



### Key Figures\* 2004

MILLION EUROS	2004	2003	%
Net sales	3,762	4,215	(10.7)
Operating result**	294	384	(23.4)
Exceptional gains/losses related to divestitures	(312)	231	
Restructuring/non-recurring expenses	(109)	(87)	25.3
Operating result	(127)	528	(124.1)
Non-operating result***	(56)	(71)	21.1
Taxes	39	(135)	128.9
Net result (share of the Group)	(143)	323	(144.3)
Gross operating cash flow	246	393	(37.4)
Net operating cash flow****	305	522	(41.6)

\* audited, consolidated figures following IFRS/IAS valuation rules

\*\* before restructuring/non-recurring expenses and exceptional gains/losses related to divestitures

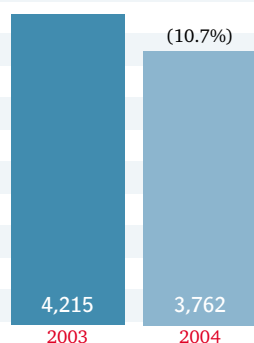
\*\*\* financial result

\*\*\*\* a.o. the changes in working capital make the difference between gross and net operating cash flow

## Refocused Group poised for growth: Strong last quarter for core businesses

### Group sales 2004

MILLION EUROS



- **HealthCare exceeds targets for second half of 2004**
- **Graphic Systems strengthens its position in a difficult market**
- **Consumer Imaging divestiture: 430 million Euro book loss**
- **Continued strong cash generation**
- **60 Eurocents dividend demonstrates confidence in future**

Agfa-Gevaert recorded sales in 2004 of 3,762 million Euros, a decrease of 10.7 percent compared to 2003. The net result amounted to minus 143 million Euros. Turnover and results were heavily affected by the divestiture of Consumer Imaging for which an exceptional non-cash pre-tax loss of 430 million Euros was recorded. By refocusing on two strong businesses, Graphic Systems and HealthCare, Agfa has increased its growth profile and has become less cyclical and more profitable. The trading environment of Agfa's continuing two business groups showed considerable improvement after a weak start of the year, resulting in particularly strong sales and performance in the last quarter of 2004.

### Full year results

Agfa-Gevaert's 2004 financial statements reflect several changes in its business portfolio, the most important of which were the divestiture of Consumer Imaging as of November 1, 2004; the acquisition of the Italian printing plate manufacturer Lastra that is consolidated as of September 1, 2004; and the divestiture in November 2004 of Agfa Monotype Corporation, the fonts and typography software activity. Comparisons with 2003 should also take into account the exceptional gain of 231 million Euros from the divestiture of Non-Destructive Testing at the end of 2003.

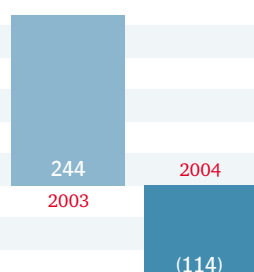
Agfa's 2004 sales reached 3,762 million Euros, a decrease of 10.7 percent compared to 2003. Excluding the effects of acquisitions and divestitures, sales decreased by 3.7 percent, a decrease almost entirely due to exchange rate fluctuations.

Europe's share of the Group's turnover amounted to 51.7 percent. The NAFTA region represented 25.4 percent, while the Asian Pacific region and Latin America respectively represented 18.5 percent and 4.4 percent.

Gross profit amounted to 1,497 million Euros, compared to 1,766 million Euros in 2003. The decrease is due to the combined effect of business portfolio changes, the increase in sales volumes and adverse external factors, such as price erosion, increased raw material costs and exchange rate variations. The gross profit margin reached 39.8 percent, against 41.9 percent in 2003.

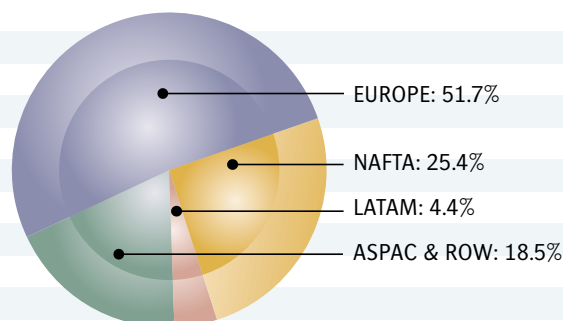
### Earnings per share 2004

EUROCENTS



**Balance sheet** key figures

MILLION EUROS	31/12/04	31/12/03
Total assets	3,356	3,839
Inventories	576	813
Trade receivables	744	826
Net financial debt	193	233
Shareholders equity	1,080	1,371

**Share of Group Sales** by Region  
2004

Thanks to continuous efforts, Agfa's sales and general administration costs totaled 969 million Euros, a decrease of 10.9 percent. Research and development expenses totaled 191 million Euros, 18.0 percent lower than in 2003, mainly as a result of the divestiture of Non-Destructive Testing and the decrease in R&D spending in Consumer Imaging.

Other operating costs amounted to 43 million Euros, against 62 million Euros in the previous year.

Excluding the exceptional gains and losses related to the divestitures, Agfa's operating result before restructuring charges and non recurring items reached 294 million Euros, against 384 million Euros in 2003. The return on sales amounted to 7.8 percent, compared to 9.1 percent in the previous year.

From the announced 120 million Euros restructuring charges and non recurring items, a total of 109 million Euros were booked in 2004 while the remaining 11 million Euros will occur in 2005. These costs are mainly related to the integration of Lastra, continuous improvement projects to reduce overhead costs and to eliminate the remaining costs pursuant to the divestiture of Consumer Imaging.

A net exceptional loss of 312 million Euros was recorded in 2004 due to the divestitures of Consumer Imaging (minus 430 million Euros) and Monotype Corporation (plus 118 million Euros), compared to an exceptional gain of 231 million Euros in 2003 from the sale of Non-Destructive Testing.

The 2004 operating result amounted to minus 127 million Euros, against plus 528 million Euros in the previous year.

The non-operating result, which includes the financial charges, reached minus 56 million Euros, versus minus 71 million Euros in 2003.

Income before taxes amounted to minus 183 million Euros, compared to 457 million Euros in 2003. Due to the Consumer Imaging divestiture, deferred tax assets were set up resulting

in a tax income of 39 million Euros, against tax expenses of 135 million Euros in 2003.

The net result reached minus 143 million Euros or minus 114 Eurocents per share, compared to a net profit of 323 million Euros and 244 Eurocents per share in 2003.

**Balance Sheet**

At the end of December 2004, total assets amounted to 3,356 million Euros, compared to 3,839 million Euros at the end of 2003.

As a result of the Consumer Imaging divestiture, net assets of 381 million Euros were transferred to AgfaPhoto, a fully independently operating, privately owned company. After taking account of the changes in net working capital and net debt, the transaction price was adjusted to 112 million Euros. For that amount, Agfa granted AgfaPhoto a fully secured vendor loan, repayable over a period of 4 years that appears on the balance sheet as a long-term loan.

The Group continued its significant efforts to reduce working capital. Inventories decreased from 813 million Euros (600 million Euros excluding Consumer Imaging) at the end of 2003 to 576 million Euros at the end of 2004. On a comparable basis, days of inventories thus decreased from 121 at the end of 2003 to 107 at the end of 2004. Trade receivables stood at 744 million Euros, compared to 826 million Euros (637 million Euros excluding Consumer Imaging) at the end of 2003. Trade payables increased from 304 million Euros (254 excluding Consumer Imaging) to 369 million Euros.

The net financial debt stood at 193 million Euros at the end of 2004, against 233 million Euros at the end of 2003.

The Shareholder's equity amounted to 1,080 million Euros, compared to 1,371 million Euros at the end of 2003.

The Group's balance sheet thus remains very solid with net financial debt and the gearing ratio at low levels.

**Key Figures Graphic Systems 2004**

MILLION EUROS	2004	2003	%	%*
Sales	1,673	1,622	3.1	1.6
Operating result**	104.5	116.9	(10.6)	
Return on sales	6.3%	7.2%		

**Key Figures HealthCare 2004**

MILLION EUROS	2004	2003	%	%*
Sales	1,361	1,408	(3.3)	0.4
Operating result**	225.7	275.8	(18.2)	
Return on sales	16.6%	19.6%		

**Evolution Graphic Systems per quarter 2004**

MILLION EUROS	Q4	Q3	Q2	Q1
Sales	468	406	413	386
Operating result**	25.8	23.7	29.1	25.9

\* previous year excl. currency effects and portfolio changes

**Evolution HealthCare per quarter 2004**

MILLION EUROS	Q4	Q3	Q2	Q1
Sales	382	331	356	292
Operating result**	76.6	51.9	56.7	40.5

\*\* before restructuring/non-recurring expenses and exceptional gains/losses related to divestitures

**Cash Flow**

The gross operating cash flow amounted to 246 million Euros. The net operating cash flow, which also takes into account changes in working capital, reached 305 million Euros. Capital expenditures amounted to 112 million Euros. Agfa was thus again able to generate a substantial free cash flow of 193 million Euros in 2004.

**Dividend**

Although a net loss was posted in 2004 related to the divestiture of Consumer Imaging, the Board of Directors decided to show its confidence in the future and will propose to the General Meeting of Shareholders on April 26, 2005 to increase the gross ordinary dividend per share from 50 Eurocents (2003) to 60 Eurocents, to be paid on April 27, 2005.

**Business Groups**

Through successful divestitures and targeted acquisitions, Agfa achieved its full focus on Graphic Systems and HealthCare, two business groups with leading market positions and clear growth strategies. One out of two hospitals and printing houses in the world are Agfa customers. The Group is leveraging this solid customer base and its core competencies to build new growth platforms: industrial inkjet for Graphic Systems and enterprise IT for HealthCare.

**Graphic Systems** reported a turnover of 1,673 million Euros, an increase of 3.1 percent compared to 2003. Sales were affected by the acquisitions of Lastra, Dotrix, active in inkjet printing, and ProImage, a software provider for the graphic industry and by the Monotype divestiture. Organic sales, excluding the impact of acquisitions and divestitures, showed continuous improvement during the year after a weak start in the beginning of 2004.

The impact of the considerably improved trading environment was offset by increased price erosion and raw material costs. The operating result before restructuring and exceptional items reached 104.6 million Euros, compared to 116.9 million Euros in 2003. Return on sales amounted to 6.3 percent (7.2 percent in 2003). After taking into account the restructuring

charges - mainly related to the integration of Lastra and the ongoing efforts to improve the operational efficiency - and the exceptional gain of 118 million Euros on the Monotype divestiture, the operating result was 170.1 million Euros, compared to 90 million Euros in 2003.

Graphic Systems continues to maintain its cost, technology and market leadership in the prepress market by providing complete solutions including equipment, consumables, software and services. The business group will further consolidate its leadership in the prepress market and will achieve a strong position in the growth market of industrial inkjet by setting new standards.

**Prepress**

In 2004 Agfa confirmed its worldwide leadership in prepress film and plates, acquiring Lastra, an important player in printing plates. In addition to increasing market access and volumes, the Lastra acquisition provides Agfa with intellectual property in thermal digital plates and with opportunities to increase operational efficiencies. Moreover, Agfa set new standards by launching two important innovations: the first chemistry-free thermal printing plate, :Azura, for which sales exceed expectations, and the screening software, :Sublima, a breakthrough in printing quality.

Agfa confirmed its leading position in the growing software segment for the newspaper business through the acquisition of ProImage, an Israeli developer of browser-based digital workflow solutions.

Agfa signed several computer-to-plate contracts with leading newspaper groups, including Italian newspaper Corriere della Sera, the Daily News of Thailand, Singapore Press Holdings Limited and Mainichi Shimbun Group of Japan, the third largest newspaper group in the world.

**Industrial inkjet**

Agfa is now entering the new industrial inkjet-printing arena, a solid platform for future growth. As in prepress, Agfa will provide customers with complete solutions including

**Key Figures Consumer Imaging 2004**

MILLION EUROS	2004	2003	%
Sales	599	870	n.a.*
Operating result**	(46.7)	(46.0)	n.a.*
Return on sales	(7.8%)	(5.3%)	

**Key Figures Specialty Products 2004**

MILLION EUROS	2004	2003	%
Sales	129	315	n.a.*
Operating result**	10.8	36.9	n.a.*
Return on sales	1.8%	8.6%	

**Evolution Consumer Imaging per quarter 2004**

MILLION EUROS	Q4	Q3	Q2	Q1
Sales	51	185	208	155
Operating result**	(22.9)	(4.9)	0.7	(19.6)

\* a comparison with 2003 is not relevant because of the divestiture of NDT at the end of 2003 and CI in 2004

**Evolution Specialty Products per quarter 2004**

MILLION EUROS	Q4	Q3	Q2	Q1
Sales	34	31	29	35
Operating result**	1.5	0.5	1.6	7.2

\*\* before restructuring /non-recurring expenses and exceptional gains/losses related to divestitures

equipment, consumables, software and services, based on proprietary technology and partnerships with leaders in the industry. Partners include Xaar for printing heads and Thieme for screen printing. Agfa recently introduced Agfa-developed and manufactured inks based on proprietary technology and intellectual property. At the beginning of 2004 Agfa acquired the Belgian company Dotrix, a specialist in digital inkjet color printing systems for the packaging and decoration markets.

**HealthCare's** 2004 sales amounted to 1,361 million Euros, against 1,408 million Euros in 2003. Excluding the effects of the strong Euro and the acquisition of the French hospital IT company Symphonie On Line, HealthCare reported a sales increase of 0.4 percent. Sales were affected by exchange rate fluctuations and price erosion. After a weak start of the year, sales continued to improve throughout the second half of the year.

HealthCare's operating result before restructuring charges amounted to 225.7 million Euros, against 275.8 million Euros in 2003. The return on sales for the full year was 16.6 percent before restructuring charges (19.6 percent in the previous year) and was affected primarily by higher raw material cost and by currency fluctuations. With a return of 18 percent during the second half of 2004, HealthCare exceeded the targeted 17 percent margin. After taking account of restructuring charges and non recurring items of 32.8 million Euros, the operating result reached 192.9 million Euros.

In 2004, HealthCare established a leading position in enterprise-wide healthcare information systems, strengthened its market leadership in radiology, expanded its clinical depth into other hospital departments and continued to develop breakthrough imaging technologies.

**Healthcare IT**

Recently Agfa took decisive steps in its transformation into a global healthcare IT leader through acquisitions of Symphonie On Line (October 2004) and the January 2005 acquisition of the privately-owned German company GWI AG. Agfa hereby acquired an installed base of 3,200 medical sites in Germany,

Austria, Switzerland and France. GWT's ORBIS is one of the most successful flexible hospital IT solutions. Combined with Agfa's leading PACS (Picture Archiving and Communication System) system IMPAX, the ORBIS platform will be the foundation for future healthcare software applications.

**Portfolio renewal and market coverage**

Agfa continues to strengthen its leading position in radiology and to further develop its presence in other clinical departments, including cardiology, orthopaedics and women's health. In 2004, Agfa significantly renewed its portfolio delivering enhanced performance in its printer and Computed Radiography (CR) segments and introduced many innovative products and systems to increase market coverage and enhance workflow. In addition, Agfa achieved numerous developments in the field of RIS (Radiology Information Systems) and PACS. These included enhanced workflow solutions dedicated to imaging centers, orthopaedic clinics and integrated networks.

**Major contracts**

In 2004 major contracts for Agfa's PACS/RIS solutions included the DIN-PACS II contract, issued by the US government confirming Agfa's military-grade security rating. In Australia Agfa was chosen by Queensland Health to implement the country's largest RIS project ever. In Europe major contracts were signed with important hospitals. In the United Kingdom, Leeds Teaching Hospitals, Britain's largest hospital trust, chose Agfa's PACS solution as the first step in what is to become one of the largest PACS programs in the country.

**Specialty Products** mainly comprises motion picture film, microfilm and film for non-destructive testing (supplied to the General Electric Company). Specialty Products' 2004 turnover amounted to 129 million Euros and its operating result before restructuring charges reached 10,8 million Euros.

**Fourth quarter results**

During the fourth quarter of 2004, the divestiture of Consumer Imaging was closed (November 1), Monotype Corporation was sold (November 5) and Symphonie on Line

## Agfa Share information

	Earnings per share	Operating profit per share	Number per share*	Ordinary gross dividend per share
<b>EUROCENT</b>				
2004	-114	-101	126,008,540	60
2003	244	400	132,045,438	**50

\* weighed number of shares used for calculation

\*\* In 2003 an extraordinary dividend of 25 eurocents was added related to the sale of Non-Destructive Testing.

was acquired (October 6). Excluding the effects of currency fluctuations and these business portfolio changes, Agfa posted a strong increase in turnover of 4.7 percent. Including currency effects, acquisitions and divestitures, Agfa reported sales of 935 million Euros, a decrease of 10.7 percent compared to the same period of 2003.

Gross profit for the quarter amounted to 342 million Euros, compared to 415 million Euros in the last quarter of 2003.

As Agfa significantly decreased its operating expenses by 23 percent compared to the last quarter of 2003, the Group's operating result before restructuring charges and the exceptional gains on divestitures increased almost 4 percent to reach 81 million Euros, against 78 million Euros in the last quarter of 2003.

The return on sales increased considerably from 7.4 percent to 8.7 percent.

The expected loss of 430 million Euros on the Consumer Imaging transaction was already booked at the end of June and therefore did not affect the profit and loss statements of the last quarter. On the other hand, an exceptional gain of 118 million Euros on the sale of Monotype was recorded during the fourth quarter, while a gain of 231 million Euros on the sale of Non-Destructive Testing was posted in the fourth quarter of 2003.

As announced previously, Agfa booked significant restructuring charges for an amount of 56 million Euros in the last quarter of 2004. Including these charges and the exceptional gains, the operating result reached 143 million against 268 million Euros in the same period of 2003.

Net profit amounted to 69 million Euros, against 189 million Euros in 2003.

**Graphic Systems'** sales amounted to 468 million Euros, an increase of 13 percent compared to the fourth quarter of 2003. Excluding currency effects and acquisitions and divestitures, sales increased by 5 percent. The return on sales before restructuring and divestitures increased to 5.5 percent, against 5.3 percent in the last quarter of 2003.

After restructuring charges and exceptional gains, Graphic Systems' operating result amounted to 106.6 million Euros.

**HealthCare's** sales were particularly buoyant in the last three months of 2004. Turnover increased 4.9 percent to 382 million Euros. Excluding currency effects and the acquisition of Symphonie On Line, which added 6 million Euros to sales, the increase even amounted to a strong 7.4 percent. Agfa's new range of Computed Radiography devices and significantly higher sales of hardcopy printers and consumables contributed to this success.

Profitability also increased. The operating result before restructuring charges reached 76.6 million Euros, an increase of 14.7 percent compared to the last quarter of 2003. The return on sales thus exceeded 20 percent, compared to 18.4 percent in the same period of 2003. HealthCare's operating result after restructuring charges and non-recurring items amounted to 56.0 million Euros.

### Outlook

Since the launch of the Horizon Plan in 2001, Agfa has significantly increased its operational efficiency, substantially reduced its working capital and fundamentally reshaped its business portfolio. At the beginning of 2005, Agfa announced a transformation project to set up the Graphic Systems and HealthCare business groups as independently operating divisions within Agfa.

Although adverse external factors such as increased raw material costs and currency fluctuations will probably continue to affect Agfa in 2005, results will benefit from savings programs launched at the end of 2004.

Agfa is confident that both business groups, HealthCare and Graphic Systems, will grow revenue as a result of the more focused business portfolio and strengthened by the targeted acquisitions made in recent years.

## Agfa-Gevaert Group Consolidated key figures\* 2004

MILLION EUROS	2004	2003	%	% excl. currency effects & portfolio changes**
<b>Net sales</b>	<b>3,762</b>	<b>4,215</b>	<b>(10.7)</b>	<b>(0.3)</b>
Graphic Systems	1,673	1,622	3.1	1.6
HealthCare	1,361	1,408	(3.3)	0.4
Consumer Imaging	599	870	n.a.	n.a.
Specialty Products	129	315	n.a.	n.a.
<b>Gross profit</b>	<b>1,497</b>	<b>1,766</b>	<b>(15.2)</b>	
<b>Operating result***</b>	<b>294</b>	<b>384</b>	<b>(23.4)</b>	
Graphic Systems	104.5	116.9	(10.6)	
HealthCare	225.7	275.8	(18.2)	
Consumer Imaging	(46.7)	(46.0)	(1.5)	
Specialty Products	10.8	36.9	(70.7)	
Exceptional gains/losses related to divestitures	(312)	231		
<b>Restructuring/non-recurring expenses</b>	<b>(109)</b>	<b>(87)</b>	<b>25.3</b>	
<b>Operating result</b>	<b>(127)</b>	<b>528</b>	<b>(124.1)</b>	
<b>Non-operating result****</b>	<b>(56)</b>	<b>(71)</b>	<b>21.1</b>	
<b>Profit before taxes</b>	<b>(183)</b>	<b>457</b>	<b>(140.0)</b>	
Taxes	39	(135)	128.9	
Minorities & associated companies	1	1		
<b>Net result (share of the Group)</b>	<b>(143)</b>	<b>323</b>	<b>(144.3)</b>	
<b>Gross operating cash flow</b>	<b>246</b>	<b>393</b>	<b>(37.4)</b>	
<b>Net operating cash flow*****</b>	<b>305</b>	<b>522</b>	<b>(41.6)</b>	

(\*) audited, consolidated figures following IFRS/IAS valuation rules

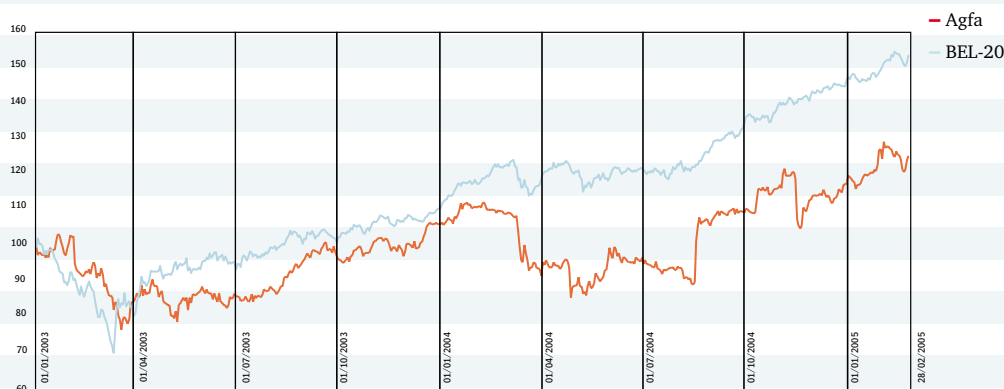
(\*\*) impact of divestitures of Consumer Imaging, Monotype and NDT and acquisitions of Dotrix, Lastra, ProImage and Symphonie On Line

(\*\*\*) before restructuring/non-recurring expenses and exceptional gains/losses related to divestitures

(\*\*\*\*) financial result

(\*\*\*\*\* a.o. the changes in working capital make the difference between gross and net operating cash flow

## Evolution Agfa share price against BEL-20



## About Agfa

The Agfa-Gevaert Group is one of the world's leading imaging companies. Agfa develops, manufactures and markets analogue and digital systems, intended mainly for the graphics industry and the healthcare market. Agfa's headquarters are in Mortsel, Belgium. The company is active in 40 countries and has 120 agents throughout the world. Together they achieved a turnover of 3,762 million Euros in 2004.

Product and company information can be found on [www.agfa.com](http://www.agfa.com).

## Financial Calendar

Annual General Meeting

April 26, 2005 at 11.00 AM

Payment of dividend 2004

April 27, 2005

First quarter results 2005

May 12, 2005

Half year results 2005

August 18, 2005

Third quarter results 2005

November 17, 2005

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