

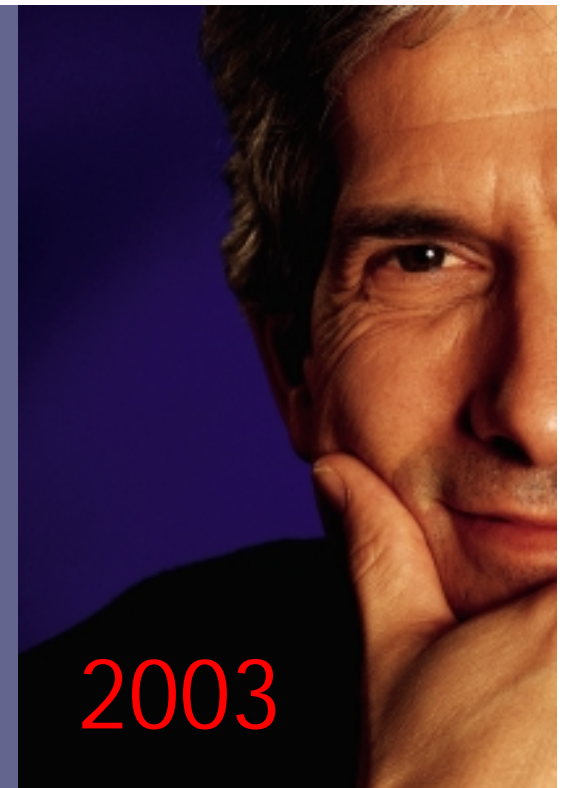


Half year results 2003

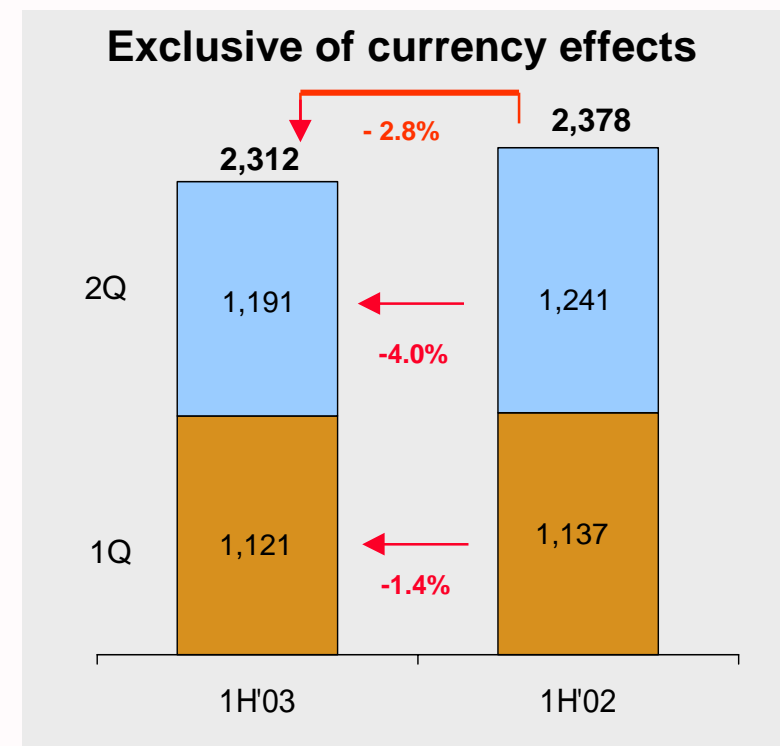
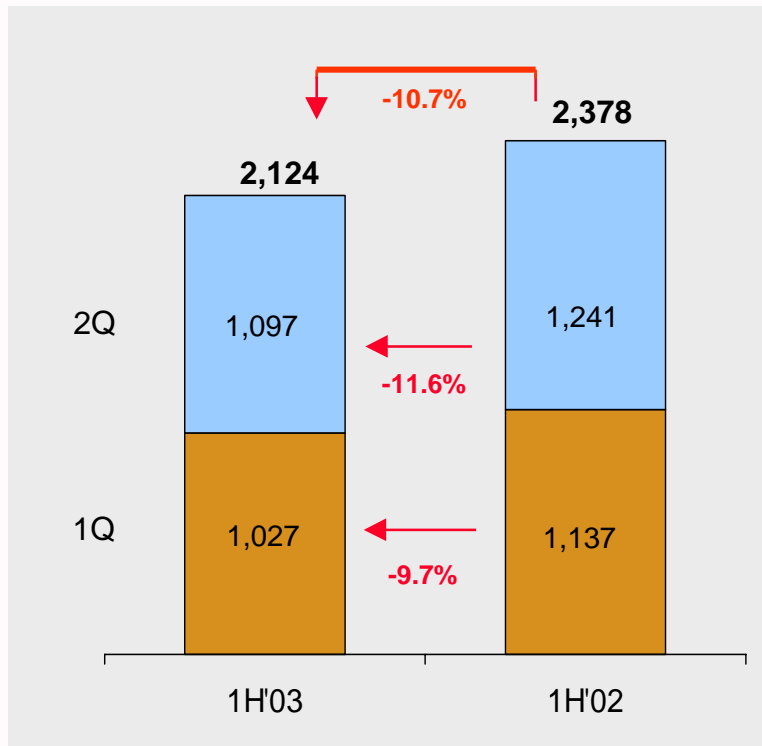
Ludo Verhoeven

Press Conference

August 21st 2003



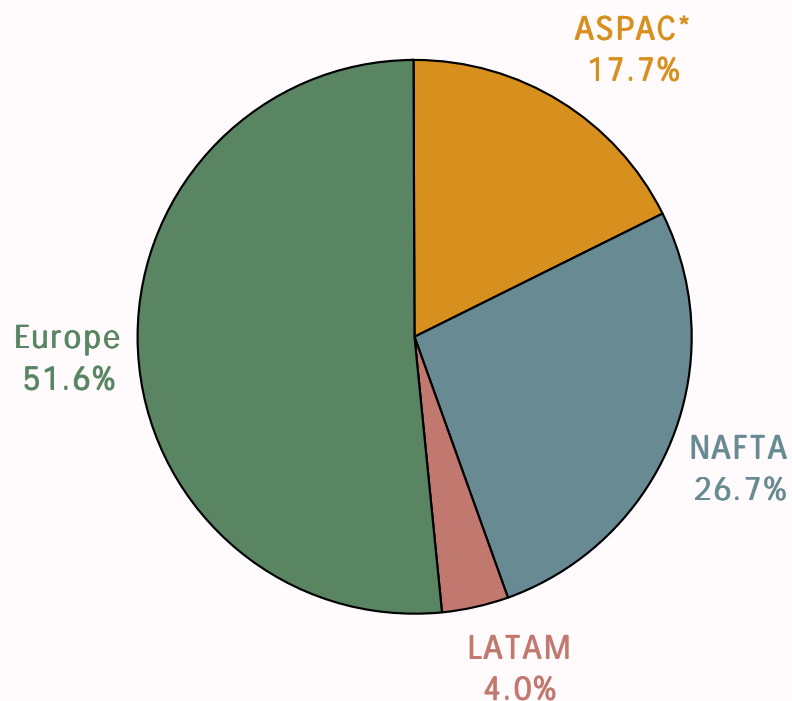
Trends in turnover (in mio Euros)



➡ A continuous large currency impact.

➡ Excluding currency effects, y-o-y sales somewhat weaker in Q2 than in Q1.

Sales per region (YTD June 2003)



* Including Africa

Δ on previous year, excl. currency effect:

- Europe -6.5%
- Nafta +0.2%
- Aspac* +0%
- Latam +11.8%

P&L: Key figures (in mio Euros)

	Q1 '03	Q2 '03	Q2 '02	H1'03	H1'02
Sales	1,027	1,097	1,241	2,124	2,378
COGS	576	636	707	1,212	1,351
Gross profit	451	461	534	912	1,027
Gross profit margin	43.9%	42.0%	43.0%	42.9%	43.2%

➡ Gross profit margin remains at high level.

➡ The beneficial impact of the Horizon plan and lower raw material costs were compensated by adverse currency and price effects.

P&L: Key figures (in mio Euros)

	Q1 '03	Q2 '03	Q2'02	H1'03	H1'02
Gross profit	451	461	534	912	1,027
SG&A	273	272	299	545	601
R&D	58	61	60	119	122
Other operating expenses of which:	35	24	67	59	118
- goodwill	10	10	27*	20	40*
- restructuring and non-recurring	8	14	29	22	54
Operating result	85	104	108	189	186
Return on sales	8.3%	9.5%	8.7%	8.9%	7.8%

* Including an impairment of 14.5 mio Euros for Talk Technology

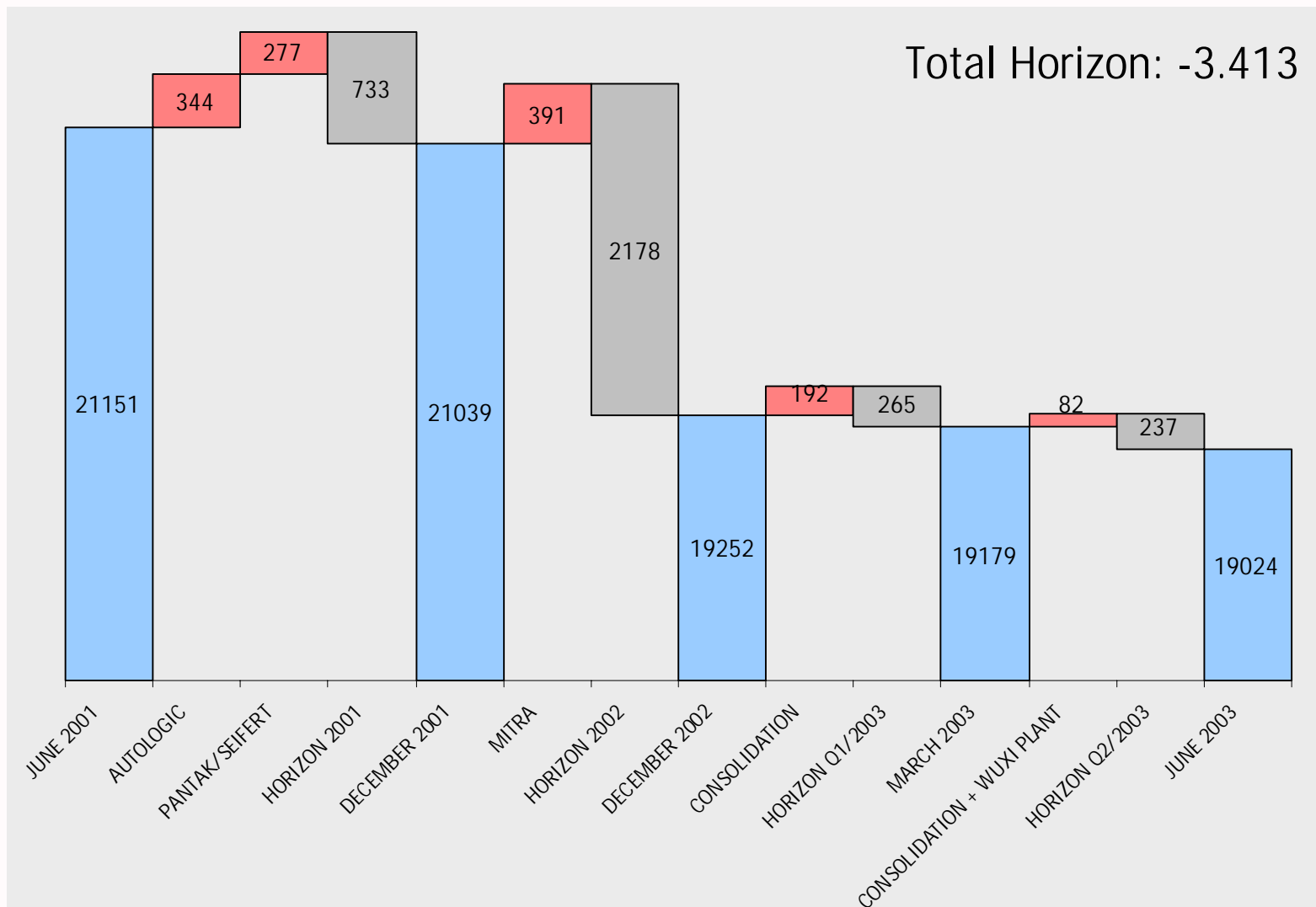


SG&A expenses decrease 9% thanks to Horizon.



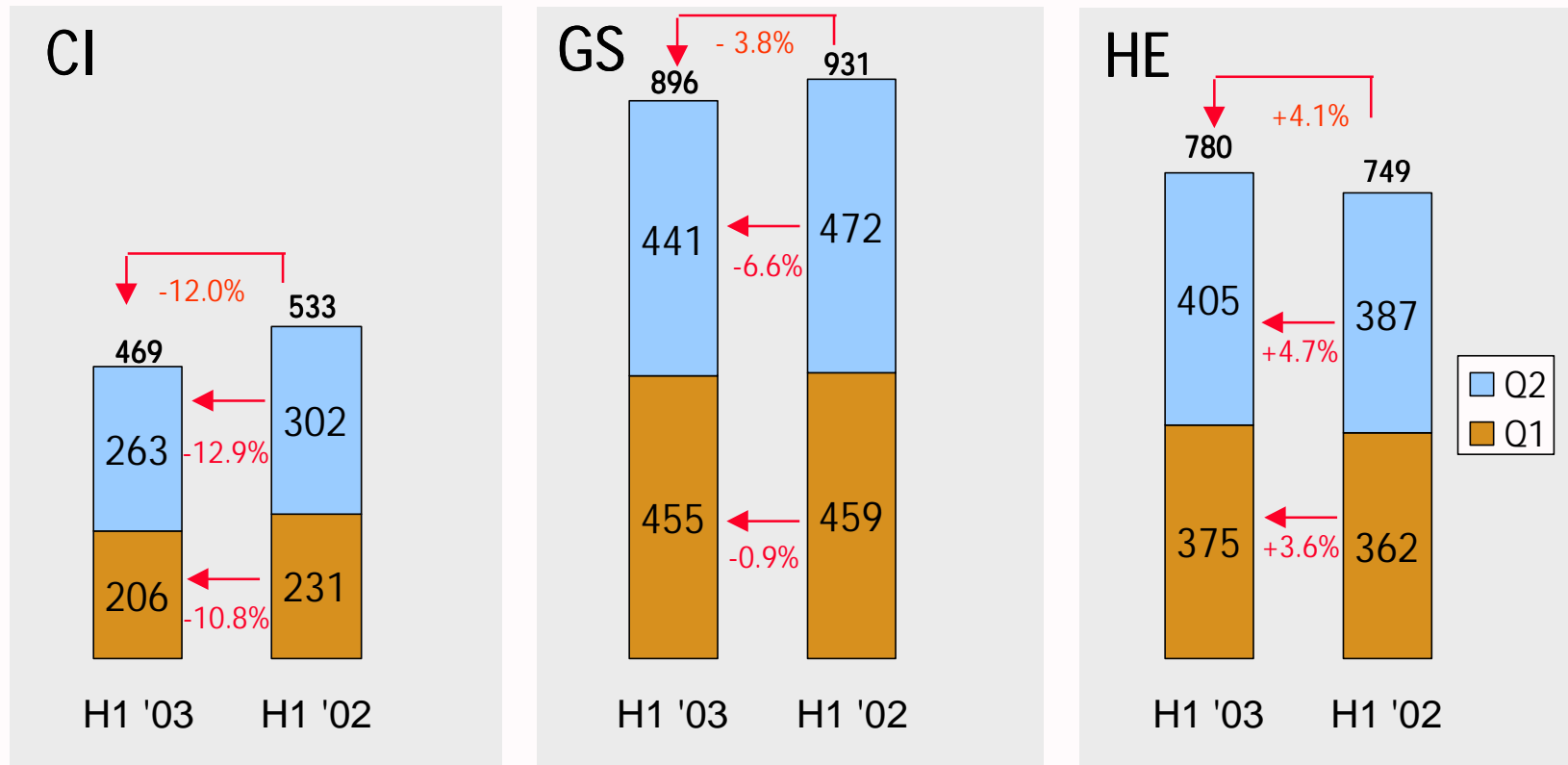
Return on sales improves to 9.5% in spite of difficult economic circumstances and adverse currency effects.

Horizon: Staff levels (FTEs)



Sales trends per business group

(excl. currency effects)



➡ Continuous weakness in CI, Graphics markets still depressed, strong growth in HealthCare.

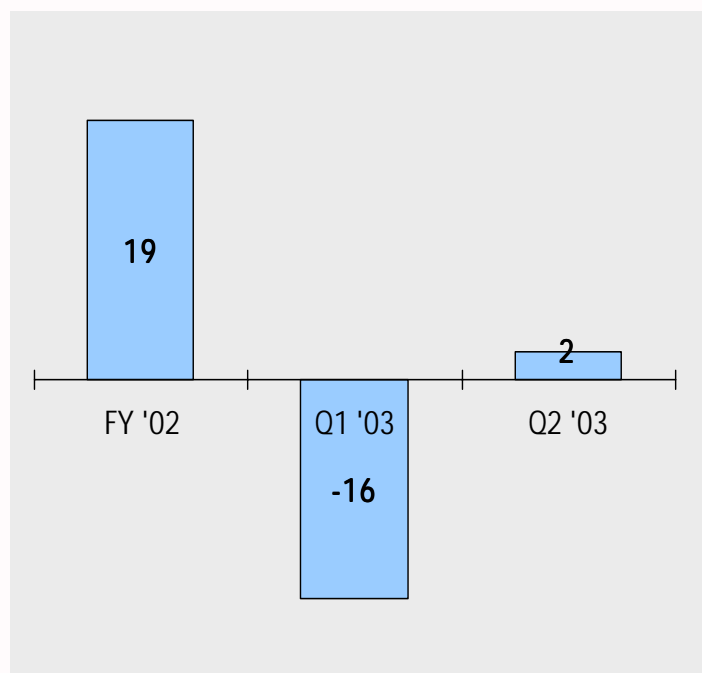
Consumer Imaging: Key figures (in mio Euros)

	Q1 '03	Q2 '03	Q2 '02	H1 '03	H1 '02
Sales	192	250	302	442	533
		▲	-17.2%	▲	-17.1%
Sales exc. currency effect	206	263	302	469	533
		▲	-12.9%	▲	-12.0%
Operating result*	-21.4	-3.5	23.2	-24.9	24.7
Return on sales	-11.1%	-1.4%	7.7%	-5.6%	4.6%

* Including restructuring and non-recurring charges of 1.0 mio in Q1 and 8.2 mio in Q2 of 2003, versus 1.6 mio and 5.8 mio in the same period of last year.

- ➡ Persistent weakness of markets.
- ➡ Seasonally higher sales explain improvement of operating result.

Consumer Imaging: Gross operational cash flow (in mio Euros)

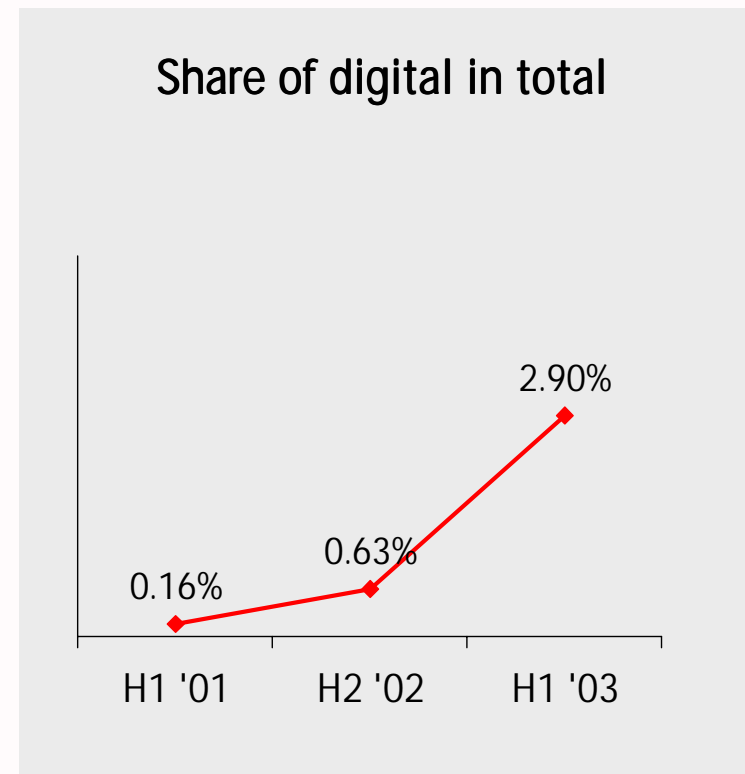
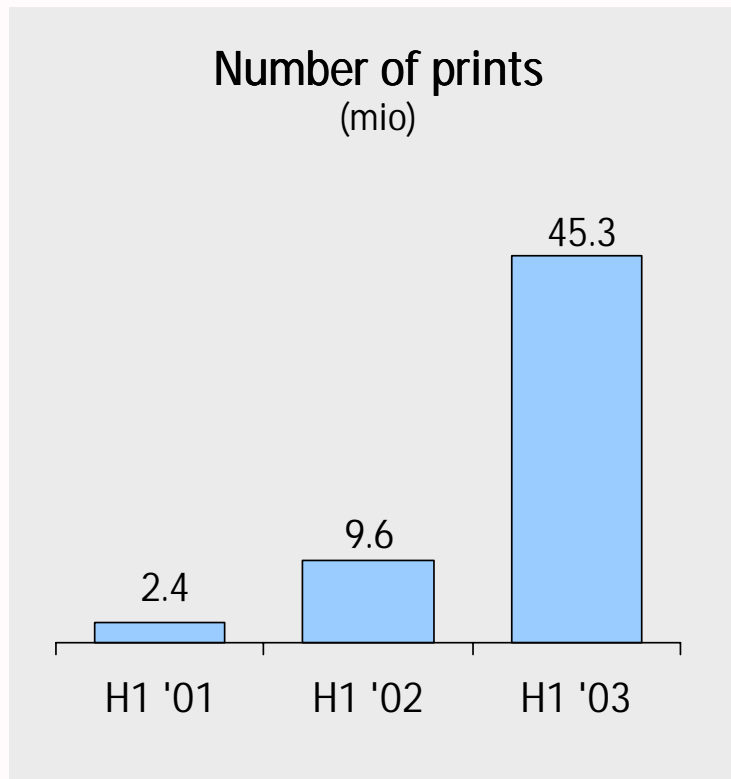


➡ Cash drain stopped in Q2.

Market trends in Consumer Imaging

	<u>Short term</u>	<u>Mid-long term</u>
Lab Equipment	- Cyclical	+ Technology-driven replacement market; early life cycle. Completion of Agfa product range.
Film	- Cyclical	- Transition to digital (-5% per annum)
Finishing	- Cyclical	± Decrease of analogue prints compensated by increasing number of digital prints -> stable in coming years.

Digital printing is rapidly increasing: the CEWE-color case



Source : press release of CEWE-color

Consumer Imaging: a profitable, cash generating business

- Cost savings : ± 100 mio Euros

- Production
- R&D
- Sales expenses
- Overheads

- Restructuring charges :

- 2003 : ± 50 mio Euros, of which 8 mio were booked in Q2.

- Headcount reductions :

- 2004 : ± 750 FTE's
- next years : in function of prevailing market conditions

- Non-recurring income :

- 2003 or 2004 : ± 20 mio Euros

➡ Agfa remains fully committed to the Consumer Imaging business and is determined to make it a cash generating, profitable business.

Graphic Systems: Key figures (in mio Euros)

	Q1 '03	Q2 '03	Q2 '02	H1 '03	H1 '02
Sales	417	405	472	822	931
Sales exc. currency effect	455	441	472	896	931
Operating result*	33.9	27.1	26.2	61.0	55.7
Return on sales	8.1%	6.7%	5.6%	7.4%	6.0%

* Including restructuring charges of 2.4 mio and 3.6 mio Euros in Q1 and Q2 of 2003 and 6.5 mio and 12.8 mio Euros in the corresponding quarters of last year.

- ➡ In spite of difficult economic market circumstances, 2003 profitability improved compared to last year.
- ➡ Margin drop in Q2 explained by additional weakness in the graphic markets in Europe.



Graphic Systems: Status and priorities

STATUS

- Very strong market positions in pre-press for newspapers, commercial and packaging printing
- The only supplier of consumables, software and equipment
- The broadest product range on the market

STRATEGIC PRIORITIES

- Confirm leading position in printing plates
- Make equipment a profitable business
- Expand further in software for graphic markets

HealthCare: Key figures (in mio Euros)

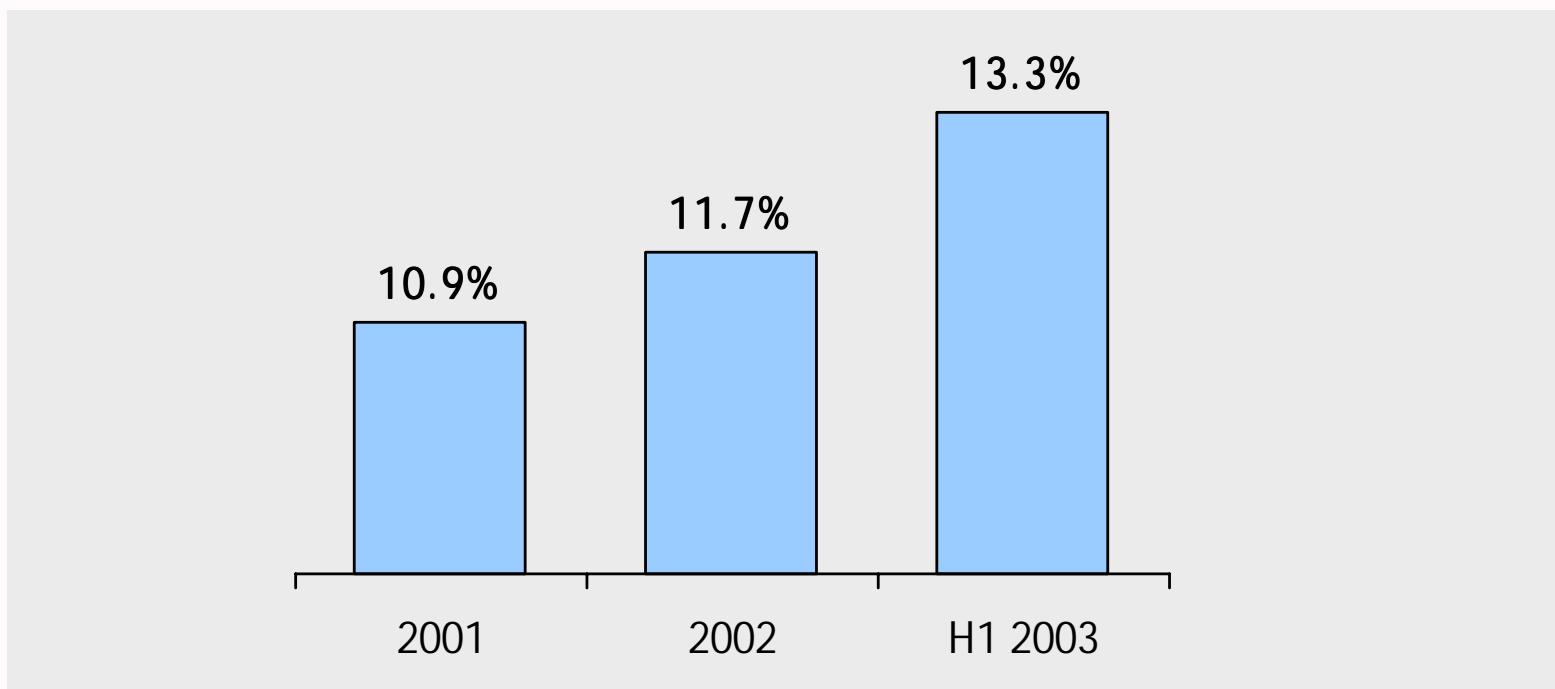
	Q1 '03	Q2 '03	Q2 '02	H1 '03	H1 '02
Sales	339	364	387	703	749
Sales exc. currency effect	375	405	387	780	749
Operating result*	66.7	71.4	52.3**	138.1	91.3**
Return on sales	19.7%	19.6%	13.5%	19.6%	12.2%

* Including respectively 1.5 and 1.7 mio Euros restructuring charges in Q1 and Q2 of 2003 and 16.5 and 9.9 mio Euros for the corresponding periods of last year.

** Including a 14.5 mio Euros impairment of goodwill for TalkTechnology.

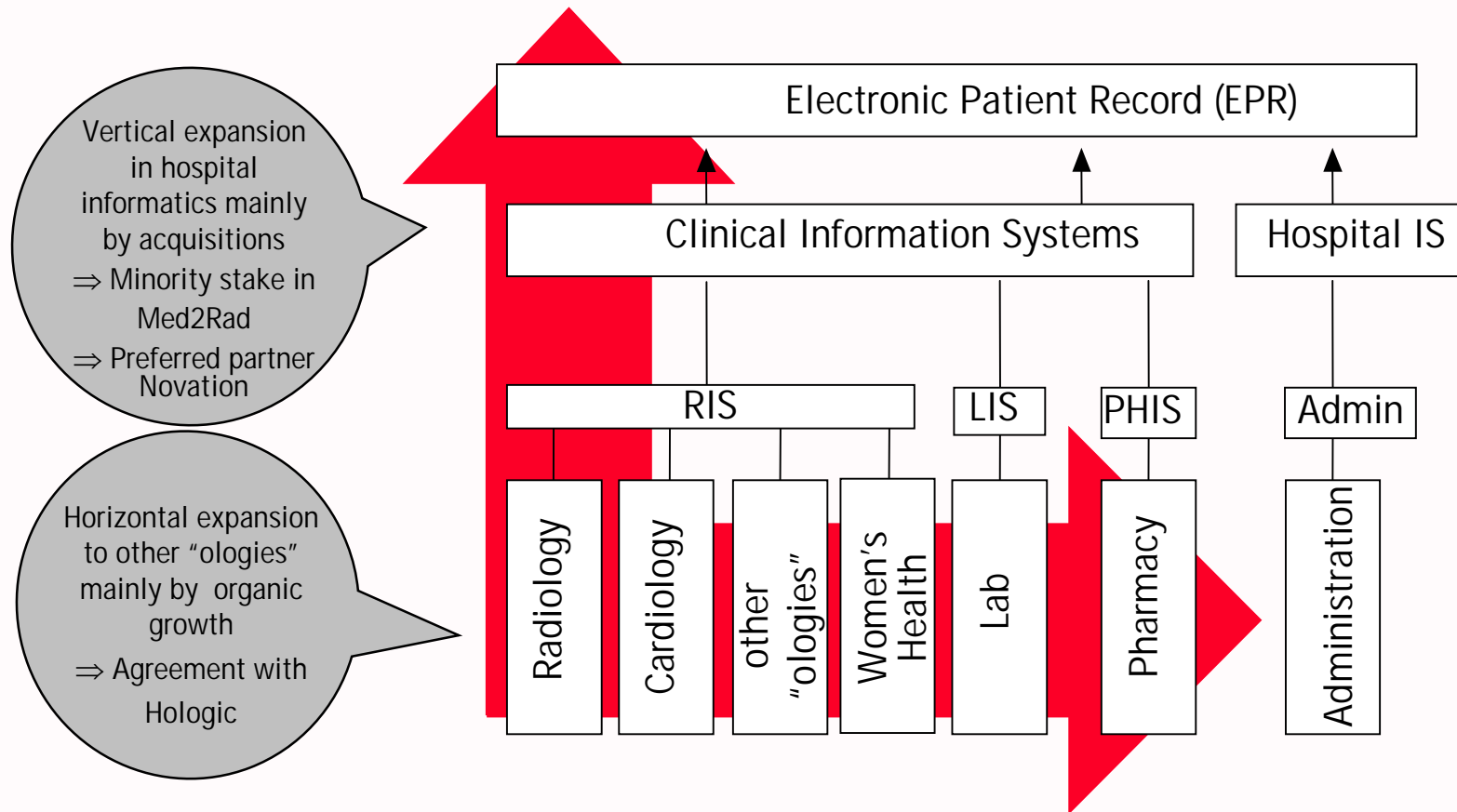
- ➡ Imaging and Informatics show respectively modest and strong sales growth.
- ➡ Return on sales stabilises at high level of close to 20%
- ➡ In June, HealthCare sales exceeded those of Graphic Systems

Service revenues as % of total HealthCare sales



➡ Service revenues show rising trend as the transition to digital continues.

HealthCare: Strategy and recent achievements



Technical Imaging: Key figures (in mio Euros)

	Q1 '03	Q2 '03	Q2 '02	H1 '03	H1 '02
Sales	418	442	467	860	914
Sales exc. currency effect	460	489	467	948	914
Operating result*	72.1	80.6	57.7**	152.7	105.2**
Return on sales	17.2%	18.2%	12.4%	17.8%	11.5%

* Including respectively 5.0 and 2.2 mio Euros restructuring charges in 2003 and 16.5 and 11.4 mio Euros for the corresponding periods of last year.

** Including a 14.5 mio Euros impairment of goodwill for Talk Technology.

➡ NDT shows growth in turnover of 5% excluding currency effects and in spite of recession in aviation industry.

P&L: Key figures (in mio Euros)

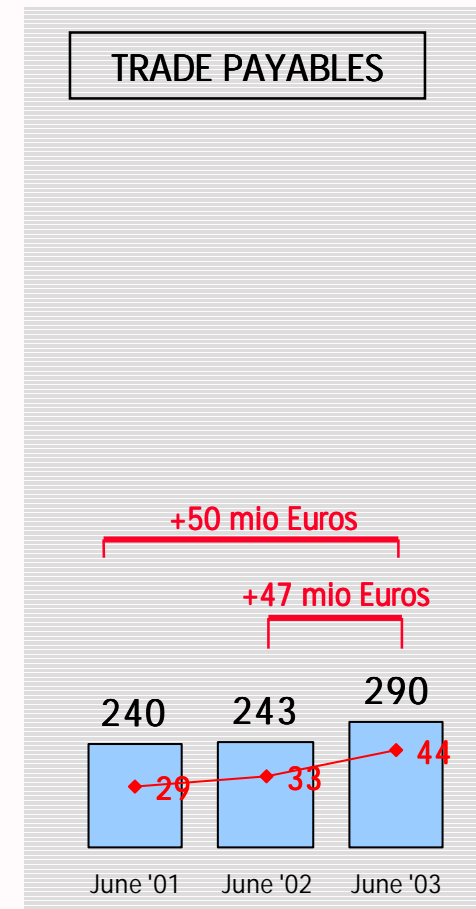
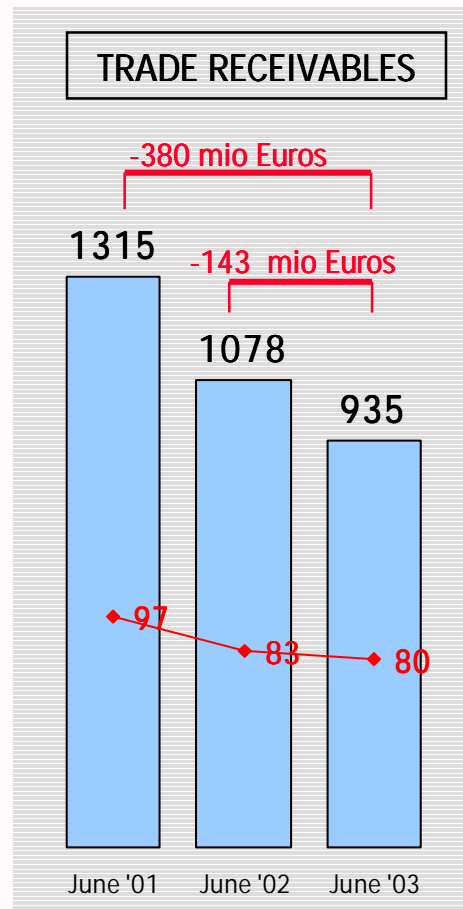
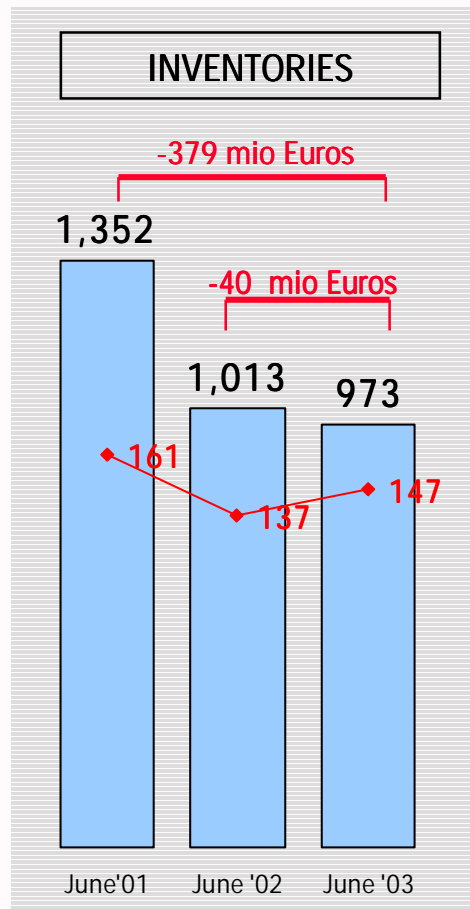
	Q1 '03	Q2 '03	Q2'02	H1'03	H1'02
Operating result	85	104	108	189	186
		↑	-3.7%	↑	+1.6%
Non-operating result	-21	-19	-30	-40	-50
		↑	+36.7%	↑	+20.0%
Profit before taxes	64	85	78	149	136
		↑	+9.0%	↑	+9.6%
Taxes	25	25	34	50	75
		↑	-26.5%	↑	-33.3%
Net result*	39	60	42	99	59
		↑	+42.9%	↑	+67.8%

* Share of Group

➡ Significantly lower financial charges

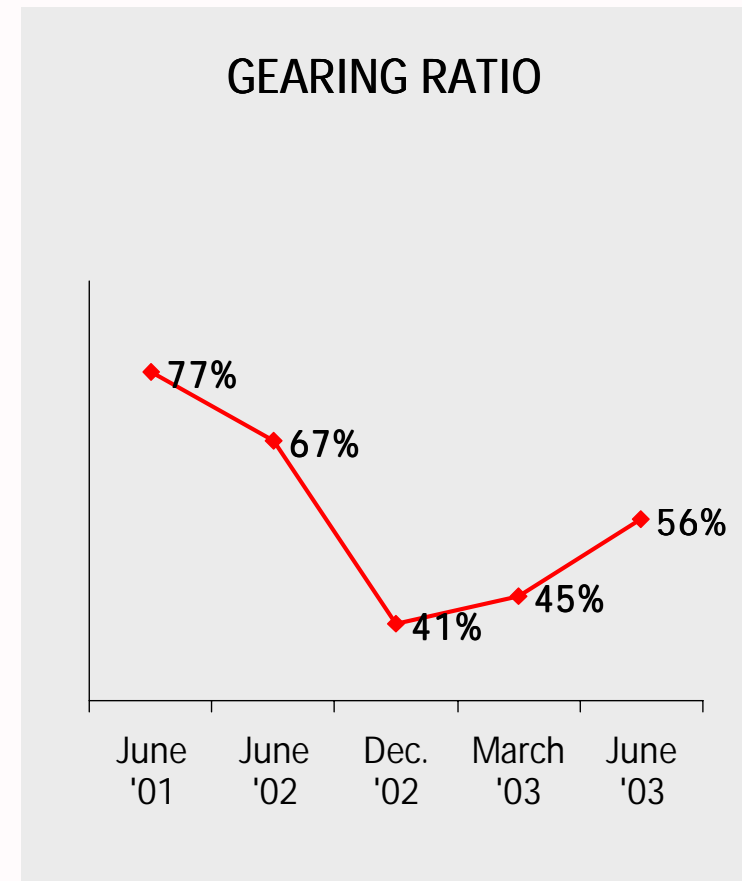
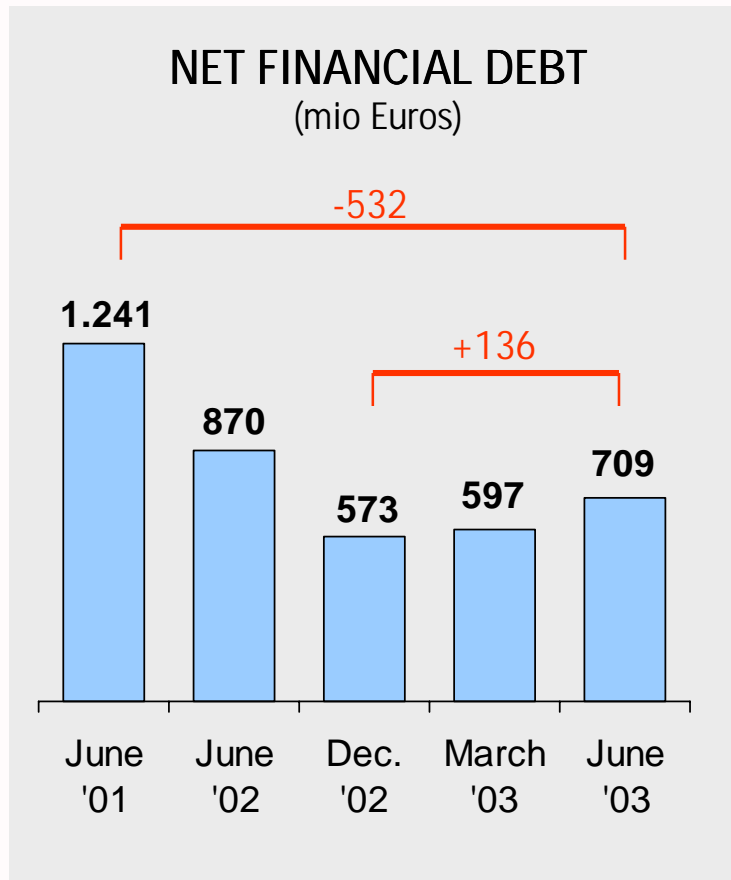
➡ Net result shows strong increase.

Working capital (mio Euros and ♦—♦ Days)



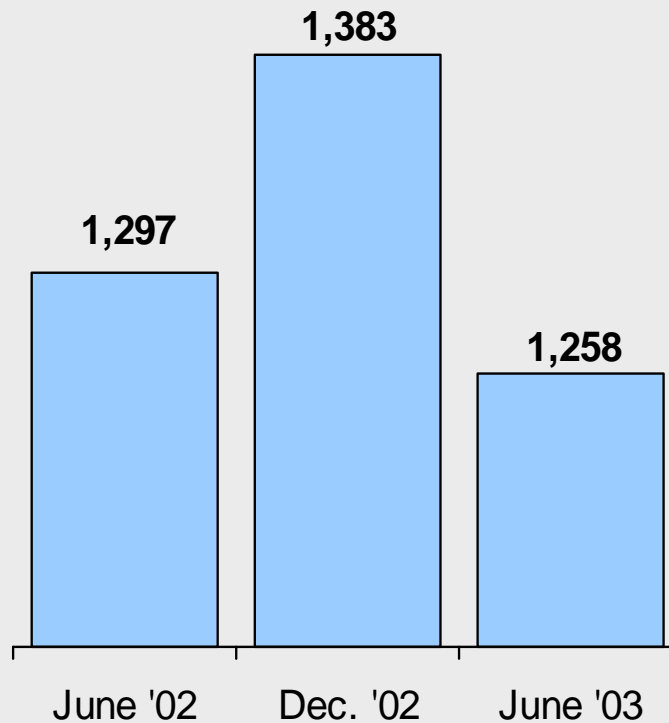
➡ Inventories, trade receivables and payables are favourably impacted by currency effects.

Balance sheet: Key figures



➡ Net financial debt increases since December '02, mainly because of dividend payment and share buy back.

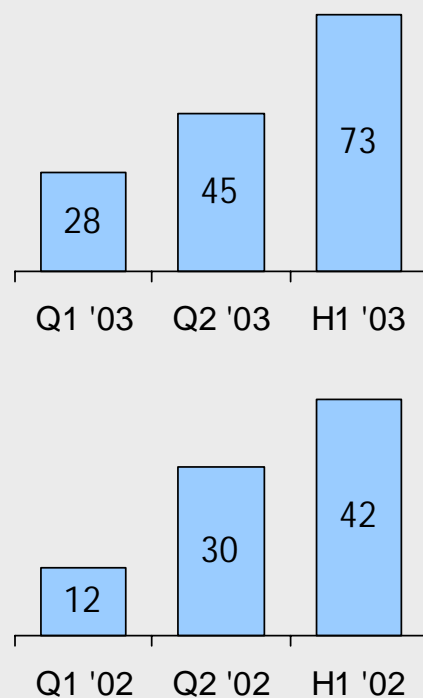
Balance sheet: Shareholder's equity (mio Euros)



➡ Shareholder's equity affected by share buy back and dividend payment, which more than compensate net income of the period.

Earnings per share

EARNINGS PER SHARE (in Eurocents)



SHARE BUY BACK PROGRAM

Outstanding shares per end of period

♦ Dec. '02 :	139,231,600
♦ March '03 :	134,245,442
♦ June '03 :	130,469,113

Weighted average :

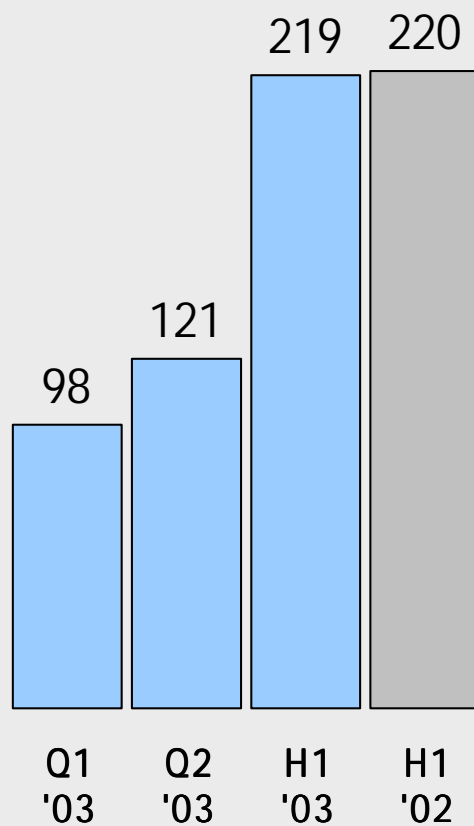
♦ Q1 '03 :	138,245,491
♦ Q2 '03 :	132,869,748

➡ Further progress of EPS.

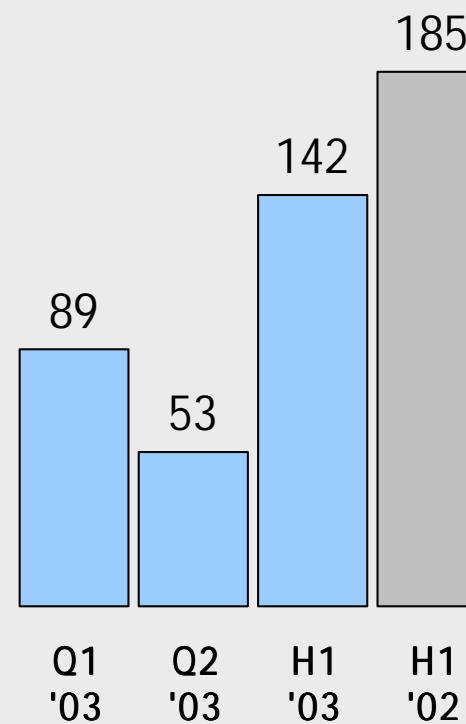
➡ Earnings per share of H1 '03 would be 16 Eurocents higher at a constant Euro.

Cash flow (in mio Euros)

GROSS OPERATING CASH FLOW



NET OPERATING CASH FLOW



ORION: Priority processes

PRODUCT DEVELOPMENT



ORDER GENERATION



ORDER FULFILLMENT



AFTER-SALES MANAGEMENT



Outlook second half 2003

- ➡ Confident about H2 '03 results of Graphic Systems and HealthCare, at least if recent signs of economic upturn are confirmed.
- ➡ Remaining Horizon savings will be realised.
- ➡ ● Great uncertainties with regard to photo markets.
 - Additional restructuring charges in CI.



Q&A



2003