



**PRESS RELEASE – Regulated information**

Wetteren (Belgium), 18 November 2008

**Spector Photo Group:  
Trading update for third quarter of 2008**

**Retail Group:**

- Turnover declines marginally from € 154.9 million to € 152.9 million (- 1.3%)
- REBITDA falls from € 7.4 million to € 5.0 million (-32.7%)

**Imaging Group:**

- Turnover falls by only 7.6% compared to -30.8% last year
- REBITDA rises from € 3.5 million to € 4.1 million (+15.5%)

**Segment information from continuing activities**

Unaudited figures prepared in accordance with IFRS

(in € x 1,000)	January-September 2007	January-September 2008	07/08
<b>Revenue</b>			
<b>Total</b>	<b>211,490</b>	<b>205,355</b>	<b>-2.9%</b>
Retail	154,882	152,901	-1.3%
Imaging	57,351	53,015	-7.6%
Corporate	801	573	NR
Intersegment	-1,544	-1,134	NR
<b>REBITDA</b>			
<b>Total</b>	<b>10,911</b>	<b>8,666</b>	<b>-20.6%</b>
Retail	7,405	4,981	-32.7%
Imaging	3,528	4,075	15.5%
Corporate	-22	-390	NR

**Retail Group**

Similarly to the first half-year of 2008, the third quarter also continued to be haunted by decreasing consumer confidence due to major uncertainty caused by the international financial crisis and the fear of an economic recession. The negative trend in consumer confidence has resulted in a fall in spending, mainly in Belgium and Hungary. For the first nine months of 2008, this has led to a slight fall of the turnover from € 154.9 million to € 152.9 million (-1.3%) and a fall of the REBITDA from € 7.4 million to € 5.0 million (-32,7%).

### Belgium:

The more expensive consumer goods market in particular remained characterised by price erosion and pressure on margins. The fall in prices for each product led to a further fall of the turnover and the REBITDA, yet Photo Hall succeeded in increasing its market share.

### Luxembourg:

In spite of international economic uncertainty, both the turnover and the results developed positively compared to 2007, with virtually all product groups showing continued growth. In particular, the product families of TV, games and 'white-line' household appliances contributed to the positive development of turnover and the increase of the REBITDA.

### Hungary:

The continuing economic crisis of the country continues to cut into consumers purchasing power. There is enormously hard price competition on the multimedia products market. It is therefore mainly the margin that is under pressure, resulting in a sharply decreasing REBITDA. The Hungarian organisation is pursuing a policy of strict cost containment and restricting marketing expenditure. At the same time, measures are being taken to combat effects of the negative market trend by means of a better product differentiation.

## **Imaging Group**

Growth of the new products, such as photo books, photo calendars and photo on canvas, is increasingly improving compensation for the decline of the analogue turnover. The Imaging Group therefore only experienced a 7.6% fall in turnover. During the same period last year, turnover was still showing a fall of 30.8%. The fall in turnover is also lower than the first quarter (-15.4%) and the first half-year (-10.1%).

Currently, the share of the new ranges of products already amounts to 50% of the total turnover of the digital photo products. Since the margins are also higher on these products, this will have an increasing effect in improving the future profitability.

During the course of October, the production capacity for the new ranges of products was doubled in the labs in Wetteren, Belgium. The staffing level in total production expanded again.

The trend of a rising market share for Filmobel (wholesale trade, Spector) was further reinforced as a result of a partnership agreement with Camara.

## **PROSPECTS (\*)**

### **Photo Hall – Retail Group**

The expectation that the economy will remain under pressure for the coming period will undoubtedly maintain its impact on the pattern of consumption. For this reason, strict cost containment characterises the operating policy in Photo Hall. Aid to Hungary by international bodies must help the country with stabilising its economy and restoring consumer confidence.

### **Photomedia – Imaging Group**

At this time, the Imaging Group has felt little impact from the economic malaise. The fourth quarter will be characterised by further growth of the new digital products and probably, for the first time, the turnover for the fourth quarter will again show an increase compared to the fourth quarter of 2007.

## Spector Photo Group's profile

Spector Photo Group is a diversified multimedia and photo group with some 1,000 employees, operating in 15 European countries. The group's shares are traded on Euronext Brussels (ISIN BE0003663748, stock code SPEC).

Spector Photo Group has two core activities that are each organised in a separate division:

- the Retail Group operates under the brand names Photo Hall and Hifi International in the retailing of consumer electronics and multimedia products. It operates some 240 shops under its own management, under granted franchises, or via e-commerce. This network extends across Belgium, the Grand Duchy of Luxembourg, France and Hungary.
- the Imaging Group processes digital and analogue photographs into photo prints, photo calendars, photo diaries, photo books, photo on canvas, and photo gifts. Imaging uses ExtraFilm™ as its strategic brand name for its mail-order service. In addition, the group reserves its Spector™ brand name for the partnership with specialised photographic businesses.

## Financial calendar

9 February 2009	Trading update for fourth quarter of 2008
10 March 2009	Annual communiqué of annual results for 2008
28 April 2009	2008 Annual Report
13 May 2009	Trading update for first quarter of 2009
31 August 2009	Half-year results and Half-year financial report for 2009
10 November 2009	Trading Update for third quarter of 2009

## Definitions

Turnover = Revenue

REBITDA = profit/loss (-) from operating activities before non-recurring items corrected for depreciation, amortisation and provisions.

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(\* ) This press communication contains forward-looking information that is based on the current internal estimates and expectations. The forward-looking statements contain inherent risks and only apply at the date on which they are communicated. It cannot be excluded that the actual results differ considerably from the forward-looking expectations that have been incorporated in this message.

This press release is an English translation of the official Dutch version.