

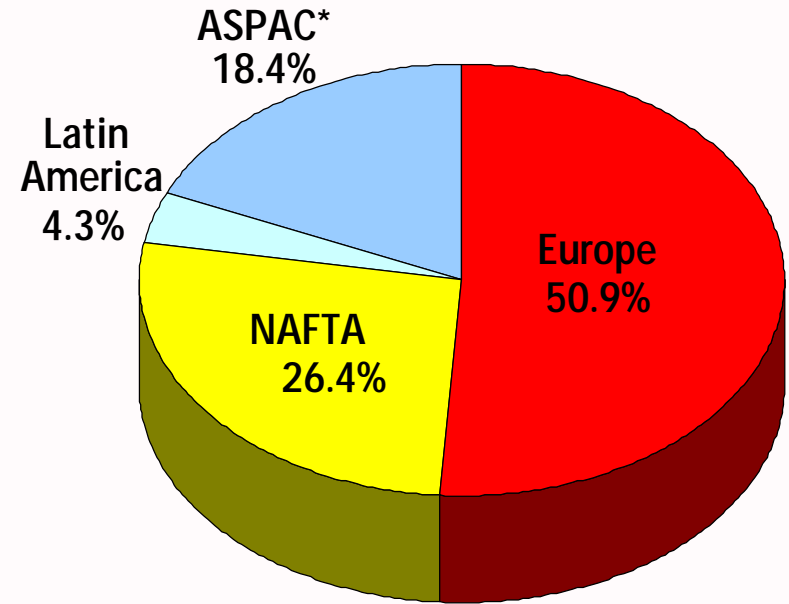
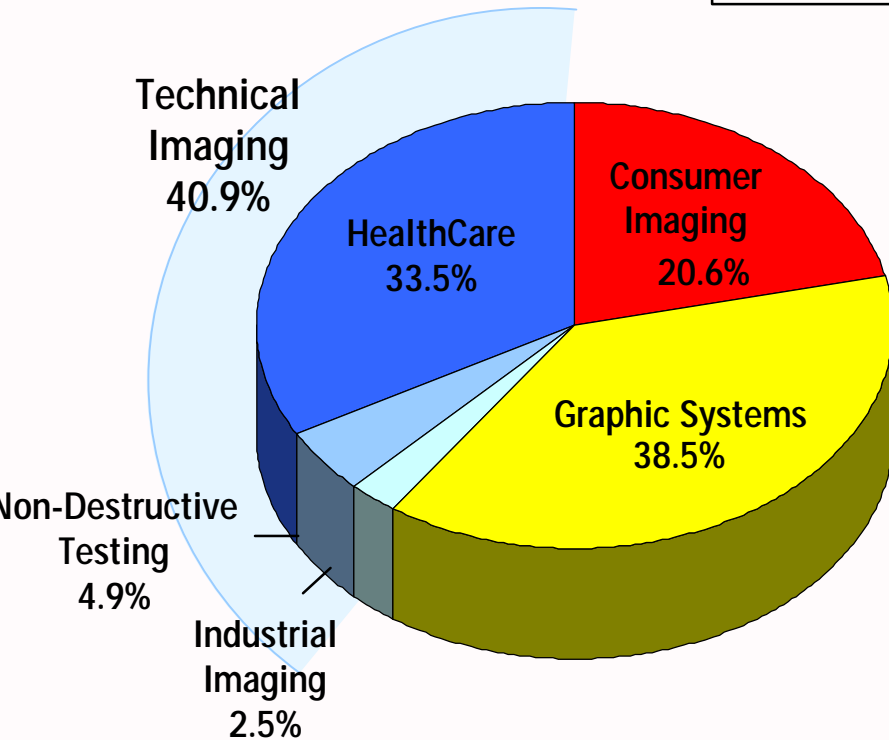


Agfa-Gevaert

May 2004

Agfa: a leading imaging company

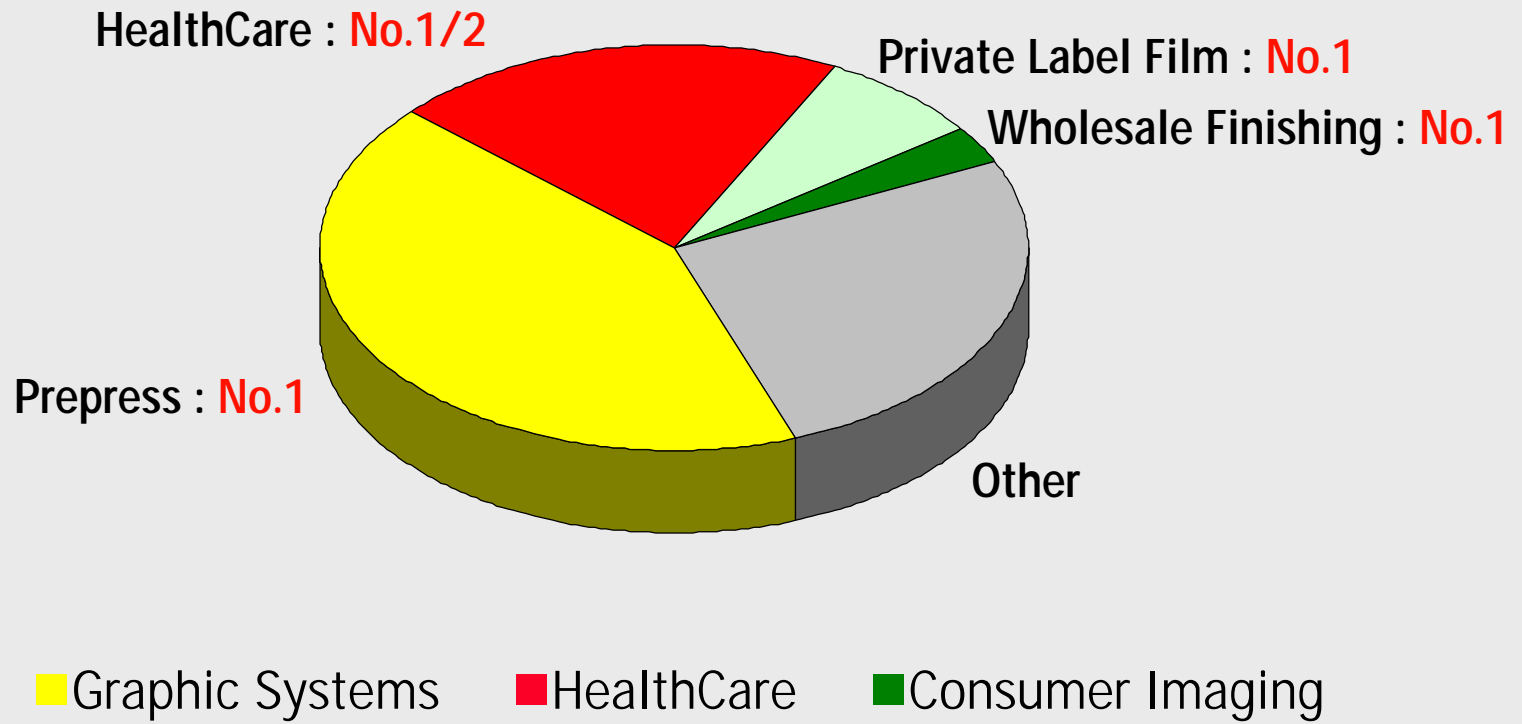
2003



* Including Africa

Strong market positions

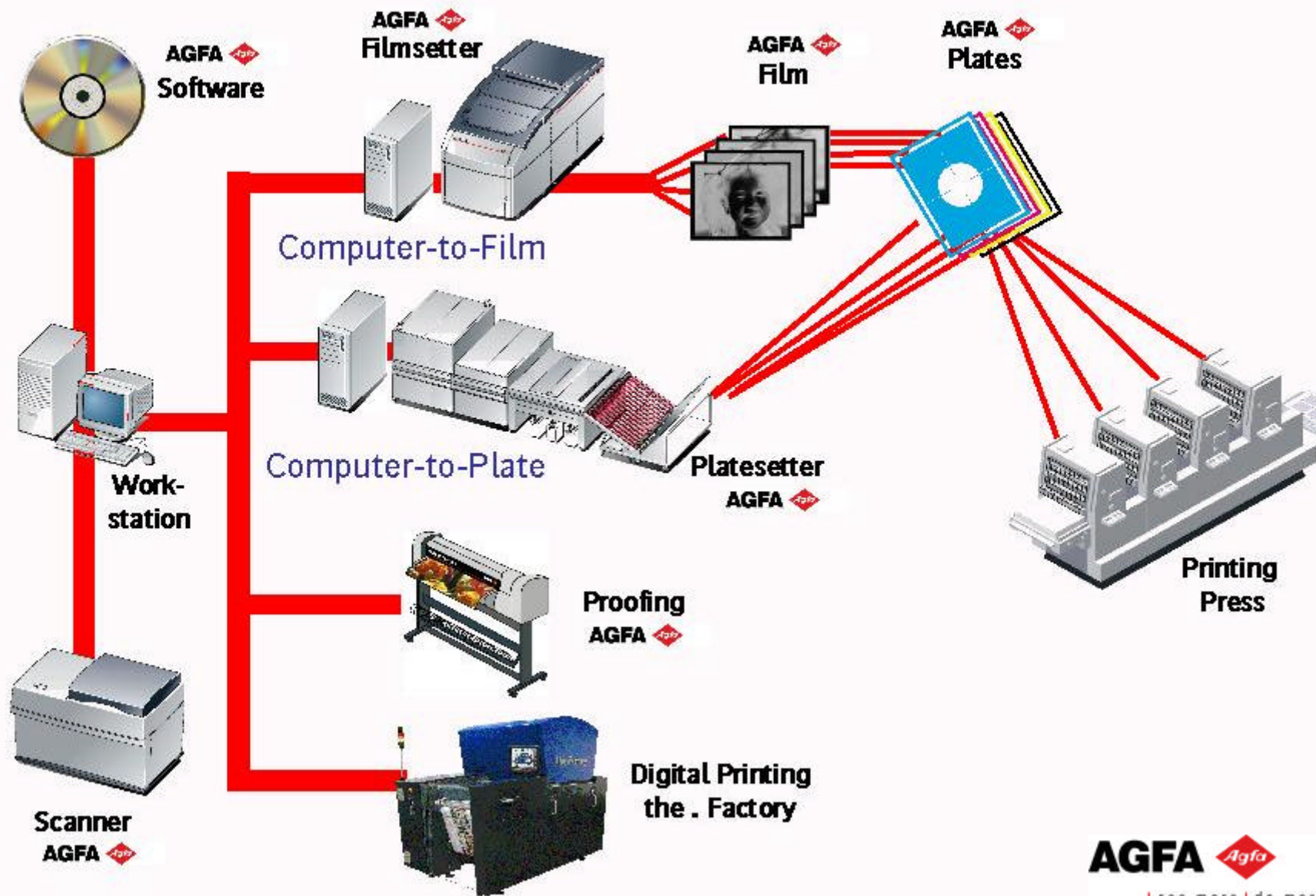
Sales 2003 (4,215 mio Euros)



Graphic Systems: Strategy

- ➡ A leading solutions provider in **pre-press**, offering consumables, equipment and software
- ➡ Entering the growth market of industrial **inkjet printing**

From Pre-press to Press



Graphic Systems: Pre-press Strategy

Agfa is a leading supplier of consumables, equipment and software in the mature pre-press market

- Concentrate on higher growth segments:

- Regionally: Asia
- Markets: Packaging and newspapers
- Functionally: Software

=> Wuxi printing plate factory

=> Esko-Graphics newspaper customers

=> Launch of Apogee-X, Delano

- Strive for cost-, technology- and market leadership in consumables

=> Lastra acquisition

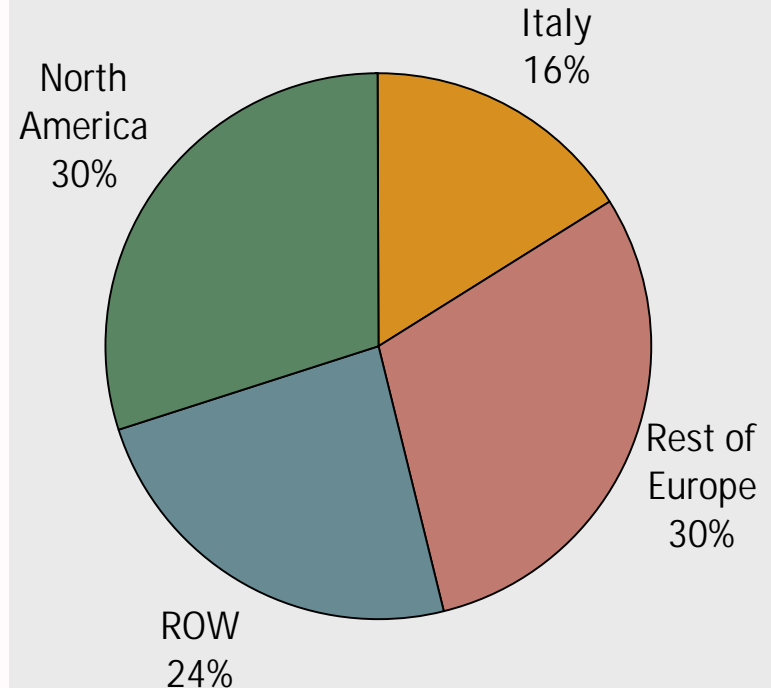
- Make the equipment business profitable

=> increased outsourcing

Lastra profile

- Italian manufacturer of printing plates, chemicals and equipment
- Mainly analogue printing plates, but recently started production of digital plates
- 6 factories:
4 in Italy, 2 in US
- Number of employees:
~900

2003 SALES ~ 240 MIO EUROS



Lastra acquisition: rationale

Lastra + Agfa:

- Increased market coverage from low end to high end
- Access to additional production capacity
- Obtain cost leadership in printing plates
- Large cost and revenue synergies
- Accretive from first year

Graphic Systems: Inkjet Strategy

Building a growth platform in industrial inkjet printing

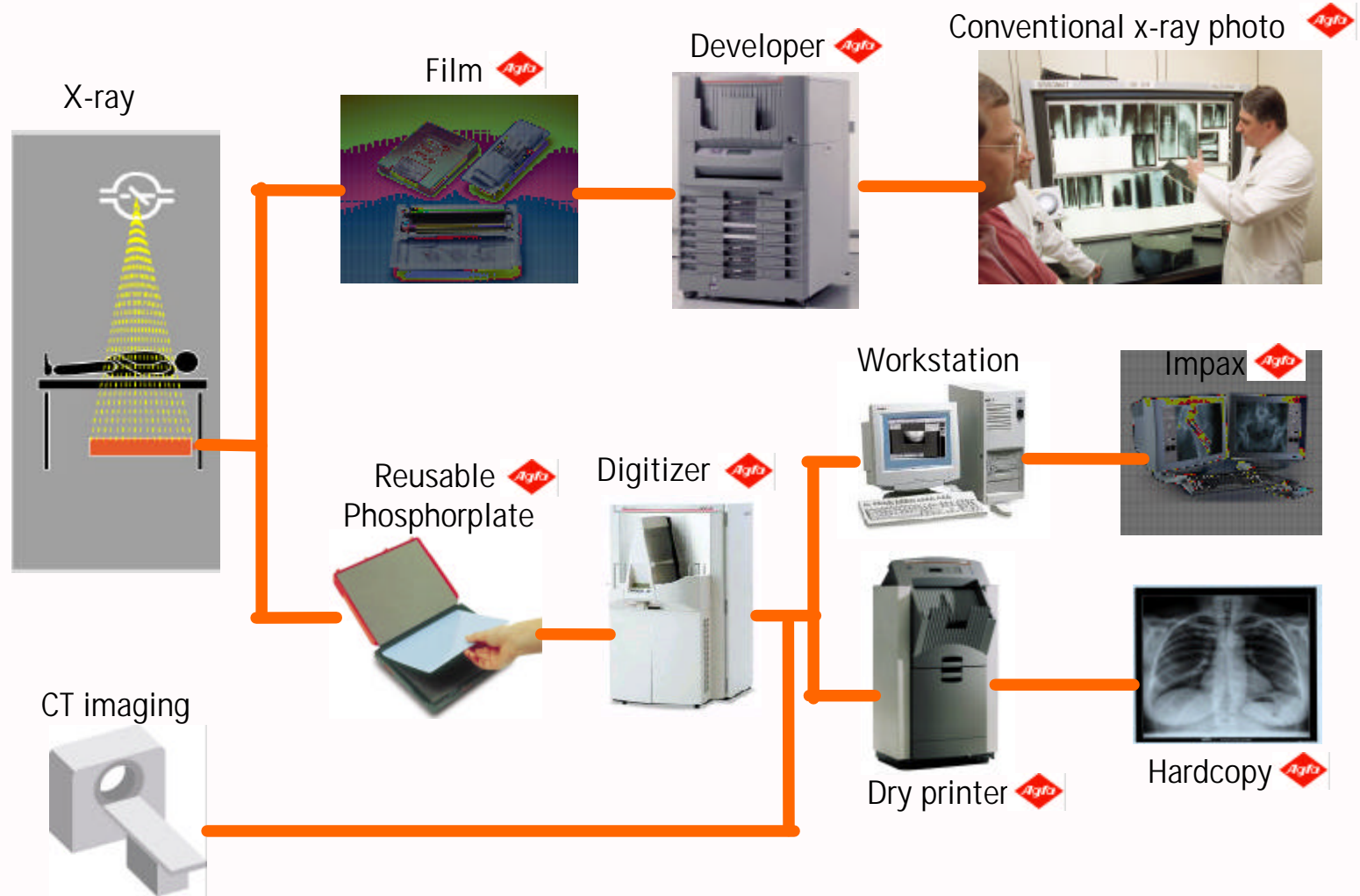
- Markets for inkjet printing
 - wide format printing
 - screen printing
 - packaging
 - newspaper printing
- Market potential: 10 billion Euros by 2010

Graphic Systems: Strategy

From Pre-press to Press

- Concentrate on higher growth markets in Pre-press
- Strive for cost-, technology- and market leadership in consumables
- Make equipment business profitable
- Build growth platform in inkjet digital printing, with a full solution including:
 - inkjet paper
 - ink
 - press

HealthCare - Product Portfolio



HealthCare: Strategy

- Radiology Solutions

- Consolidate our number 1-2 position in Radiology, Imaging and IT by converting our large customer base from analogue to digital




- Clinical applications

- Create a significant position in clinical applications by converting our analogue portfolio into a departmental digital imaging and IT solution

- Enterprise Solutions

- Become a worldwide player in hospital 'enterprise' IT solutions and 'automation of the care process'

Consumer Imaging: Product Portfolio and Market Trends

	<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	- Accelerating transition to digital
Finishing 	- Cyclical	± Decrease of analogue prints compensated by increasing number of digital prints -> stable in coming years.

➡ Agfa will run Consumer Imaging for cash.

Key figures Profit & Loss - Group (in mio Euros)

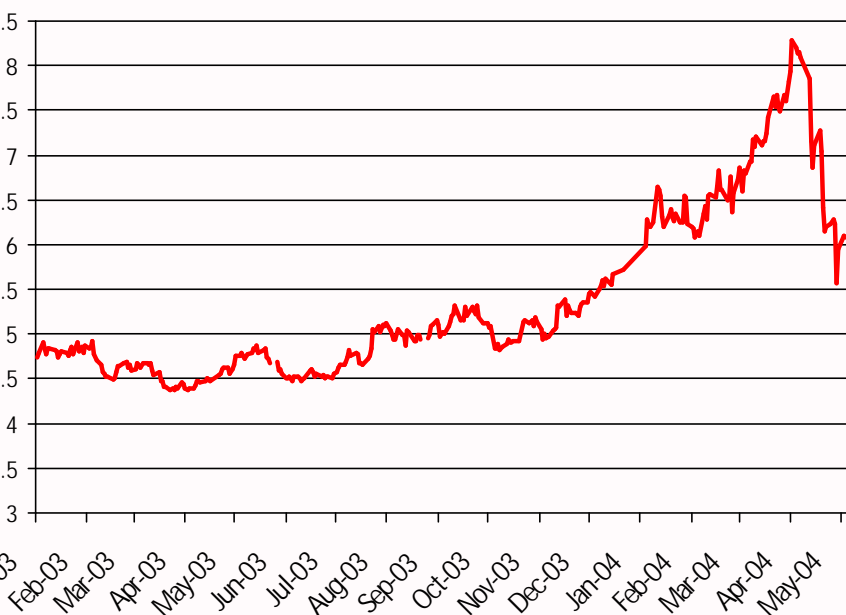
	Q1 '04	Q1 '03	D (%)	FY '03
Sales	868	1,027	-15.5%	4,215
Sales exc. currency effect	907*	973*	-6.8%	4,555
Gross profit	368	451	-18.4%	1,766
Gross profit margin	(42.4%)	(43.9%)		(41.9%)

* Excluding currency effect and NDT

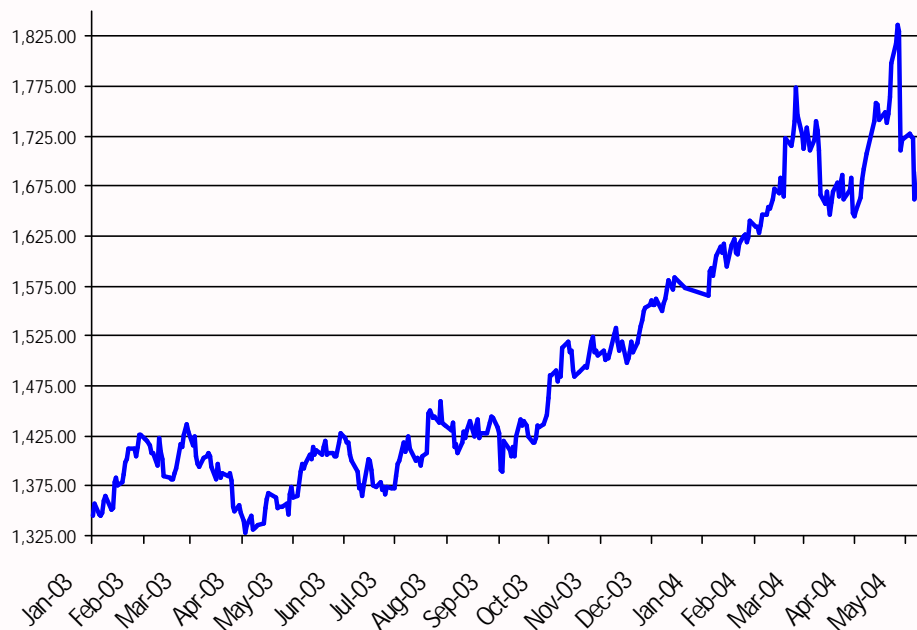
- ➡ At stable exchange rates and excluding NDT, sales decrease 6.8%
- ➡ Gross profit margin above 42% in spite of lower sales, price erosion, currency effects and raw materials

Raw Materials

SILVER (USD/troyounce)



ALUMINIUM (USD/ton)



Key figures Profit & Loss - Group (in mio Euros)

	Q1 '04	Q1 '03	%	FY '03
Gross profit	368	451	-18.4%	1,766
R&D	-51	-58	-12.1%	-233
SG&A	-242	-273	-11.4%	-1,087
Restructuring charges	-8	-8	-	-87
Other operating result	-21	-27	-22.2%	-62
Operating result	46	85	-45.9%	528*
Return on sales	5.3%	8.3%		12.5%*

* Including capital gain of 231 mio Euros on NDT divestiture

➡ Continuous cost savings

➡ Operating margin 5.3%

Key figures Profit & Loss - Group (in mio Euros)

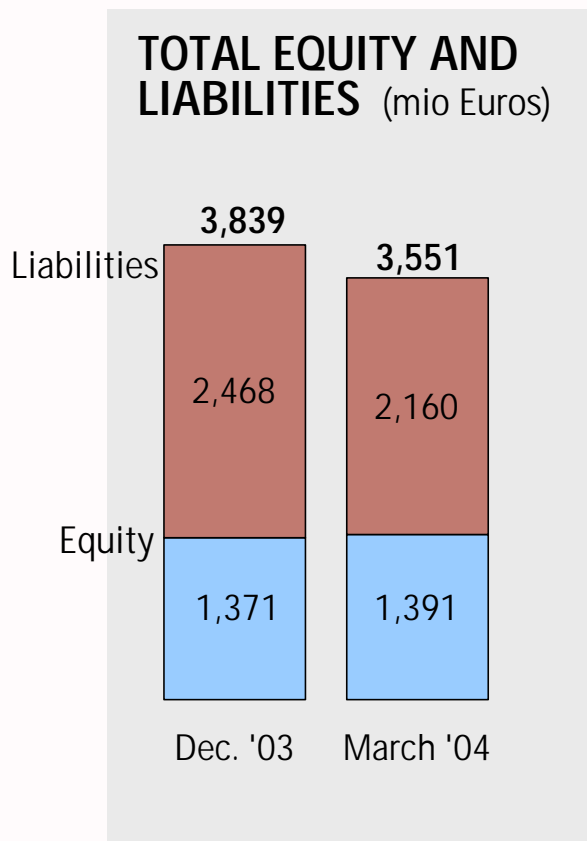
	Q1 '04	Q1 '03	%	FY '03
Operating result	46	85	-45.9%	528**
Non-operating result	-15	-21	+28.6%	-71
Profit before taxes	31	64	-51.6%	457**
Taxes	-11	-25	-56.0%	-135
Net result	20	39	-48.7%	323**
Earnings per share (in Eurocents)	16*	28*		244**

* based on 126 million shares outstanding in Q1 '04 and 138.2 million shares in Q1 '03

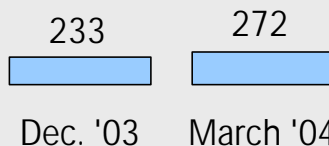
** Including capital gain of 231 mio Euros on NDT divestiture

➡ Financial charges significantly lower due to lower net financial debt and positive exchange rate variances.

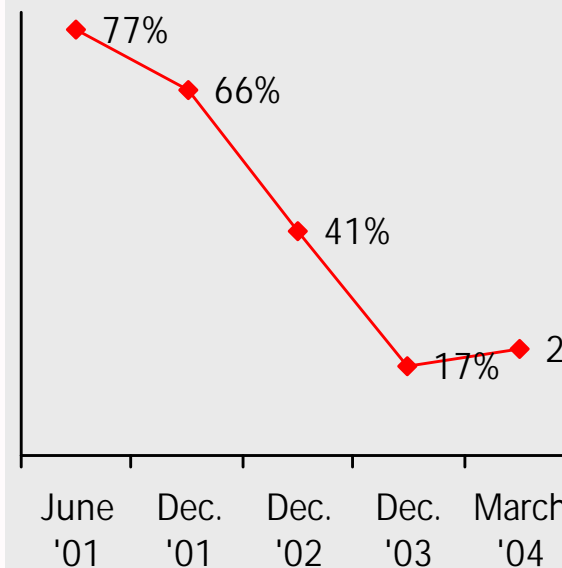
Key figures Balance sheet



NET FINANCIAL DEBT
(mio Euros)

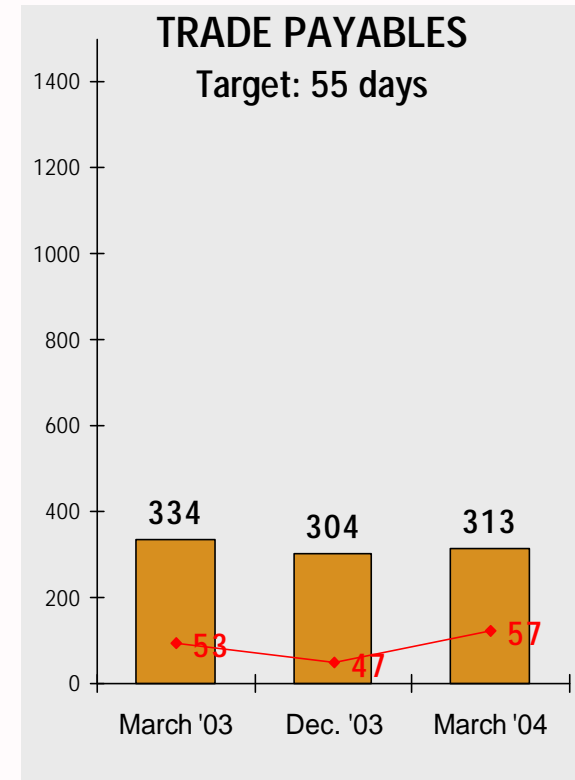
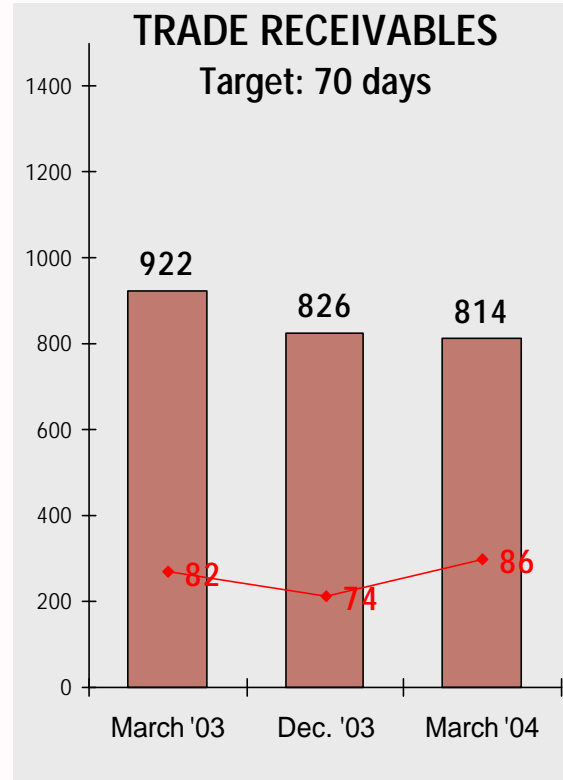
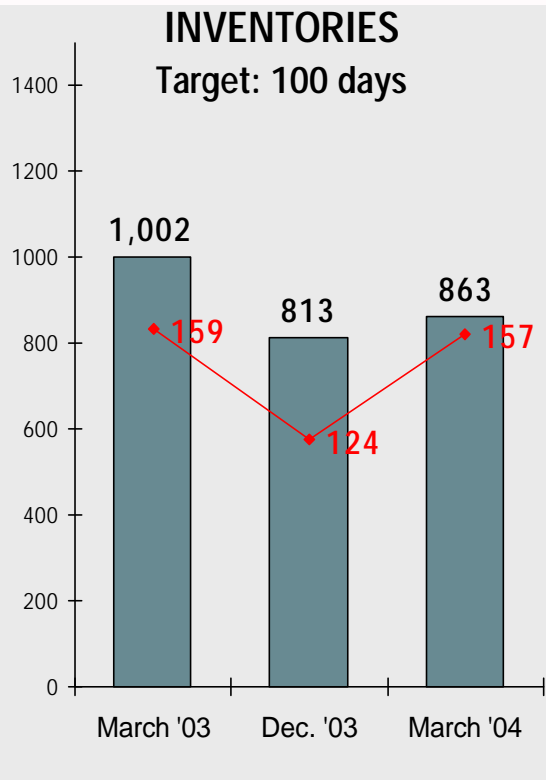


GEARING RATIO
(%)



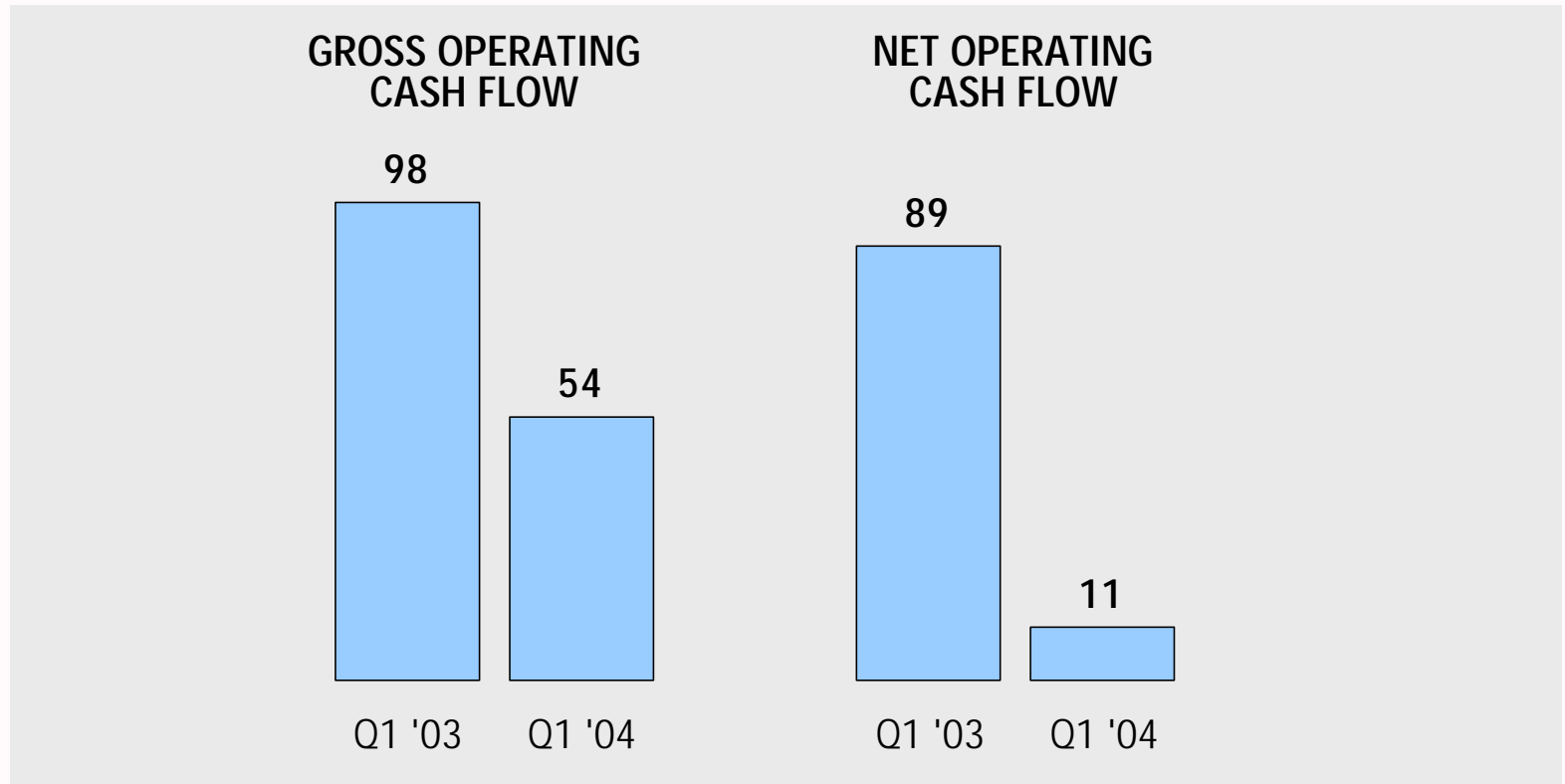
➡ Total assets decrease because cash from NDT divestiture was used to repay bank debt.

Working capital: key figures (in mio Euros/days)



➡ Seasonal inventory build-up, but days of inventories slightly down compared to March '03

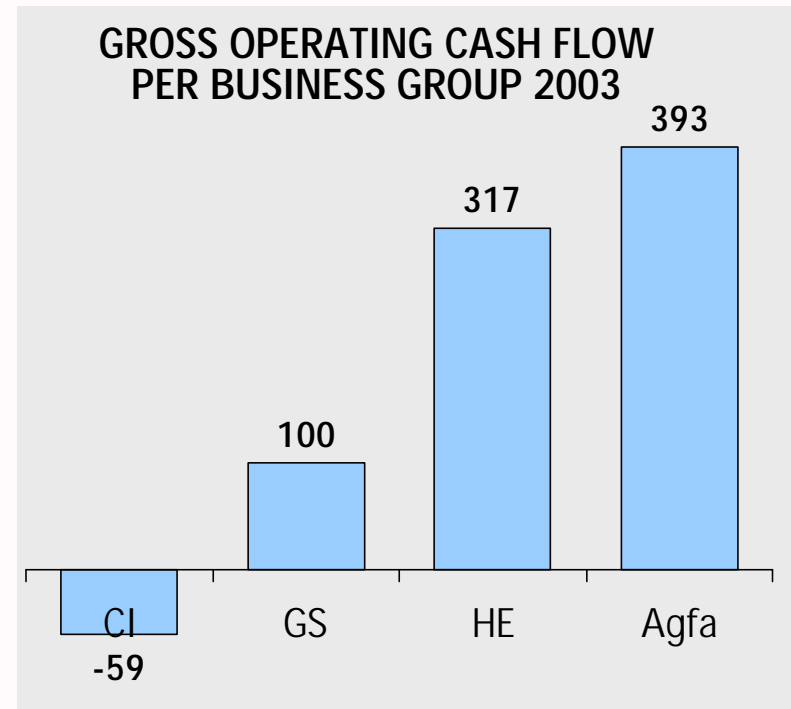
Cash flow: Key figures (in mio Euros)



➡ Net operational cash flow also affected by decrease in tax provisions (payment of taxes related to NDT divestiture).

Cash flow (in mio Euros)

	2003	2002	2001
Gross operating cash flow	393	482	226
Net operating cash flow	522	611	738
Capex	178	167	186
Free cash flow	344	444	552



➡ Agfa generates substantial cash flows, even in tough economic conditions.

Consumer Imaging: Key figures (in mio Euros)

	Q1 '04	Q1 '03	%	FY '03
Sales	155	192	-19.3%	870
Sales exc. currency effect	162	192	-15.6%	926
Restructuring/non-recurring expenses	+0.6	-1.0	-	38
Operating result	-19.0	-21.4	+11.2%	-84

- ➡ Cost savings sufficient to compensate for sales drop.
- ➡ Film volumes show accelerating decrease.
- ➡ Lab Equipment sales progressing during quarter.
- ➡ Seasonal pick-up and more Lab Equipment revenues expected during coming months.

Graphic Systems: Key figures (in mio Euros)

	Q1 '04	Q1 '03	%	FY '03
Sales	386	417	-7.4%	1,622
Sales exc. currency effect	407	417	-2.4%	1,749
Restructuring/non-recurring expenses	-5.0	-2.4	x2.1	27
Operating result	20.9	33.9	-38.3%	90
Return on sales	5.4%	8.1%		5.5%

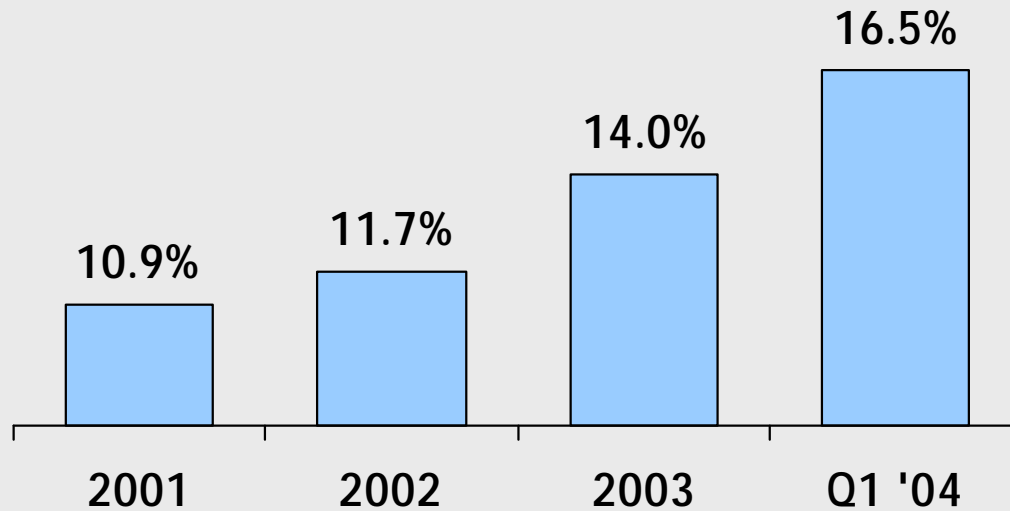
- ➡ Sales at stable currencies decrease 2% because of weak January - February.
- ➡ Return on sales deteriorated compared to excellent Q1 of last year, but improved versus Q4 of last year, in spite of currency effects and raw material prices.

HealthCare: Key figures (in mio Euros)

	Q1 '04	Q1 '03	%	FY '03
Sales	292	339	-13.9%	1,408
Sales exc. currency effect	314	339	-7 %	1,547
Restructuring/non-recurring expenses	-4.1	-1.5	x2.7	12
Operating result	36.4	66.7	-45.4%	264
Return on sales	12.5%	19.7%		18.7%

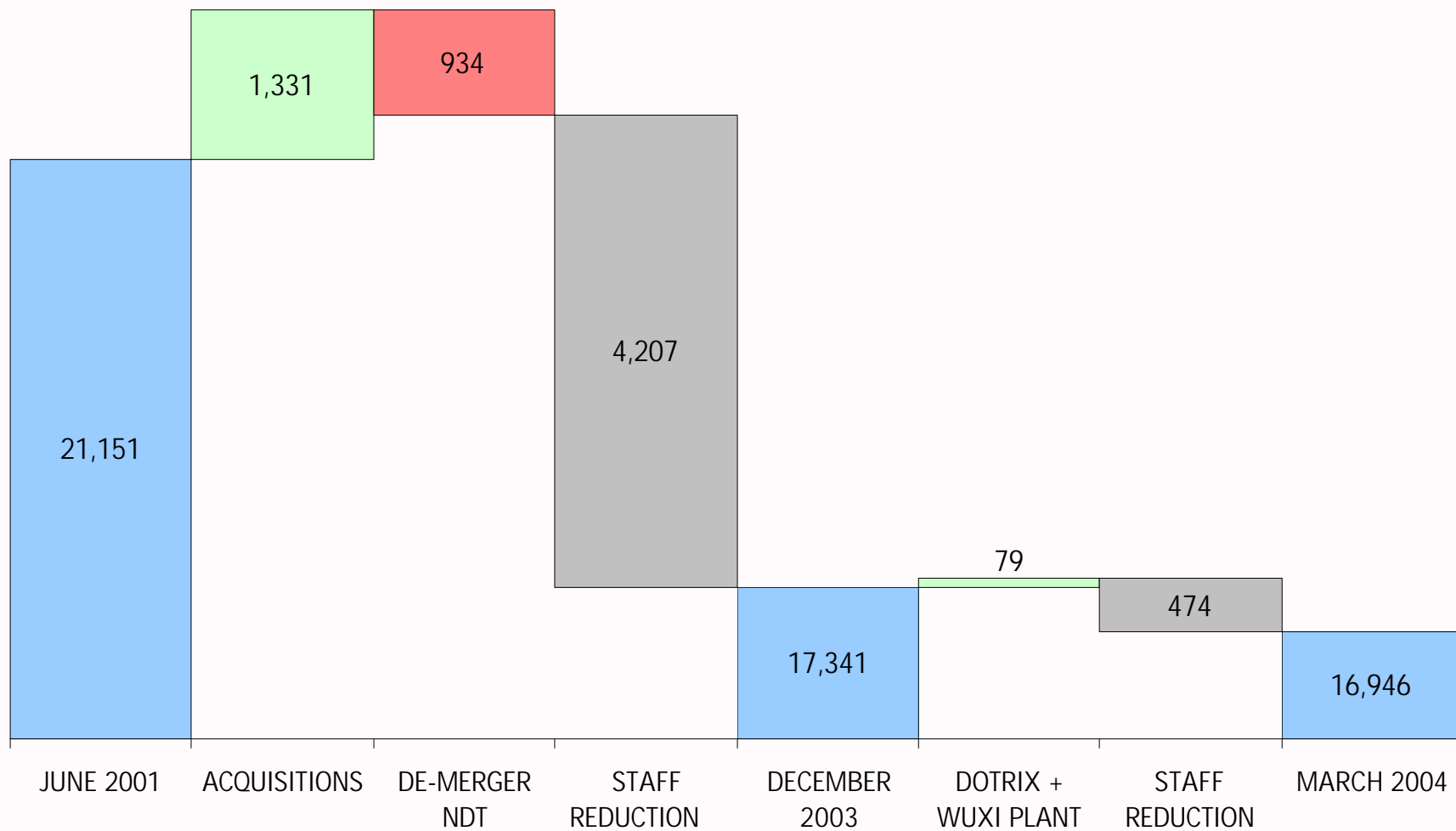
- ➡ Temporary weakness of sales in January - February.
- ➡ Price erosion remains controlled.
- ➡ HealthCare back on track now: growth expected for full year 2004.

Service revenues as % of total HealthCare sales



➡ Service revenues increase as the transition to digital continues.

Staff levels (FTE)

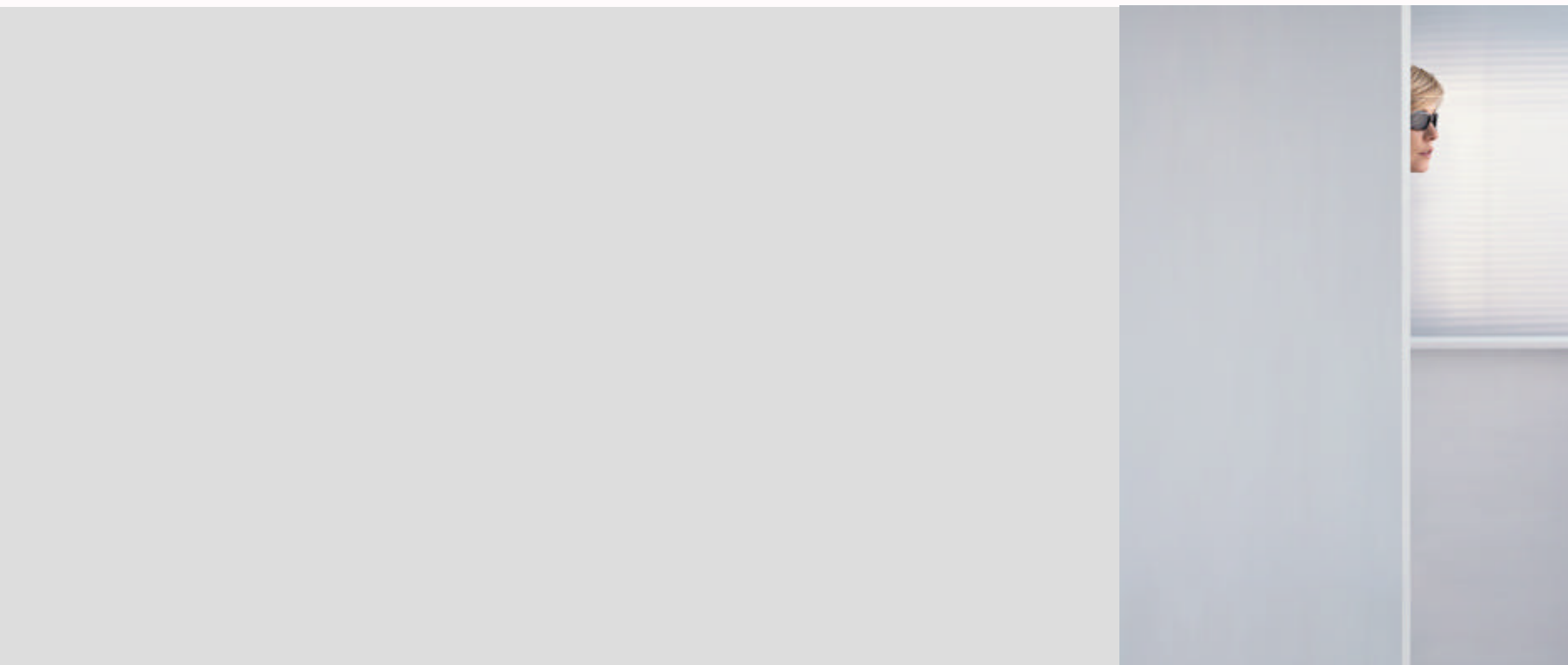




ORION

- To increase growth
- To improve our business processes and overall quality
- To reduce working capital
- To reduce overhead costs

- by a combination of organic initiatives and targeted acquisitions
- by a systematic project approach, leading to cost savings of 200 million Euros
- by bringing days of inventories to 100, days of sales outstanding to 70 and payment terms to 55, generating extra cash for 350 million Euros
- by reducing SG&A costs as percentage of sales to 22%



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