SPECTOR PHOTO GROUP –2010 HALF-YEARLY FINANCIAL REPORT

Regulated information

2010 HALF-YEARLY FINANCIAL REPORT

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Obligations with regard to periodical information in accordance with the Belgian Royal Decree of 14 November 2007

Mr. Tonny Van Doorslaer, Executive Chairman, Mr. Christophe Levie, Managing Director of the Retail Group and Mr. Stef De corte, Managing Director of the Imaging Group declare, in the name and on behalf of Spector Photo Group, that to the best of their knowledge:

- the half-yearly consolidated financial statements, which have been prepared in accordance with the applicable standards for annual accounts, present a true and fair view of the assets, liabilities, financial position and results of Spector Photo Group NV and the enterprises incorporated in the consolidation;

- the half-yearly financial report gives a true and fair summary of the information concerning the first half-year, which must be included in this report and the impact of this on the condensed half-yearly financial statements.

Key figures
Consolidated figures in accordance with IFRS

Income Statement (in € '000)	June 2009	June 2010	Δ in %
Revenue	117 145	105 548	-9.9%
REBITDA	1 827	964	-47.2%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)	- 2 270	- 2 855	-25.8%
Non-recurring items from operating activities	0	- 1 287	-
Profit/loss (-) from operating activities (EBIT)	- 2 270	- 4 142	-82.5%
EBITDA	1 827	1 358	-25.7%
Financial result	- 1 618	- 2 151	-32.9%
Income tax expense (-)/income	431	- 31	-107.1%
Profit/loss (-) from continuing activities	**- 3 457**	**- 6 323**	-82.9%
Profit/loss (-) from continuing activities, corrected for non-cash items	**- 963**	**- 878**	8.9%
Profit/loss (-) from discontinued operations	- 1 050	0	-
Profit/loss (-) for the period	**- 4 507**	**- 6 323**	-40.3%
Attributable to the group	**- 4 507**	**- 6 323**	-40.3%

Statement of financial position (in € '000)	June 2009	June 2010	Δ in %
Total equity	26 637	23 833	-10.5%
Statement of financial position total	112 216	107 811	-3.9%
Net financial debt	34 754	41 408	19.1%
Customer relationships	9 989	8 049	-19.4%
Investments	744	617	-17.1%
Amortisations	- 1 929	- 1 512	21.6%

Segment information (in € '000)	June 2009	June 2010	Δ in %
Revenue			
Retail	81 338	77 004	-5.3%
Imaging	36 191	28 860	-20.3%
Corporate	389	292	-24.9%
Intersegment	- 773	- 608	21.4%
Spector Photo Group	**117 145**	**105 548**	-9.9%
Discontinued activities	3 437		-
Intersegment	0	0	-
Total	**120 582**	**105 548**	-12.5%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)			
Retail	148	567	283.3%
Imaging	- 1 990	- 3 191	-60.3%
Corporate	- 428	- 231	46.0%
REBITDA			
Retail	1 120	1 642	46.6%
Imaging	1 133	- 447	-139.4%
Corporate	- 426	- 231	45.8%
Profit/loss (-) from operating activities (EBIT)			
Retail	148	567	283.3%
Imaging	- 1 990	- 4 478	-125.0%
Corporate	- 428	- 231	46.0%
EBITDA			
Retail	1 120	1 642	46.6%
Imaging	1 133	- 52	-104.6%
Corporate	- 426	- 231	45.8%

Interim report

Recurring items from the operating activities

During the first half-year of 2010, **Spector Photo Group** realised EUR 105.55 million revenue from continuing operations, of which EUR 77.00 million was realised by the Retail Group and EUR 28.86 million by the Imaging Group. The recurring result from operating activities amounted to minus EUR 2.86 million, compared to minus EUR 2.27 million during the same period last year.

The continuing low consumer confidence in Belgium and Luxembourg as well as price deflation continue to put pressure on the performance of the **Retail Group**, which saw its revenue fall by 5.3% during the first half-year. After a decline of 5.5% in the first quarter of 2010, the second quarter saw a decrease in turnover by 5.1%.

The REBIT (= EBIT) of the Retail Group rose from EUR 0.15 million as at 30 June 2009 to EUR 0.57 million as at 30 June 2010, an increase of 283.3%. The REBITDA (= EBITDA) also improved and rose from EUR 1.12 million to EUR 1.64 million, up 46.6%. The better results are due to important savings in variable costs.

The **Imaging Group** experienced a 20.3% fall in revenue from EUR 36.19 million to EUR 28.86 million during the first half-year of 2010. Revenue declined by 23.3% during the first quarter, whereas this was only 17.4% in the second quarter. This decline can be largely attributed to the almost complete wind-down of the trading in photo paper.

REBITDA decreased from EUR 1.13 million last year to minus EUR 0.45 million, REBIT evolved from minus EUR 1.99 million to minus EUR 3.19 million. The first half-year was marked by important initiatives concerning production and IT, such as integration of the production from Sweden in the lab in Wetteren, Belgium. This was accompanied by certain costs, but will lead to a considerable reduction in the break-even level on an annual basis. The first effects of this will become apparent in the second half-year of 2010.

Non-recurring items from the operating activities

The non-recurring items mainly include severance payments amounting to EUR 1.21 million following the planned closure of the lab in Sweden.

Financial result

The financial result fell from minus EUR 1.62 million in the first half of 2009 to minus EUR 2.15 million in the first half of 2010. The decrease in interest expense by approximately EUR 0.56 million was fully offset by the increase in realised and unrealised exchange losses on the Swiss franc and Swedish krona that amounted to EUR 1.06 million.

Taxes

In the first half-year of 2010, Spector Photo Group realised a slightly negative tax result of minus EUR 0.03 million, in contrast to a positive result of EUR 0.43 million one year ago. Last year, the Group was able to benefit from a reversal of a tax claim, as well as the offsetting of tax losses against profits from previous years, carry-back, related to ExtraFilm France.

Discontinued operations

The negative result of EUR 1.05 million in the first half of 2009 involved the costs and losses associated with the sale of the Hungarian Föfoto.

Result for the first half-year of 2010

The loss as at 30 June 2010 amounted to minus EUR 6.32 million, compared to minus EUR 4.51 million in 2009. The loss per share was EUR 0.18. This result can be explained simplified as follows:

- operating loss of EUR 4.14 million, of which EUR 1.29 million was non-recurring
- a negative financial result of EUR 2.15 million
- a slightly negative tax result of EUR 0.03 million

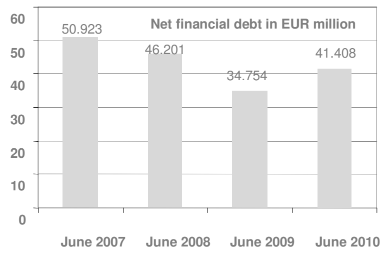
Investments

The investments over the first half-year in 2010 amounted to approximately EUR 2 million, compared to EUR 3.1 million in the first half-year of 2009. The investments of EUR 0.92 million in property, plant and equipment mainly concerned equipment and furnishings of existing and new shop outlets for the Retail Group. The Imaging Group invested in modernisation and automation of the lab in Wetteren. Investments of EUR 1.15 million in intangible assets concern software licenses and EUR 0.62 million for the acquisition of external customer relationships.

Statement of financial position

The most important items are the following:

- Net financial debt rose over the last twelve months from EUR 34.75 million at the end of June 2009 to EUR 41.41 million at the end of June 2010. The increase can be explained by the significant investments during the second half of 2009, e.g. purchase of Hifi International's central building in Luxembourg, and the need for more working capital.



- The shareholders' equity is reduced since the 2009 year-end, mainly due to the effect of the negative result, and amounted to EUR 23.83 million at the end of June 2010, representing EUR 0.67 for each dividend-bearing share.

- After investments and write-downs, the value of the externally acquired customer relationships amounted to EUR 8.05 million, whereas this was EUR 9.99 million a year earlier, and of which EUR 6.77 million was for externally acquired customer relationships and EUR 1.27 million for directly attributable costs.

- Compared to the end of June 2009, the inventories and receivables items recorded a limited increase by EUR 0.4 million, while the trade payables decreased by EUR 0.8 million in comparison with a year earlier.

- The assets held for sale and directly associated liabilities increased by EUR 1.10 million due to the planned sale of the building in Tanumshede, Sweden. This heading also includes assets and liabilities related to Litto-Color NV, in liquidation.

RESULTS BY DIVISION – THE RETAIL GROUP

Economic factors are not yet allowing a strong recovery in consumer spending. In addition, price deflation in most product groups continues to have an unfavourable effect on revenue. The first signs of recovery are nevertheless visible in the market, but this potential recovery must still be confirmed in the second half-year.

As in 2009, there was a decline in revenue for most product groups, with the exception of TVs, hifi equipment, and cameras in Belgium; and for hifi, cameras, and large and small household appliances in Luxembourg. Photo Hall's strong position in IT suffered under the increasing 'trivialisation' from netbooks and notebooks.

Despite the decline in revenue, the Retail Group succeeded in improving the operating profitability thanks to strict cost control and an improvement in the product mix. The purchasing of the central building in Luxembourg has also allowed savings on rental expenses.

Number of points of sales

The number of points of sales has increased by two since June 2009. Compared to the end of December 2009, on balance, one new store has been added. Photo Hall opened shops in Houthalen and Lommel, in the Belgian province of Limburg. One shop was closed in Antwerp (Keizerlei). Additionally, the franchise shop in Champion was brought under own management. During the third quarter, Photo Hall will open a shop in Ciney.

Number of points of sales	**June 2009**	**June 2010**
Belgium		
own shops	85	88
e-commerce	1	1
under franchising	4	3
Luxembourg		
own shops	17	17
e-commerce	1	1
Subtotal		
own shops	102	105
e-commerce	2	2
under franchising	4	3
Total number of points of sales	**108**	**110**

RESULTS BY DIVISION – THE IMAGING GROUP

The revenues experienced a decrease of 20.3% during the first half-year of 2010, and amounted to EUR 28.86 million. Of this, 90% can be attributed to the termination of the trading activity in photo paper. This activity was booming during the first quarter of 2009, and to a lesser extent in the second quarter of 2009, but came to a complete standstill with effect from the second half of 2009, due to a change in the strategy of the suppliers. The REBIT decreased by approximately EUR 1.2 million.

In the first half-year of 2010, priority was given to reducing production costs by means of automation and the integration of the Swedish production activities. The following projects were implemented during the first half-year:

- Automation of production in Wetteren to meet the needs of higher revenues and reduce the production costs;
- Harmonisation of production software: the production from the Swedish lab was integrated into the lab in Wetteren;
- Development of the software for photo books: transition from offline to online ;
- Automation of customer services in the three centres, in Belgium, Switzerland and Sweden, by introducing new software;
- Introduction of a new financial back-office for mail order;
- New SAP implementation.

The mail-order operations under the ExtraFilm™ brand saw a slight decrease in revenue in which the 40% decline in analogue photography was compensated by the digital growth. Because of the implementation of the automation and integration projects, the marketing initiatives were limited during the first half-year. This allows the Imaging Group, with effect from the second half-year, to boost growth through marketing campaigns and this, in combination with lower production costs. The first favourable effects are already visible this summer.

Filmobel, the supplier of hardware for the professional photographic business, which has established a strong position on the Belgian market, continues to do well and again achieved revenue growth. Furthermore, the Group continues acting under the Spector™ brand as the full-service supplier for photo specialists, by offering tailor-made solutions for digital photography.

PROSPECTS (*)

Photo Hall – Retail Group

An increase in business figures is anticipated for the second half-year. The level of this continues to depend on consumer confidence.
The various measures to reduce costs will also support the second half-year's profitability.

Photomedia – Imaging Group

After the transition period in the first half-year, it is expected that activities in the second half-year will again be in line with growth, ignoring the trade in photo paper, and will do so at a lower average cost level. Marketing campaigns and new business software will positively support the sales of photo books, photo calendars, photo cards, photos on canvas, photo gifts, and other photo products.

(*)Forward-looking information 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.

Condensed financial statements for the period ending 30 June 2010

INCOME STATEMENT FOR THE PERIOD (in € ‘000)

in € '000	**June 2009**	**June 2010**
Revenue	117 145	105 548
Other operating income	2 026	2 356
Trade goods, raw materials and consumables	86 022	77 349
Employee expenses	15 460	15 380
Depreciation and amortisation expenses	4 428	3 777
Other operating expenses	15 531	14 254
Profit/loss (-) from operating activities, before non-recurring items	**- 2 270**	**- 2 855**
Non-recurring items from operating activities		- 1 287
Profit/loss (-) from operating activities	**- 2 270**	**- 4 142**
Financial income	324	306
Financial cost	- 1 942	- 2 457
Financial cost-net, before non-recurring items	**- 1 618**	**- 2 151**
Financial result	- 1 618	- 2 151
Profit/loss (-) before taxes, before non-recurring financial items	**- 3 888**	**- 6 293**
Profit/loss (-) before taxes	**- 3 888**	**- 6 293**
Income tax expense (-)/ income	431	- 31
Profit/loss (-) from continuing activities	**- 3 457**	**- 6 323**
Discontinued operations		
Profit/loss (-) from discontinued operations	- 1 051	
Profit/loss (-) for the period	**- 4 507**	**- 6 323**
Attributable to equity holders of the parent company	**- 4 507**	**- 6 323**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD (in € '000)

(in € '000)	June 2009	June 2010
Profit/loss (-) for the period	- 4 507	- 6 323
Currency translation adjustments :	586	1 059
Gains/losses(-) arising during the year	- 172	485
Reclassification adjustments for gains/losses (-) included in profit or loss	758	574
Total comprehensive income for the period attributable to equity holders of the parent company	- 3 921	- 5 264

COMPREHENSIVE INCOME FOR THE PERIOD PER SHARE (in € '000)

(in €, except for the number of shares)	June 2009	June 2010
Number of shares	36 619 505	36 619 505
	35 412 433	35 412 433
Income statement for the period		
Profit/loss (-) from continuing activities	-0.10	-0.18
Profit/loss (-) from discontinued operations	-0.03	
Profit/loss (-) for the period attributable to equity holders of the parent company	-0.13	-0.18
Comprehensive income for the period		
Total comprehensive income for the period attributable to equity holders of the parent company	-0.11	-0.15

STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD (in € '000)

ASSETS	December 2009	June 2010
Non-current assets		
Property, plant and equipment	20 640	18 663
Consolidation goodwill and other goodwill	19 164	18 992
Intangible assets other than goodwill	9 966	9 461
Other non-current financial assets	49	49
Long term receivables	252	231
Deferred tax assets	7 032	7 032
Non-current assets	**57 103**	**54 427**
Current assets		
Assets held for sale	681	1 778
Inventories	28 717	29 889
Trade and other receivables	16 129	13 508
Investment securities - current	3	3
Cash and cash equivalents	18 439	7 008
Current income tax assets	469	1 198
Current assets	**64 438**	**53 384**
TOTAL ASSETS	**121 541**	**107 811**

EQUITY AND LIABILITIES	December 2009	June 2010
Total equity		
Capital	64 194	64 194
Reserves and retained earnings/ accumulated loss (-)	- 33 904	- 40 227
Treasury shares (-)	- 2 422	- 2 422
Currency translation adjustments	1 229	2 289
Shareholder's equity	**29 097**	**23 833**
Total equity	29 097	23 833
Non-current liabilities		
Non-current interest-bearing financial obligations	16 337	16 004
Employee benefit liabilities	148	187
Non-current provisions	1 403	1 493
Deferred tax liabilities	1 319	1 011
Non-current liabilities	19 208	18 695
Current liabilities		
Liabilities held for sale	698	698
Current interest-bearing financial obligations	30 133	32 416
Trade and other payables	35 914	26 184
Employee benefit liabilities	4 452	4 198
Current income tax liabilities	2 039	167
Current portion of provisions		1 620
Current liabilities	73 236	65 283
TOTAL EQUITY AND LIABILITIES	**121 541**	**107 811**

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD (in € '000)

	June 2009	June 2010
Opening balance	30 559	29 097
Profit/loss (-) for the period attributable to equity holders of the parent	- 4 507	- 6 323
Currency translation adjustments and others	586	1 059
Closing Balance	26 638	23 833

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD (in € '000)

	June 2009	June 2010
Cash flow from operating activities	4 177	- 11 425
Cash flow from investing activities	-3 061	-2 018
Cash flow from financing actvities	- 2 137	1 903
Net increase/decrease (-) in cash and cash equivalents	- 1 021	- 11 540

BASIS FOR PREPARARIONS OF THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPLIANCE

The half-yearly consolidated financial statements closed on 30 June 2010 have been prepared in accordance with IAS 34 "Interim financial reporting" as approved by the European Union. They do not contain all the information necessary for the full financial statements and therefore must be read together with the consolidated financial statements for the year ended 31 December 2009, as published in the 2009 Annual Report.

The half-yearly consolidated financial statements were approved for publication by the Board of Directors on 25 August 2010.

CHANGES IN ACCOUNTING AND PRESENTATION RULES

The accounting policies and presentation basis used for the format of the interim consolidated financial statements are identical to those applied for the year ended 31 December 2009, as incorporated in the 2009 Annual Report, with the exception of the new standards and interpretations applicable as of 1 January 2010, reported below.

IAS 27 Consolidated and Separate Financial statements, revised version of 2008

IAS 39 Amendments to IAS 39 Financial instruments: Recognition and measurement – Eligible hedged items

IFRS 2 Amendments in IFRS 2 Share-based Payment – Group Cash settled Share-based Payment Transactions

IFRS 3 Business Combinations, revised version of 2008

IFRIC 17 Distributions of Non-cash Assets to Owners

IFRIC 18 Transfers of Assets from Customers

The application of these standards and interpretations had no impact on the comprehensive income of the Group, neither on the presentation of the consolidated figures.

Spector Photo Group applied all new and revised standards and interpretations that are relevant to its activities and which are in force for the accounting period that started on 1 January 2010, as issued by the International Accounting Standards Board (IASB) and the International Reporting Interpretation Committee (IFRIC) of the IASB.

The group has not yet proceeded with the early application of new standards, amendments to standards and interpretations endorsed by the EU but not yet applicable for annual periods beginning on 1 January 2010:

Amendment IAS 1 Presentation of Financial statements – Clarification of statement of changes in equity: applicable for annual periods beginning on or after 1 January 2011

IAS 24 Related Party Disclosures (revised version 2009): applicable for annual periods beginning on or after 1 January 2011

Amendment IAS 27 Consolidated and Separate Financial statements – Transition requirements for amendments arising as a result of IAS 27: applicable for annual periods beginning on or after 1 July 2010

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues: applicable for annual periods beginning on or after 1 February 2010

Amendment IAS 34 Interim Financial Reporting – Significant events and transactions: applicable for annual periods beginning on or after 1 January 2011

Amendment IFRS 3 Business Combinations: applicable for annual periods beginning on or after 1 July 2010

- Transition requirements for a contingent payment of a Business Combination occured before the effective date of the revised version of IFRS 3
- Measurement of non-controlling interests
- Unreplaced and voluntarily replaced share-based payment awards

Amendment IFRS 7 Financial Instruments: Disclosures – Clarification of disclosures: applicable for annual periods beginning on or after 1 January 2011

IFRS 9 Financial Instruments: applicable for annual periods beginning on or after 1 January 2013

Amendment IFRIC 13 Customer Loyalty Programmes – Fair value of award credits: applicable for annual periods beginning on or after 1 January 2011

IFRIC 14 IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: applicable for annual periods beginning on or after 1 January 2011

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments: applicable for annual periods beginning on or after 1 July 2010

The future application of the standards, amendments and interpretations listed above will have no impact on the Financial statements of Spector Photo Group NV

CONSOLIDATION

Changes in the companies included in the consolidation during the first half-year of 2010:

- The legal entities **Extra Film France SA** and **ORC Europe SARL** were merged according to the provisions of Section 1844-5 of the French Civil Code, that is, dissolution without liquidation (TUP) whereby all assets and liabilities of ORC Europe SARL are transferred to the only shareholder, Extra Film France SA.

- Concerning **Fotronic SA**, a company in which trading in manufacturing equipment had been placed formerly, was declared bankrupt, due to its lack of assets, by court order dated 9 June 2010.

- The liquidation of **Spector Immobilien Verwaltung GmbH**, a company whose scope of activity was renting or selling the building in Dresden, which was sold on 28 May 2008, has been completed. The closure was registered in the trade register in Nürnberg on 27 July 2010.

- The settlement of the company, **Litto-Color NV**, put into liquidation in previous financial years, has still not been completed.

NOTES TO THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

1. Condensed segment information (in € '000)

The operating segments to be reported reconcile with the internal management reporting, on the basis of which the performance of the operating segments is assessed and funds are allocated to the various segments.

The Spector Photo Group reporting covers two segments, Retail Group and Imaging Group, and is completed by Corporate and discontinued operations.

The **Retail segment** consists entirely of the Retail Group operating division. This division contains the legal entity Photo Hall Multimedia NV (Belgium) and its 100% subsidiaries Hifi International SA (Luxembourg), Hifimmo SA (Luxembourg) and Photo Hall France SARL, with its operational activity in the retailing of consumer electronics and related products. The entities bring their products and services to the market mainly via the channel of shops, which are the end consumers. The entities in this segment show comparable economic characteristics. The returns from all the entities in this division are of similar size – notwithstanding any national, culturally related or channel-specific differences. These entities have similar levels of investment requirements, working capital and generate comparable gross margins and EBIT margins.

The returns of these entities clearly differ from those of the Imaging Group (see below). The criteria for internal controlling are not relevant for the Imaging Group. The Retail Group therefore also has a different risk profile compared to that of the Imaging Group.

The Retail segment was created by aggregating segments that, in accordance with paragraphs 5 to 10 of IFRS 8, have been identified and meet the criteria for aggregation as prescribed in paragraph 12 of IFRS 8.

The Retail Group is centrally structured under Photo Hall Multimedia NV and is also centrally managed at operational level by the managing director of Photo Hall Multimedia NV, who reports directly to the Executive Chairman of Spector Photo Group NV on all of these activities.

The **Imaging segment** also consists entirely of one operating division – that is the Imaging Group. This division contains the legal entity Photomedia NV (Belgium) and its wholly or partially owned subsidiaries in Belgium and abroad. The operating entities within the Imaging Group provide individual goods or a group of similar goods and/or provide services that are all directly related to photography, both analogue and digital. This mainly concerns the products and services related to printing photos as prints, photo books, photo calendars, photo cards, photo on canvas, photo gifts and other photoproducts. Furthermore, the entities in this segment show comparable economic characteristics. The returns from virtually all the entities in this division are of similar size – notwithstanding any national, culturally related or channel-specific differences. These entities have similar levels of investment requirements, working capital and generate comparable gross margins and EBIT margins.

The returns of these entities clearly differ from entities in the Retail Group (see above). The criteria for internal controlling are not relevant for the Retail Group. The Imaging Group therefore also has a risk profile that differs from that of the Retail Group.

The Imaging segment was created by aggregating segments that, in accordance with paragraphs 5 to 10 of IFRS 8, have been identified and meet the criteria for aggregation as prescribed in paragraph 12 of IFRS 8.

The Imaging Group is centrally organised under Photomedia NV and is also centrally managed at operational level by the managing director of Photomedia NV, who reports directly to the Executive Chairman of Spector Photo Group NV on all of these activities.

The condensed segment information is included below:

(in € '000)	Retail		Imaging		Corporate		Eliminations		Continuing activities		Discontinued operations		Discontinued operations		Eliminations		Spector Photo Group	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Revenue																		
External revenue	81 269	76 949	35 877	28 599					117 145	105 548	3 437						120 582	105 548
Inter-segment	70	55	314	261	389	292	773	608			0							
Total revenue	81 338	77 004	36 191	28 860	389	292	- 773	- 608	117 145	105 548	3 437						120 582	105 548
External other operating income	1 165	1 597	857	749	4	11			2 026	2 356	115						2 141	2 356
Inter-segment			31	26	94	114	125	140										
Total other operating income	1 165	1 597	888	775	98	125	- 125	- 140	2 026	2 356	115						2 141	2 356
Profit/loss (-) from operating activities, before non-recurring items	148	567	- 1 990	- 3 191	- 428	- 231			-2 270	-2 855	- 145							
Profit/loss (-) from operating activities	148	567	- 1 990	- 4 478	- 428	- 231			-2 270	-4 142	- 145							
Profit/loss (-) before taxes	-1 549	- 621	-3 111	-6 675	773	1 003			- 3 888	- 6 293								
Total operating segment assets	54 437	55 465	47 359	41 597	9 726	9 770	- 7 858	- 8 023	103 664	98 808			681	681			112 216	107 811
Unallocated assets	327	993	825	634	40 191	42 511	- 33 472	- 35 815	7 871	8 323								
Total capital expenditures property, plant & equipment	599	703	1 373	221					1 971	924							1 971	924
Total capital expenditures intangible assets other than goodwill	28	109	1 101	1 033		12			1 129	1 153							1 129	1 153
Depreciations and other non-cash expenses	978	1 074	3 090	4 425	2				4 070	5 500							4 070	5 500
Impairment losses recognised																		
in operating result	- 6		33						26								26	
Number of persons employed in FTEs end of the period	485	483	290	278	2	2			777	763							777	763

Notes concerning assets for which significant changes have occurred

Assets held for sale

The changes for the 'Assets held for sale' item are explained under '2. Discontinued Operations'.

Inventories

The inventories mainly relate to the Retail Group.

Trade and other receivables

The decrease in the trade and other receivables is mainly attributable to, on the one hand, the decline in the revenue within the Retail Group and, on the other, the seasonal nature of the activities of both divisions. The fourth quarter is the most important one for both the Retail Group and the Imaging Group.

Non-current and current interest bearing financial obligations

The long term debt of the Retail Group to the bank consortium, amounting to EUR 16.14 million; is to be renegociated at the end of 2010. In accordance with the requirements of IAS 1, this debt must be recognized as current liabilities.

2. Discontinued operations

Discontinued operations **Retail Group**

Over the period ending as per June 30 2009, the Discontinued operations of the Retail Group relate to Hungarian entity Föfoto KFT.

This entity was recognised under the discontinued operations in 2008, after the Board of Directors decided to put it up for sale. In accordance with IFRS 5, the figures for the first half-year of 2008 were revised.

On 4 June 2009, this 100% participation was divested via a management buy out (MBO). The loss of EUR 1.05 million comprises, on the one hand, a non-cash loss of EUR 0.76 million resulting from the currency translation differences that were eliminated from the balance sheet via the income statement at the moment of realisation and, on the other, of EUR 0.29 million costs related to the settlement of this transaction.

The result and cash flow from the discontinued operations of the Retail Group can be summarised as follows:

CONDENSED INCOME STATEMENT AND STATEMENT OF CASH FLOWS DISCONTINUED OPERATIONS RETAIL (in € '000)

	June 2009	June 2010
Post-tax profit/loss (-) of discontinued operations	-1 051	
Revenue from ordinary activities	3 437	
Other income from ordinary activities	115	
Expenses from ordinary activities	-3 696	
Pre-tax profit/loss (-) from discontinued activities	-1 051	
Taxes		
Cash flow from operating activities	- 166	
Cash flow from investing activities	2 255	
Cash flow from financing activities	-2 223	

Discontinued operations **Imaging Group**

The discontinued operations of the Imaging Group concerns only Litto-Color NV, in liquidation.

The result and cash flow from the discontinued operations of the Imaging Group can be summarised as follows:

The discontinued operation Litto-Color NV, in liquidation, had no impact on the result in the first half-year of 2010.

CONDENSED INCOME STATEMENT AND STATEMENT OF CASH FLOWS DISCONTINUED OPERATIONS IMAGING (in € '000)

	June 2009	June 2010
Post-tax profit/loss (-) of discontinued operations		
Revenue from ordinary activities		
Other income from ordinary activities		
Expenses from ordinary activities		
Pre-tax profit/loss (-) from discontinued activities		
Taxes		
Cash flow from operating activities	- 124	
Cash flow from investing activities		
Cash flow from financing activities		

ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY RELATED TO THEM IMAGING (IN € '000)

	June 2009	June 2010
Assets		
Property, plant & equipment		1 098
Trade and other receivables	41	41
Cash and cash equivalents	640	640
Assets held for sale	**681**	**1 779**
Liabilities		
Provisions	35	35
Employee benefit liabilities	663	663
Liabilities directly linked to liabilities held for sale	**698**	**698**

The 'Assets held for sale' heading increased by EUR 1.1 million due to the planned sale of the building in Tanumshede, Sweden.

The growth of digital products, especially the photo books, the need to invest in automation became inevitable. Since such large investments can only be made in one lab, the Imaging Group has proceeded with the centralisation of production in which the activities of the Swedish lab are being integrated into the lab in Wetteren, Belgium.

The land and building in which the lab that provided the photofinishing for ExtraFilm Scandinavia was housed, are currently being held with a view to sell. The net carrying amount of these assets amounts to EUR 1.1 million.

The assets and liabilities with respect to Litto-Color NV, in liquidation, remain unchanged at EUR 0.7 million.

3. Shares

During the first half-year of 2010 there have been no changes with respect to the treasury shares.

On 30 June 2010, Spector Photo Group owned 1,207,072 treasury shares (3.296% of the total number), of which 77,271 are held by Spector Photo Group NV, 1,075,275 held by the subsidiary Spector Coördinatiecentrum NV, and 54,526 by the subsidiary Alexander Photo SA.

In accordance with IFRS, these treasury shares are deducted from the shareholders' equity.

4. Events after the Reporting period

No important events have occurred after 30 June 2010 that would effect the underlying half-yearly financial statements or which should be reported in them.

5. Seasonal character of interim operating activities

The turnover of both the Retail Group and the Imaging Group is subject to seasonal fluctuations.

For the Retail Group, the last quarter and in particular the month of December, are traditionally most important. For the Imaging Group, in the analogue era the largest turnover was realised during the summer months. With the transition to digital photography, there is a shift to the fourth quarter due to the increased importance of new products, such as photo books, photo calendars, photo on canvas, and photo gifts.

6. Contingent receivables and liabilities and important future assumptions

There were no changes in the contingent receivables and liabilities.

The assumptions concerning the future as described in the 2009 Annual Report, still apply.

7. Risk factors

The risks, particularly the credit risks, liquidity risks, exchange rate risks, interest rate risks, and market risks, as described in the 2009 Annual Report, continue to apply for the remaining period of the 2010 financial year.

8. Related parties

Spector Photo Group has no outstanding receivables with non-consolidated subsidiaries.

9. Currency exchange rates

The half-yearly financial statements were prepared using the following exchange rates:

Currency exchange rates	Closing rate		Average rate	
	December 2009	June 2010	June 2009	June 2010
Swiss franc	1.4836	1.3283	1.5054	1.4238
Hungarian forint	270.4200	286	291.9133	272.5250
Norwegian krone	8.3000	7.9725	8.8808	8.0042
Swedish krona	10.2520	9.5259	10.8622	9.7415
American dollar	1.4406	1.2271	1.3379	1.3151

10. Report from the Committee of Statutory Auditors on the limited review of the half-yearly consolidated position of Spector Photo Group NV as at 30 June 2010

REPORT CONCERNING THE LIMITED REVIEW ON THE INTERIM CONSOLIDATED SITUATION OF SPECTOR PHOTO GROUP AS OF 30 JUNE 2010

We have performed a limited review of the interim consolidated situation of Spector Photo Group as of 30 June 2010 in accordance with the recommendations of the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". This interim consolidated situation was prepared under the responsibility of the Board of Directors of Spector Photo Group.

This review consisted primarily of the analysis, the comparison and discussion of the financial information that we received. It is consequently less elaborate than a full audit, the purpose of which, is to give a fair opinion on the net worth, the financial position and the consolidated results of the operations at year-end.

Accordingly, we do not express an audit opinion.

This review has not disclosed elements that could lead to significant corrections of this interim consolidated situation, taking into account that the valuation of the intangible assets of the Imaginggroup depends on the positive evolution of the sales and the rentability which is linked to the transition to digital photography. We also remark that the long term debt of Photo Hall Multimedia to the bank consortium will need to be negociated at the end of 2010, hence these financial debts have been classified as current liabilities following the prescriptions of IAS 1.

Ghent, August 25, 2010

PKF bedrijfsrevisoren CVBA
Statutory Auditor
Represented by

D. De Jonge

Grant Thornton, Lippens & Rabaey BV CVBA
Statutory Auditor
Represented by

J. Lippens

11. Definitions

Turnover = Revenue

REBIT = Profit/loss (-) from operating activities before non-recurring items.

EBIT = Profit/loss (-) from operating activities

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

EBITDA = Profit/loss (-) from operating activities corrected for depreciation, amortisation and provisions.

Net financial debt = Financial obligations less cash, cash equivalents and non-current investment securities

Financial calendar

28 October 2010*	after trading hours	Trading Update for third quarter of 2010
8 February 2011*	after trading hours	Trading update 2010
8 March 2011*	before trading hours	2010 Annual results
11 May 2011	before trading hours	Trading update for first quarter of 2011
30 August 2011*	after trading hours	Half-year results and Half-yearly financial report for 2011

*indicative dates

Spector Photo Group 's profile

Spector Photo Group is a diversified multimedia and photo group with some 800 employees, operating in 14 European countries. Spector Photo Group's shares are traded on Euronext Brussels.

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 June 2010, the Retail Group had 110 shops, of which 107 are under the group's own management, spread across Belgium and the Grand Duchy of Luxembourg. The Retail Group's revenue represents 73% of the revenue of the group's continuing activities as at the end of June 2010.

- The Imaging Group converts digital and analogue photographs into photo prints, photo calendars, photo diaries, photo books, photo on canvas, photo gifts, etc. Imaging uses ExtraFilm™ as its strategic brand name for its mail-order service. In addition, the group reserves its Spector™ brand name for its partnership with specialised photographic businesses. The Imaging Group's revenue represented 27% of the revenue of the group's continuing activities as at the end of June 2010.

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This report is an English translation of the official Dutch version.