Agfa-Gevaert posts strong fourth quarter

Continued favorable trading conditions in Graphics

Solid margins in HealthCare

Further decreasing price erosion

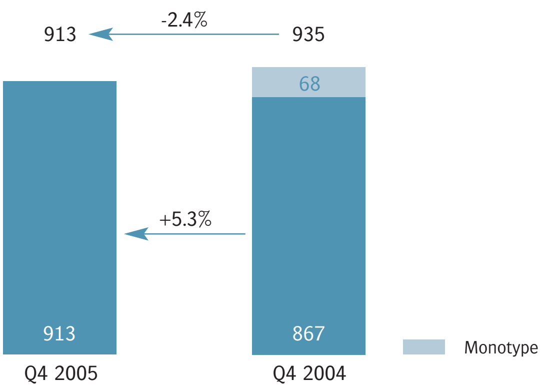
Net operating cash flow of 100 million euro in fourth quarter

Net profit of 38 million euro in fourth quarter

2005 net loss due to AgfaPhoto liquidation

Proposal to pay dividend of 50 eurocent

Group Sales (million euro)



Agfa-Gevaert announced its fourth quarter results. Sales amounted to 913 million euro, as all business groups performed well in the last quarter of the year. Graphics' volumes continued to grow, especially for digital printing plates and prepress equipment. The more pronounced seasonality of the growing IT business is reflected in HealthCare's strong fourth quarter performance.
The full year was characterized by steeply increasing raw material costs and difficult trading conditions for HealthCare's film related activities. Agfa's 2005 results were also affected by the unexpected insolvency filing and subsequent liquidation of AgfaPhoto, leading to a 2005 net loss of 19 million euro.

Marc Olivié, Agfa's President and CEO, stated: "Both Graphics and HealthCare performed well in the fourth quarter.
In Graphics, the digital prepress activities continued their solid volume growth, more than compensating for the decline in analog prepress. HealthCare's results were driven by the seasonally strong IT business and less price erosion."

Fourth quarter results

The last quarter of the year is traditionally characterized by strong sales in both businesses. This seasonality gets more pronounced as the share of IT sales in HealthCare increases.

Agfa Group - fourth quarter

million euro	Q4 2005	Q4 2004	% prev. year
Net sales	913	935	-2.4%
Gross profit	339	342	-0.9%
EBITDA (*)	152	132	+15.2%
EBIT (*)	111	81	+37.0%
Operating result (**)	78	143	-45.5%
Net result (consolidated comp.)	38	69	-44.9%
Gross operating cash flow	88	41	+114.6%
Net operating cash flow	100	125	-20.6%

(*) Before restructuring and non-recurring items but including 25 million euro income related to changes in the retiree medical plan in the Group's US affiliate.
(**) The operating result of the fourth quarter of 2004 included the exceptional gains of 118 million euro related to the divestiture of Monotype Corporation.

Compared to the fourth quarter of 2004, sales decreased 2.4 percent, mainly due to the divestitures of Consumer Imaging and Monotype in November 2004.

Despite the increasing raw material costs, the gross profit margin increased from 34.3 percent in the third quarter to 37.1 percent in the fourth quarter. This is mainly the result of higher sales and less price erosion, especially in HealthCare.

Sales and general administration costs (SG&A) amounted to 210 million euro, or 23.0 percent of sales, compared to 231 million euro or 24.7 percent of sales in the fourth quarter of 2004.
The Group's R&D expenses were 48 million euro, or 5.3 percent of sales, compared to 43 million euro or 4.6 percent in the fourth quarter of 2004. R&D efforts are focused primarily on digital printing plates and industrial inkjet in Graphics and on breakthrough imaging technologies and IT in HealthCare.
Actions have been taken to contain future retiree medical benefits costs in the Group's US affiliate. This has also resulted in a one time income of 25 million euro, which is part of other operating items.
The net profit of the quarter was 38 million euro or 30 eurocent per share, compared to 69 million euro or 54 eurocent per share in the fourth quarter of 2004, which included the exceptional gains of 118 million euro related to the divestiture of Monotype Corporation.

Balance sheet and cash flow

- At the end of December 2005, total assets amounted to 3,982 million euro, compared to 3,356 million euro in 2004. This increase is primarily due to the consolidation of GWI and Heartlab.
- Days of inventories stood at 101 at the end of December 2005, virtually reaching the target of 100 days.
- Agfa will continue its efforts to reduce days of trade receivables, which were 84 in December versus the target of 70. Trade payables reached 64 days at the end of December, significantly better than the target of 55 days.
- Net financial debt stood at 679 million euro, against 193 million euro in 2004. The increase was mainly due to the payment of 361 million euro for acquisitions and the phase out of the securitization of receivables (61 million euro).
- The combined seasonality of the operating result and working capital resulted in a strong cash generation in the last quarter and the net operating cash flow amounted to 100 million euro.

Agfa Graphics - fourth quarter

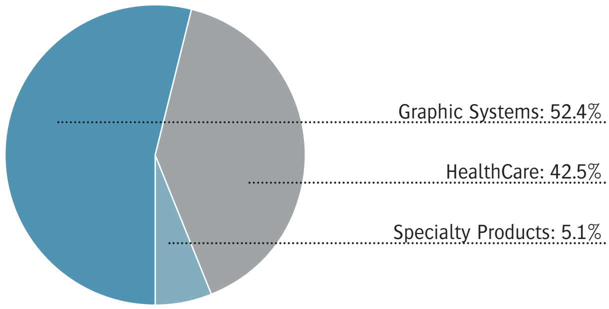
million euro	Q4 2005	Q4 2004	% prev. year
Net sales	465	468	-0.6%
EBITDA (*)	48.8	48.9	-0.2%
% of sales	10.5%	10.4%	
EBIT (*)	27.8	25.9	+7.3%
Operating result (**)	16.8	106.6	-84.2%

(*) Before restructuring and non-recurring items but including 13 million euro income related to changes in the retiree medical plan in the Group's US affiliate.
(**) The operating result of the fourth quarter of 2004 included the exceptional gains of 118 million euro related to the divestiture of Monotype Corporation.

Sales decreased 0.6 percent, but - excluding the divestiture of Monotype - increased by 1.1 percent, as a result of less price erosion and higher volumes. Sales of digital printing plates and prepress equipment grew by more than 20 percent compared to the fourth quarter of 2004 and now represent more than 50 percent of Graphics' sales.

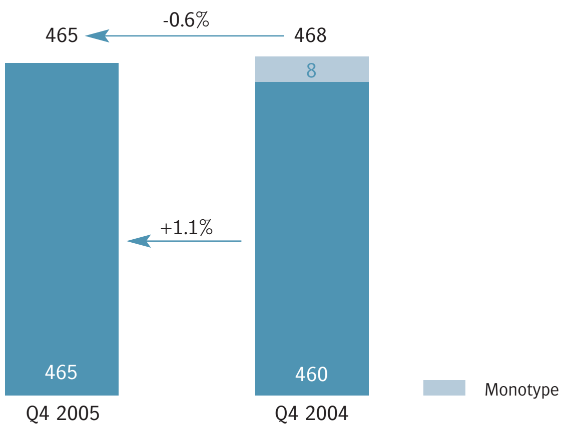
Share of Group Sales by Business Segment

100% = 3,308 million euro

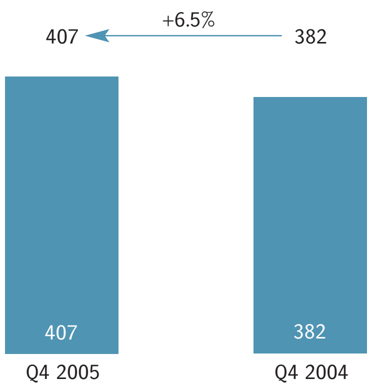


Sales by Business Group (million euro)

Graphic Systems



HealthCare



As a percentage of sales, EBITDA before restructuring and non-recurring items was 10.5 percent (or 7.7 percent excluding the 13 million euro from the changes in the US retiree medical plan), compared to 10.4 percent in the fourth quarter of 2004. This was mainly the result of higher raw material costs and increasing energy and transportation costs. Graphics has recently announced substantial price increases to offset these higher costs.

In October a five-year strategic alliance was closed with the New York Times Company, making Agfa the preferred supplier of workflow solutions and violet computer-to-plate equipment for all the newspapers of The New York Times Group. The French newspaper Nord-Eclair ordered 3 :Polaris platesetters and an entire :Arkitex workflow solution and closed an exclusive plate contract. At the end of 2005 Graphics had an installed base of over 1,500 newspaper computer-to-plate systems. 75% of all newspaper printers worldwide are now using Agfa software to increase their efficiency and productivity. At the leading newspaper industry trade show Ifra, held in Leipzig, Germany, Graphics' sales exceeded expectations by more than 100 percent.

Graphics continued to reinforce its leading position in prepress through the introduction of innovative technologies. In newspaper printing, the launch of the :Advantage Xm and Xs platesetters brings the benefits of digital platemaking within the reach of medium-sized newspaper printers. Powerful new features were added to the newspaper workflow system :Arkitex, increasing efficiency and productivity. Graphics also launched :Arkitex IntellTrack, an enterprise-wide tracking system that automatically checks key performance data at every point in the printing process.

For commercial and packaging printers, Graphics introduced the :Amigo thermal plate, an important addition to its family of ThermoFuse plates. ThermoFuse is Agfa's patented imaging technology made popular by the success of the :Azura chemistry-free plate. By the end of 2005, more than 400 commercial printers around the world were already using :Azura, which was launched in November 2004.

Agfa HealthCare - fourth quarter

million euro	Q4 2005	Q4 2004	% prev. year
Net sales	407	382	+6.5%
EBITDA (*)	100.2	97.6	+2.7%
% of sales	24.6%	25.5%	
EBIT (*)	82.2	76.6	+7.3%
Operating result	65.6	56.0	+17.1%

(*) Before restructuring and non-recurring items but including 12 million euro income related to changes in the retiree medical plan in the Group's US affiliate.

Sales increased 6.5 percent, mainly driven by the growth in IT as a result of the acquisitions. The share of IT in HealthCare's sales reached 34 percent in the fourth quarter of 2005, compared to 23 percent in the same period of 2004. Price erosion continued to slow down, among other things as a result of targeted pricing actions.

EBITDA before restructuring and non-recurring items reached 24.6 percent of sales (or 21.7 percent excluding 12 million euro from the changes in the US post-retirement medical plan), compared to 25.5 percent in the fourth quarter of 2004.

In the fourth quarter of 2005, HealthCare closed major PACS deals in, among other countries, Canada, Ireland and the Netherlands and further strengthened its presence within the US government's healthcare market. In November 2005, HealthCare launched IMPAX 6.0, its next generation PACS solution and IMPAX Enterprise, a healthcare IT workflow solution that integrates several IT components and services including Agfa's Radiology Information System (RIS) and its new System Monitoring and Management Service. In February 2006, less than three months after its launch, more than 100 sites around the world had already signed up to use IMPAX 6.0.

In the field of hospital IT, HealthCare introduced the international version of ORBIS, its modular hospital IT system and Electronic Medical Record. The first contracts have already been signed in France, the first country outside the Germany-Austria-Switzerland region where ORBIS was introduced. HealthCare will now further expand the organization to accelerate the rollout of ORBIS in other European countries, planned for 2006, and North America, planned for 2007.

In the US, Quantum Medical Imaging became a distributor of exclusively Agfa products and systems. Quantum has an affiliate dealer network of approximately 75 dealers and resellers. The agreement significantly increases Agfa's access to the markets of community based hospitals and imaging centers.

Agfa complemented its women's care portfolio by signing a bilateral agreement with Siemens, which authorizes Agfa to distribute Siemens' Direct Radiography (DR) Mammomat Novation digital mammography system. In the field of Computed Radiography (CR), HealthCare launched its highly innovative DX-S digitizer in the North American market. This system is now available worldwide.

Specialty Products - fourth quarter

Specialty Products mainly comprises motion picture film, microfilm, film for non-destructive testing and complete systems for the production of high security identification cards. Its sales reached 41 million euro in the fourth quarter of 2005, an increase of 20.6 percent compared to the same period in 2004. The operating result was minus 4.5 million euro and also comprised costs related to services provided to AgfaPhoto. Excluding these costs, the EBITDA margin (before restructuring and non-recurring items) was 18.8 percent of sales in the fourth quarter of 2005, compared to 20.1 percent in the same period of 2004.

In the fourth quarter, Specialty Products signed a major contract with the French company Thales Security Systems whereby Agfa will provide a complete sub-system for the production of about 20 million high security electronic ID cards for Morocco.

Full year results

As a result of portfolio changes, comparisons with 2004 are more relevant for the business groups, Graphics and HealthCare, than for the Agfa-Gevaert Group as a whole. Agfa divested its Consumer Imaging business and Monotype Corporation and acquired the Italian printing plate manufacturer Lastra, the French company in Hospital Information Systems Symphonie On Line and the developer of workflow solutions for the printing industry ProImage in 2004. In 2005 it acquired GWI, the European leader in Electronic Medical Records, and Heartlab, a leading designer and supplier of image and information networks for cardiology. Agfa also acquired the remaining shares of Med2Rad, an important developer and supplier of Radiology Information Systems in Italy.

Agfa Group - full year

million euro	2005	2004	% prev. year
Net sales	3,308	3,762	-12.1%
Gross profit	1,212	1,497	-19.0%
EBITDA (*)	405	479	-15.4%
EBIT (*)	244	294	-17.0%
Operating result (**)	132	-127	+203.9%
Net result (consolidated comp.) (***)	-19	-143	+86.7%
Earnings per share (eurocent)	-15	-114	
Gross operating cash flow	133	246	-45.9%
Net operating cash flow	82	305	-73.1%

(*) Before restructuring and non-recurring items but including a 25 million euro income related to changes in the retiree medical plan in the Group's US affiliate.
(**) The operating result of 2004 included a net exceptional loss of 312 million euro related to the divestitures of Consumer Imaging and Monotype Corporation. The operating result of 2005 included a 55 million euro provision related to the liquidation of AgfaPhoto.
(***) The net result of 2005 included a 54 million euro reversal of tax assets related to the liquidation of AgfaPhoto.

- Excluding the effects of divestitures, sales of continuing businesses increased 6.4 percent.
- The gross profit margin decreased from 39.8 percent in 2004 to 36.6 percent, mainly driven by higher raw material costs and price erosion.
- Due to the unexpected insolvency and subsequent liquidation of AgfaPhoto, a 55 million euro provision was set up and 54 million euro of deferred tax assets were reversed in the third quarter of 2005.
- As a result the Group posted a net loss of minus 19 million euro or minus 15 eurocent per share, compared to a net loss of 143 million euro or minus 114 eurocent per share in 2004.

Agfa Graphics - full year

million euro	2005	2004	% prev. year
Net sales	1,733	1,673	+3.6%
EBITDA (*)	154.8	175.6	-11.8%
% of sales	8.9%	10.5%	
EBIT (*)	74.8	104.6	-28.5%
Operating result (**)	53.4	170.1	-68.6%

(*) Before restructuring and non-recurring items but including a 13 million euro income related to changes in the retiree medical plan in the Group's US affiliate.
(**) The operating result of 2004 included the exceptional gains of 118 million euro related to the divestiture of Monotype Corporation.

High volume growth in digital printing plates and actions to contain price erosion resulted in a sales increase of 6.4 percent for the continuing business. EBITDA before restructuring and non-recurring items was heavily affected by high raw material costs and reached 8.9 percent of sales (10.5 percent in 2004).

Agfa HealthCare - full year

million euro	2005	2004	% prev. year
Net sales	1,405	1,361	+3.2%
EBITDA (*)	236.9	305.7	-22.5%
% of sales	16.9%	22.5%	
EBIT (*)	162.9	225.7	-27.8%
Operating result	138.0	192.9	-28.5%

(*) Before restructuring and non-recurring items but including a 12 million euro income related to changes in the retiree medical plan in the Group's US affiliate.

Excluding the effects of portfolio changes, sales decreased by 7.5 percent, mainly due to the decline in the traditional film and print markets in the US and price erosion. EBITDA before restructuring and non-recurring items was 16.9 percent of sales versus 22.5 percent in 2004.

Specialty Products - full year

Excluding the provision and costs related to AgfaPhoto, the EBITDA margin (before restructuring and non-recurring items) was 14.4 percent of sales versus 16.9 percent in 2004.

Dividend

The Board of Directors will propose to the Annual General Meeting of Shareholders on April 25, 2006 a gross ordinary dividend per share of 50 eurocent, to be paid on April 26, 2006.

Outlook

Early in 2006, Graphics announced significant price increases for most of its products to improve its profitability and to continue investing in leading-edge technologies and innovative solutions. These price increases are expected to have an impact from the second quarter of this year onwards. Graphics' plans to play an important role in the growing industrial inkjet market are on track. All installed industrial inkjet devices have switched to Agfa's fourth generation inks and sales of inkjet printers will continue to increase.

Due to the increasing share of IT in HealthCare's portfolio, seasonality will become even more pronounced. While IT sales will continue to grow, film products are expected to decrease further as a result of the market transition to filmless systems. Agfa will invest in the HealthCare IT organization to accelerate the international rollout of the ORBIS hospital wide IT solution. HealthCare will also address the growing imaging center segment through the launch of a new entry-level CR digitizer and more intense cooperation with dealer networks.

As of January 1, 2006, the business groups have been given operational independence to focus more effectively on their respective customers, be more cost efficient and improve customer service and responsiveness. This will also enable the Group to pursue all options for growth.

Marc Olivié, Agfa's CEO and President, said: "In 2006 we will continue the transition in both major business groups, and we are convinced that we are following the right strategies for the long-term success of the businesses. While maximizing the results in our traditional areas, we will continue to drive growth in our new markets."

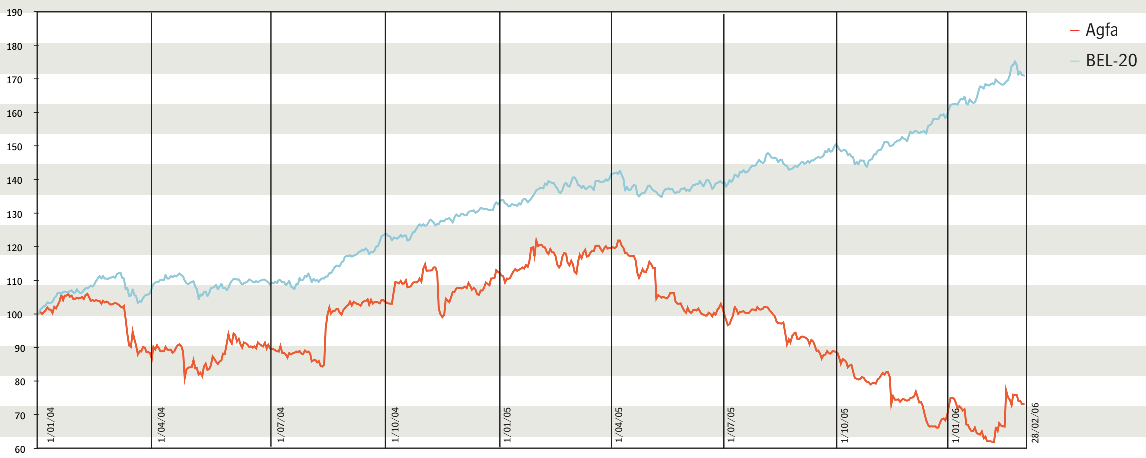
Consolidated Statements of Income (million euro)

(Audited, consolidated figures following IFRS/IAS valuation rules)

	2005	2004(*)	% prev. year	Q4 2005	Q4 2004	% prev. year
Net sales	**3,308**	**3,762**	**-12.1%**	**913**	**935**	**-2.4%**
Cost of goods sold	-2,096	-2,265	-7.5%	-574	-593	-3.2%
Gross profit	**1,212**	**1,497**	**-19.0%**	**339**	**342**	**-0.9%**
Gross Margin	36.6%	39.8%		37.1%	36.6%	
Selling expenses	-583	-701	-16.8%	-153	-168	-8.9%
Research & Development expenses	-191	-191	0.0%	-48	-43	11.6%
General administration expenses	-228	-268	-14.9%	-57	-63	-9.5%
Other operating income	326	540	-39.6%	87	253	-65.6%
Other operating expenses	-404	-1,004	-59.8%	-90	-178	-49.4%
Operating result	**132**	**-127**	**203.9%**	**78**	**143**	**-45.5%**
Net interest expenses	-18	-19	-5.3%	-5	-3	66.7%
Other non-operating income (expense)	-7	-37		-10	-12	-16.7%
Non-operating result	**-25**	**-56**	**55.4%**	**-15**	**-15**	
Profit before tax	**107**	**-183**	**158.5%**	**63**	**128**	**-50.8%**
Tax	-125	39	-420.5%	-24	-60	-60.0%
Net income	**-18**	**-144**	**87.5%**	**39**	**68**	**-42.6%**
of which minority interest	1	-1		1	-1	
of which Agfa-Gevaert NV stockholders	-19	-143	86.7%	38	69	-44.9%
Net result	**-19**	**-143**	**86.7%**	**38**	**69**	**-44.9%**
Outstanding shares per end of period	124,780,270	126,054,680		124,780,270	126,054,680	
Weighted number of shares used for calculation	125,603,444	126,008,540		124,789,501	126,033,528	
Operating profit per share (euro)	1.05	-1.01		0.62	1.13	
Earnings per share (euro)	-0.15	-1.14		0.30	0.54	
Diluted earnings per share (euro)	-0.15	-1.13				

(*) Excluding the IFRS2 share-based payment restatement of 2 million euro.

Evolution Agfa share price against BEL-20



Consolidated Balance Sheets (million euro)

(Audited, consolidated figures following IFRS/IAS valuation rules)

	2005	2004(*)
ASSETS		
Non-current assets	**1,561**	**1,011**
Intangible assets	924	338
Property, plant and equipment	502	519
Investments	32	38
Long-term loans receivable	102	112
Derivative financial instruments	1	4
Non-current assets classified as held for sale	**5**	**0**
Current assets	**2,129**	**2,035**
Inventories	586	576
Trade receivables	854	744
Other receivables and other assets	498	391
Cash and cash equivalents	169	293
Deferred charges	20	18
Derivative financial instruments	2	13
Deferred taxes	**287**	**310**
Total assets	**3,982**	**3,356**

EQUITY AND LIABILITIES		
Shareholder's equity	**1,032**	**1,082**
Capital stock of Agfa-Gevaert N.V.	140	140
Share premium of Agfa-Gevaert N.V.	109	107
Retained earnings	1,069	1,284
Net result	-19	-143
Translation differences	31	-44
Reserves	-301	-264
Minority interest	3	2
Noncurrent liabilities	**1,394**	**1,052**
Liabilities for post-employment benefits	709	727
Liabilities for personnel commitments	29	35
Financial obligations > 1 year	552	247
Provisions > 1 year	102	43
Deferred income	2	0
Current liabilities	**1,445**	**1,185**
Financial obligations < 1 year	296	239
Trade payables	375	369
Miscellaneous liabilities	365	211
Liabilities for personnel commitments	77	72
Provisions < 1 year	301	282
Deferred income	15	5
Derivative financial instruments	16	7
Deferred taxes	**111**	**37**
Total Equity and Liabilities	**3,982**	**3,356**

(*) Excluding the IFRS2 share-based payment restatement of 2 million euro.

Consolidated Cash Flow Statements (million euro)

(Audited, consolidated figures following IFRS/IAS valuation rules)

	2005	2004(*)	Q4 2005	Q4 2005
Operating result	132	-127	78	143
Current tax expense	-106	-84	3	-34
Depreciation / Amortization and impairment losses	161	291	41	51
Changes in fair value of derivative financial instruments	7	4	2	-1
Change in long-term provisions	-50	-11	-36	22
Provision for onerous contracts	0	0		-324
(Gains) / losses on retirement of non-current assets	-11	-17		-6
Loss on CI net assets carved-out	0	270		270
(Gains) on disposals	0	-126		-126
Tax expense on disposals	0	46		46
Gross operating cash flow	**133**	**246**	**88**	**41**
Decrease (increase) in inventories	2	81	75	75
Decrease (increase) in trade receivables	-37	-58	-33	-61
Increase (decrease) in trade payables	-26	83	6	93
Change in short-term provisions	23	-34	-46	2
Change in other working capital	-13	-13	10	-25
Changes in working capital	**-51**	**59**	**12**	**84**
Net operating cash flow	**82**	**305**	**100**	**125**
Cash outflows for additions to intangible assets	-28	-12	-9	-7
Cash outflows for additions to property, plant and equipment	-78	-100	-26	-36
Cash inflow from disposals of intangible assets	0	1		1
Cash inflows from disposals of property, plant and equipment	27	55	3	22
Cash inflows from disposals	0	129		129
Cash inflows (outflows) for equity and debt instruments	12	6	19	-2
Cash inflows (outflows) for taxes paid on previous disposals	-42	0	-1	
Cash outflows for acquisitions	-361	-122		-43
Cash inflows related to purchase price adjustments of previous acquisitions	3	0		
Interests and dividends received	21	18	5	6
Net cash used in investing activities	**-446**	**-25**	**-9**	**70**
Dividend payments to stockholders	-76	-95		
Repurchase of own shares	-31	0	2	
Capital contributions	2	0		
Prefinancing AgfaPhoto in respect of previous CI divestiture	27	0	-10	
Net issuances of debt	319	-231	-64	42
Interest paid	-28	-39	-10	-17
Other financial inflows / (outflows)	36	-22	11	-4
Net cash provided by / used in financing activities	**249**	**-387**	**-71**	**21**
Change in cash due to business activities	**-115**	**-107**	**20**	**216**
Change in cash due to changes in exchange rate	-7	**3**	-16	-4
Total change in cash	**-122**	**-104**	**4**	**212**

(*) Excluding the IFRS2 share-based payment restatement of 2 million euro.

Financial Calendar 2006

Annual General Meeting	April 25, 2006
Payment of Dividend 2005	April 26, 2006
First quarter 2006 results	May 17, 2006
Half year 2006 results	August 24, 2006
Third quarter 2006 results	November 16, 2006

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