Shareholders' Newsletter
Three quarters 2004

Key Figures* three quarters

Million Euros	2004	2003	%
Net sales	2,827	3,168	(10.8)
Net sales excluding currency effect	2,924	3,168	(7.7)
Operating result	(270)	260	(203.8)
Return on sales	(9.6%)	8.2%	
Non-operating result**	(41)	(55)	(25.5)
Profit before taxes	(311)	205	(251.7)
Taxes	99	(71)	239.4
Net result (share of the Group)	(212)	134	(258.2)
Gross operating cash flow	205	289	(29.1)
Net operating cash flow***	180	310	(41.9)

* non-audited, consolidated figures following IFRS/IAS valuation rules, except for IAS 10 and IAS 37 as the Group decided to already fully book the expected loss on the divestiture of Consumer Imaging in order to give immediately maximum transparency as to the effects of this important transaction.
** financial result
*** a.o. the changes in working capital make the difference between gross and net operating cash flow

Trading conditions continue to improve

- **Solid volume growth in HealthCare and Graphic Systems**
- **Strong cash generation in Q3**
- **Results affected by currency effects, higher raw material prices and increased price erosion**
- **Divestiture of Consumer Imaging closed early November**

Agfa-Gevaert's third quarter results confirmed the considerable improvement of the trading environment for Graphic Systems and HealthCare that was recorded in the second quarter of 2004. The nine months financial statements are heavily affected by the decision to divest Consumer Imaging, which resulted in a non cash loss of 430 million Euros already booked at the end of the second quarter. This divestiture was closed as planned at the beginning of November, starting from which date Consumer Imaging's results will no longer be consolidated.

Agfa's third quarter sales reached 953 million Euros, a decrease of 8.7 percent compared to the same period of 2003. Excluding currency fluctuations and the divestiture of Non-Destructive Testing, the decline was limited to 2.7 percent and was exclusively due to Consumer Imaging.

Gross profit amounted to 373 million Euros, compared to 439 million Euros in the third quarter of 2003. The gross profit margin reached 39.1 percent (previous year: 42.0 percent) and was affected by continuous adverse exchange rate variations, increased raw material prices and higher price erosion.

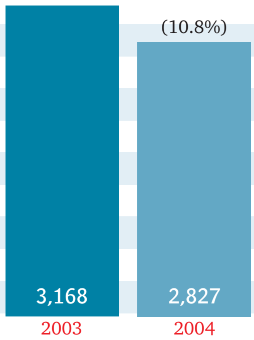
The Group was able to diminish its sales and general administrative costs to 240 million Euros, 10.8 percent less than in the third quarter of 2003. Research and development expenses were 20 percent lower because of the divestiture of Non-Destructive Testing and the decrease in R&D spending in Consumer Imaging.

Restructuring charges and non-recurring expenses amounted to 21 million Euros, the major part of which was situated in Consumer Imaging.

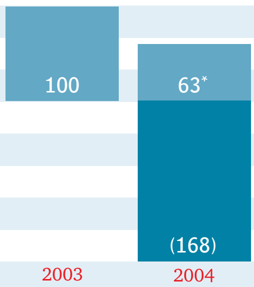
The decrease in operating expenses was able to partially compensate for the lower gross profit. The operating result of the third quarter consequently amounted to 50 million Euros, against 71 million Euros in the previous year.

The non-operating result, which includes the financial charges, remained stable at -15 million Euros.

Group sales three quarters
Million Euros



Earnings per share three quarters
Eurocents

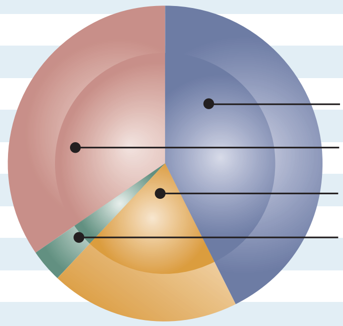


* effect of CI divestiture not included

Balance sheet key figures

Million Euros	30/09/04	31/12/03	30/09/03
Total assets	3,702	3,839	3,937
Inventories	872	813	919
Trade receivables	874	826	890
Net Financial Debt	372	233	647
Shareholders Equity	1,063	1,371	1,253

Share of Group Sales by Business Group
three quarters 2004



Profit before taxes amounted to 35 million Euros, compared to 56 million Euros in the third quarter of 2003. The net result of the quarter reached 23 million Euros or 19 Eurocents per share, against 35 million Euros and 27 Eurocents per share in the same period of 2003.

Business Groups

In the third quarter of 2004, sales in Consumer Imaging reached 185 million Euros, a decrease of 22.3 percent (or 21.0 percent at stable exchange rates) compared to the same period in 2003. Consumer Imaging's operating loss diminished from 24.2 million Euros to 20 million Euros.
As of November 1, 2004, all of Consumer Imaging's activities, including the production, sales and services related to photographic film, finishing products and lab equipment are continued by AgfaPhoto, a private company operating completely independently from Agfa.

Graphic Systems' sales were up 5.2 percent against last year's third quarter, reaching 406 million Euros. The adverse effects on turnover of currency variations and price erosion were more than compensated by the improved market conditions in the graphic industry and by the consolidation, since September 1, 2004, of the results of Lastra, the Italian manufacturer of printing plates that Agfa recently acquired.
Excluding the effects of the strength of the Euro and the acquisition of Lastra, the increase in sales amounted to 3.4 percent.

The operating result amounted to 22.8 million Euros, compared to 23.3 million Euros in the third quarter of 2003. Mainly due to the effects of increased price erosion and raw material prices, the return on sales decreased slightly from 6.0 percent in the third quarter of 2003 to 5.6 percent.

The newspaper segment did particularly well in the third quarter, with a number of successes in the Asian region and a very large contract in Europe. The Daily News of Thailand converted to a full computer-to-plate workflow, the first newspaper to do so in Thailand. Both the Singapore Press Holdings Limited and the Malaysian newspaper publisher Utusan Melayu Berhad opted for Agfa's :Arkitex newspaper workflow software, the latter becoming the first in its country to fully automate and streamline its entire pre-press operations.
In Europe, the leading Italian newspaper Corriere della Sera chose Agfa's violet solutions for its second-generation computer-to-plate technology, comprising hardware, software and services for a total value in excess of five million Euros.
In addition, a five-year contract for digital plates was signed.
In the United States, the GraphExpo trade fair confirmed the increased confidence in the graphic industry, which was already apparent during the Drupa fair in May 2004.

By making the Group the world's prime manufacturer of printing plates, the acquisition of Lastra marked another step in Agfa's strategy to confirm its market and technology leadership. Agfa also expanded its portfolio of enterprise automation software by acquiring ProImage, a leading Israeli developer of browser-based digital workflow solutions for the newspaper and printing industries. ProImage, which posted revenues in 2003 of 6.7 million USD, is consolidated in the Agfa accounts as from mid September 2004.
Early November, Agfa announced that its typography business, with 2003 revenues of 48 million USD, was divested to TA Associates for a price of 169 million USD. This decision is consistent with Agfa's strategy of fully focusing on strengthening its position in the pre-press market and of building a new growth platform in industrial inkjet printing.

In the third quarter of 2004, HealthCare's turnover amounted to 331 million Euros, a decrease of 2.9 percent compared to the same period of 2003. Excluding the effects of the strength of the Euro, HealthCare reported a sales increase of 1 percent. Due to the renewal at the end of last year of a contract with a large buying group in the US, price erosion in HealthCare is larger than usual. Sales volumes, however, showed a solid increase during the last 6 months.
HealthCare's operating result amounted to 46.8 million Euros, against 64.5 million Euros in the third quarter of 2003.
HealthCare is particularly affected by currency variations and, due to the relatively high silver content of medical film, also

Key Figures Graphic Systems three quarters			
Million Euros	2004	2003	%
Sales	1,205	1,208	(0.2)
Sales excl. currency effect	1,242	1,208	2.8
Operating result	63.5	84.3	(24.7)
Return on sales	5.3%	7.0%	

Key Figures HealthCare three quarters			
Million Euros	2004	2003	%
Sales	979	1,044	(6.2)
Sales excl. currency effect	1,022	1,044	(2.1)
Operating result	136.9	202.7	(32.5)
Return on sales	14.0%	19.4%	

Evolution Graphic Systems per quarter 2004			
Million Euros	Q3	Q2	Q1
Sales	406	413	386
Operating result	22.8	19.8	20.9

Evolution HealthCare per quarter 2004			
Million Euros	Q3	Q2	Q1
Sales	331	356	292
Operating result	46.8	53.7	36.4

by the rise of the silver price. This, combined with increased restructuring charges and price erosion, explains the drop of the return on sales to 14.1 percent. Before restructuring charges, HealthCare's return on sales remained at the same level as in the second quarter, close to 16 percent.
Agfa recently completed its computer radiography (CR) portfolio by launching the CR 25 and the CR 75, which met with a lot of success. The order intake for the CR devices as well as for hardcopy printers is substantial and will contribute to the last quarter's sales.
In the U.S. and Canada, Agfa introduced a comprehensive Radiology Information System (RIS) solution, tailored to meet the needs of the North American imaging centres, the fastest growing market segment in the United States. In recent months Agfa was again able to conclude a number of important contracts for its Picture Archiving and Communication System (PACS) and RIS solutions. Amongst the most important is the DIN-PACS II contract, awarded by the US government. The agreement initially runs for one year, with an additional four-year option. It confirms Agfa as one of the US government's suppliers of choice of PACS and related systems and services. In Australia, Agfa was chosen to implement the country's largest RIS project ever, with instalments in more than 30 hospitals in the state of Queensland. The German Bergmanntrost Hospital, a leading European trauma centre, has chosen Agfa's RIS/PACS solution to further improve its efficiency.

Agfa also recently has made an important step in its strategy to become a leading player in enterprise-wide IT solutions for the healthcare sector by acquiring Symphonie On Line, the leading French company in the fast growing market of Hospital Information Systems and Electronic Patient Records. Symphonie On Line posted 2003 revenues of 24 million Euros and will be consolidated as from October 2004.
Agfa expects to be able to announce a further step in the implementation of this strategy before the end of 2004.

Specialty Products mainly comprises motion picture film, microfilm and film for non-destructive testing, which Agfa supplies to the General Electric Company in an exclusive long term agreement. Specialty Products' turnover of the third quarter of 2004 amounted to 31 million Euros and its operating result reached 0.3 million Euros.

Results after nine months

After nine months in 2004, Agfa' s sales reached 2,827 million Euros, a decrease of 10.8 percent compared to the same period in 2003. After a weak start during the first two months of 2004, both Graphic Systems and HealthCare posted a solid upward trend in sales volumes. The trading conditions of Consumer Imaging, on the other hand, continued to worsen.
Gross profit amounted to 1,155 million Euros, compared to 1,351 million Euros after three quarters in 2003. The Group's gross profit margin reached 40.9 percent (previous year: 42.6 percent) and was affected by the adverse effects of price erosion, the strength of the Euro and increased raw material prices.
Although Consumer Imaging's results are fully consolidated until November 1, 2004, when the transaction was closed, the expected non-cash book loss of 430 million Euros on its divestiture was already booked in the second quarter in order to assure maximum transparency with respect to this important transaction.
Agfa's operating result thus amounted to minus 270 million Euros and profit before taxes stood at minus 311 million Euros. The set up of 139 million Euros deferred tax assets in relation to the CI divestiture, resulted in a tax income of 99 million Euros. The net profit thus amounted to minus 212 million Euros.
Excluding the effect of the divestiture of Consumer Imaging, net profit would have reached 79 million Euros.

Balance Sheet

At the end of September 2004, total assets amounted to 3,702 million Euros, compared to 3,839 million Euros at the end of 2003.
The decision to divest Consumer Imaging resulted in the impairment, at the end of June 2004, of all its fixed assets for an amount of 107 million Euros. Moreover, short-term

Key Figures Consumer Imaging three quarters

Million Euros	2004	2003	%
Sales	548	680	(19.4)
Sales excl. currency effect	561	680	(17.5)
Operating result*	(479.7)	(49.1)	-
Return on sales	(87.5%)	(7.2%)	

Evolution Consumer Imaging per quarter 2004

Million Euros	Q3	Q2	Q1
Sales	185	208	155
Operating result*	(20.0)	(440.7)	(19.0)

* including the expected loss on CI divestiture in Q2 2004 (430 million Euros)

Key Figures Specialty Products three quarters

Million Euros	2004	2003	%
Sales	95	236	n.r.*
Operating result	9.3	21.9	n.r.*
Return on sales	9.8%	9.3%	

Evolution Specialty Products per quarter 2004

Million Euros	Q3	Q2	Q1
Sales	31	29	35
Operating result	0.3	0.8	8.2

* a comparison with 2003 is not relevant because of the divestiture of NDT at the end of 2003

provisions were increased by 323 million Euros to reflect the remaining expected non-cash book loss on this transaction and deferred tax assets of 139 million Euros were set up. The net loss of 212 million Euros due to the decision to divest Consumer Imaging explains the decrease of the shareholder's equity to 1,063 million Euros.

The balance sheet was furthermore affected by the consolidation, as from September 1, 2004, of Lastra.

The consolidation of Lastra increased inventories, trade receivables and trade payables by respectively 62 million Euros, 42 million Euros and 37 million Euros. Notwithstanding, the Group was able to further decrease inventories from 919 million Euros to 872 million Euros at end September 2004. Trade receivables stood at 874 million Euros, against 890 million Euros at the end of September of 2003 and trade payables increased from 277 million Euros to 330 million Euros.

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

Cash Flow

The gross operating cash flow for the first nine months of 2004 amounted to 205 million Euros while the net operating cash flow, which also takes account of changes in working capital, reached 180 million Euros. Capital expenditures amounted to 69 million Euros. Agfa was thus again able to generate a substantial free cash flow of 111 million Euros since the beginning of 2004.

Outlook

Agfa expects the favourable trading environment in Graphic Systems to continue during the last months of 2004. Seasonal effects and a well-filled order book lead Agfa to anticipate particularly buoyant sales in HealthCare in the last quarter. As previously announced, the Group will book large restructuring charges, currently estimated to reach 70-75 million Euros, during the last quarter. Apart from the ongoing measures to continuously improve the efficiency in manufacturing, these are related to a vast project to eliminate the remnant costs pursuant to the divestiture of Consumer Imaging and to reduce the Sales and General Administration expenditures to 22 percent of turnover by the end of 2005. The information and consultation procedures with the social partners with respect to the corresponding reduction of staff levels of approximately 1,050 full time equivalent employees worldwide are starting.
After implementing these projects, the Group will be well positioned to successfully meet the challenges of the future. Its two core businesses, Graphic Systems and HealthCare both have very strong market positions, are already predominantly digital and are poised for growth.

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 4,215 million Euros in 2003.

Product and company information can be found on www.agfa.com.

Financial Calendar

Full year results 2004
 March 10, 2005
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

Agfa-Gevaert Group Consolidated key figures* three quarters

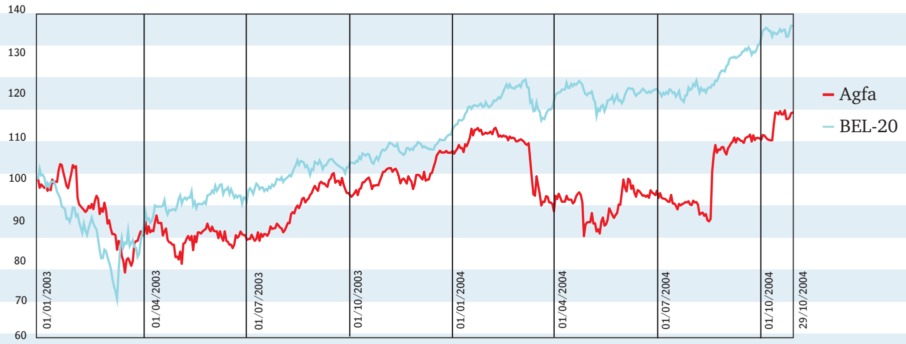
MILLION EUROS	2004	2003	%	% excl. currency effects
Net sales	**2,827**	**3,168**	**(10.8)**	**(7.7)**
Graphic Systems	1,205	1,208	(0.2)	+2.8
HealthCare	979	1,044	(6.2)	(2.1)
Consumer Imaging	548	680	(19.4)	(17.5)
Specialty Products	95	236	n.a.	n.a.
Gross profit	**1,155**	**1,351**	**(14.5)**	
Operating expenses, of which	(1,425)	(1,091)	+30.6	
related to divestiture of Consumer Imaging	(430)	-	-	
restructuring/non-recurring expenses	(53)	(46)	+15.2	
Operating result	**(270)**	**260**	**(203.8)**	
excl. divestiture CI	160	260	(38.5)	
Graphic Systems	63.5	84.3	(24.7)	
HealthCare	136.9	202.7	(32.5)	
Consumer Imaging	(479.7)	(49.1)	-	
excl. divestiture	(49.7)	(49.1)	(1.2)	
Specialty Products	9.3	21.9	n.a.	
Non-operating result**	**(41)**	**(55)**	**(25.5)**	
Profit before taxes	**(311)**	**205**	**(251.7)**	
Taxes	99	(71)	+239.4	
Net result (consolidated companies)	**(212)**	**134**	**(258.2)**	
Minorities & associated companies	0	0	-	
Net result (share of the Group)	**(212)**	**134**	**(258.2)**	
Gross operating cash flow	**205**	**289**	**(29.1)**	
Net operating cash flow***	**180**	**310**	**(41.9)**	

(*) non-audited, consolidated figures following IFRS/IAS valuation rules, except for IAS 10 and IAS 37 as the Group decided to already fully book the expected loss on the divestiture of Consumer Imaging in order to give immediately maximum transparency as to the effects of this important transaction.
(**) financial result
(***)a.o. the changes in working capital make the difference between gross and net operating cash flow

EUROCENT	Earnings per share	Operating profit per share	Number of shares*
After 3 quarters in 2004	(168)	(214)	126,000,210
Excl. divestiture CI	63	127	126,000,210
After 3 quarters in 2003	100	194	133,655,705

*weigthed number of shares used for calculation

Evolution Agfa share price against BEL-20



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