



PRESS RELEASE – Regulated information

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Wetteren (Belgium), 27 October 2011

**Spector Photo Group:
Trading update for third quarter of 2011**

Retail Group:

- The euro crisis is perpetuating the reluctance of consumers and is putting the entire sector under pressure.
- The revenue after 9 months decreased from EUR 116.09 million to EUR 102.27 million (-11.9%).
- The REBITDA fell from EUR 2.90 million to minus EUR 1.65 million after 9 months.

Imaging Group:

- Automation of production and logistics in 2010 resulted in a substantial improvement of the profitability.
- The revenue after 9 months evolves from EUR 43.15 million to EUR 38.46 million (-10.9%).
- The REBITDA after 9 months increased by 46% to EUR 1.50 million.

Segment information from continuing operations

Unaudited figures prepared in accordance with IFRS

(in € '000)	YTD September 2010	YTD September 2011	Δ in %
Revenue			
Total	158 747	140 296	-11.6%
Retail	116 095	102 267	-11.9%
Imaging	43 153	38 461	-10.9%
Corporate	437	441	1.0%
Intersegment	- 938	- 873	7.0%
REBITDA			
Total	3 614	- 393	-
Retail	2 899	-1 646	-
Imaging	1 026	1 496	45.9%
Corporate	- 311	- 243	21.9%

Retail Group

As in the first six months of 2011, consumers continue to be cautious in their spending. Without exception, this development is putting the whole sector under pressure. During the first nine months of 2011, the revenue decreased from EUR 116.09 million to EUR 102.27 million (-11.9%). In comparison with the third quarter of 2011, revenue fell by 15.4% on a quarterly basis.

Due to the decline in revenue, the Retail Group recorded a REBITDA of minus EUR 1.65 million in the first nine months of 2011. During the same period in 2010, REBITDA amounted to EUR 2.90 million. The REBITDA for the third quarter of 2011 came to minus EUR 0.70 million, compared with EUR 1.26 million last year.

During the course of the third quarter, two shops were closed, more specifically in Bruges and Liège. At the end of September 2011, Photo Hall Belgium had 90 shops, and Hifi International had 17 shops. Photo Hall Belgium and Hifi International also each have an e-commerce sales outlet.

Imaging Group

The computerisation in production and logistics, the integration of the Swedish lab in 2010, and the shift towards products with higher added value are leading to a strong improvement in profitability in 2011. Thus, the REBITDA increased from EUR 1.03 million to EUR 1.50 million (+46%) during the first nine months of 2011. The revenue fell by 10.9% from EUR 43.15 million to EUR 38.46 million during this period. The bulk of the decline occurred in the sale of hardware (Filmobel), mainly due to the ceasing of selling with small margins. The photo activities (mail order and shops) experienced slightly lower revenue, on the one hand due to the decline of analogue photography (with its peak still in the third quarter), and on the other due to a reduction in the number of digital prints. Both decreases were substantially offset by growth in digital photo-related products, such as photo books and photo cards. It should also be noted that the seasonal peak of these activities continues to shift to the fourth quarter, while growth slowed slightly in August due to the euro crisis.

During the third quarter, the existing brands Spector™ and ExtraFilm™ were changed into smartphoto™, a new and dynamic brand that consumers can call on for all digital photo products, both directly and through photographers. The name change is part of a broader framework to build further on the know-how and customer friendliness of the group and to raise the services to a higher level. The four 'smart' benefits (smart guarantee, smart bonus, smart dialogue, and smart service) are a good example of this.

PROSPECTS (*)

Photo Hall – Retail Group

In the short term, the Retail Group does not expect any significant change in the trends that appeared during the first nine months of 2011.

Photomedia – Imaging Group

The fourth quarter continues to be the most commercially important quarter of the financial year. Due to the reduction of the break-even point, the profitability that was initiated in the second half of 2010 will continue in 2011.

Spector Photo Group's profile

Spector Photo Group is a diversified multimedia group operating in 14 European countries, with some 700 employees. Spector's shares are traded on Euronext Brussels (ISIN BE0003663748, stock code SPEC).

Spector Photo Group has two core activities that are structured into two separate divisions: The Retail Group, which contains the retailing of consumer electronics and multimedia products under the brand names Photo Hall™ and Hifi International™. At the end of September 2011, the Retail Group had 109 shops, of which 106 were under the Group's own management, spread across Belgium and the Grand Duchy of Luxembourg. The Retail Group's revenues represented 73% of the revenue from continuing operations at the end of September 2011.

The Imaging Group converts digital and analogue photographs into photo prints, photo cards, photo calendars, photo albums and 'photo gifts'. Imaging uses smartphoto™ as its strategic brand name for its mail-order service as well as for its partnership with specialised photographic businesses. The Imaging Group's revenues represented 27% of the revenue from Spector Photo Group's continuing operations as at the end of September 2011.

Financial calendar

8 March 2012**	before exchange opens	2011 Annual results
9 May 2012	before exchange opens	Trading update for first quarter of 2012
30 August 2012**	after exchange closes	Half-year results and Half-year financial report for 2012
25 October 2012**	after exchange closes	Trading update for third quarter of 2012

Definitions

Revenue = Operating income from continuing operations.

REBITDA = Profit/loss (-) from operating activities before non-recurring items, adjusted 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.

(**) indicative dates

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