SPECTOR PHOTO GROUP – 2011 HALF-YEAR FINANCIAL REPORT

Regulated information

Spector Photo Group

2011 HALF-YEAR 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 2010	June 2011	Δ in %
Revenue	105 548	93 753	-11.2%
REBITDA	964	- 88	-109.1%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)	- 2 855	- 2 098	26.5%
Non-recurring items from operating activities	- 1 287	- 117	90.9%
Profit/loss (-) from operating activities (EBIT)	- 4 142	- 2 214	46.5%
EBITDA	1 358	- 204	-115.1%
Financial result	- 2 151	1 147	153.3%
Income tax expense (-)/income	- 31	- 191	-524.8%
Profit/loss (-) from continuing activities	- 6 323	- 1 258	80.1%
Profit/loss (-) from continuing activities, corrected for non-cash items	- 878	1 044	219.0%
Profit/loss (-) from discontinued operations	0	0	-
Profit/loss (-) for the period	- 6 323	- 1 258	80.1%
Attributable to the group	- 6 323	- 1 258	80.1%

Statement of financial position (in € '000)	June 2010	December 2010	June 2011	Δ in % (Dec'10/Jun'11)
Total equity	23 833	30 475	29 040	-4.7%
Statement of financial position total	107 811	122 974	99 220	-19.3%
Net financial debt	41 408	29 557	36 074	22.0%
Customer relationships	8 049	8 899	8 916	0.2%

Segment information (in € '000)	June 2010	June 2011	Δ in %
Revenue			
Retail	77 004	69 184	-10.2%
Imaging	28 860	24 850	-13.9%
Corporate	292	294	0.7%
Intersegment	- 608	- 575	5.4%
Spector Photo Group	105 548	93 753	-11.2%
Discontinued activities			-
Intersegment	0		-
Total			
Profit/loss (-) from operating activities, before non-recurring items (REBIT)	- 2 855	- 2 098	26.5%
Retail	567	- 1 822	-
Imaging	- 3 191	- 85	97.3%
Corporate	- 231	- 191	17.6%
REBITDA	964	- 88	-
Retail	1 642	- 948	-
Imaging	- 447	1 048	-
Corporate	- 231	- 188	18.6%
Profit/loss (-) from operating activities (EBIT)	- 4 142	- 2 214	46.5%
Retail	567	- 1 939	-
Imaging	- 4 478	- 85	98.1%
Corporate	- 231	- 191	17.6%
EBITDA	1 358	- 204	-
Retail	1 642	- 1 065	-
Imaging	- 52	1 048	-
Corporate	- 231	- 188	18.6%

Interim report

CURRENT SITUATION OF EACH DIVISION

Retail Group – Photo Hall

The retail activities within the Photo Hall Group achieved revenues of EUR 69.18 million in the first half of 2011, a decrease of 10.2% compared to EUR 77.00 million in the same period in 2010. Several mutually reinforcing factors formed the basis of this decrease. Thus the reluctance of consumers in the field of spending is continuing, a development that started in the first quarter of this year. This is due to the rise in energy prices and the austerity measures that many governments have taken to curb their budget deficits. This development was reinforced in the second quarter by the debt problem in the Eurozone. In addition, the price deflation in consumer electronics is persisting, no new products are being launched and there is market saturation in a number of segments. The sector also benefited in 2010 from the World Cup in South Africa, which supported the sale of television sets in the first half of 2010.

GfK market research indicates that especially the second quarter of 2011 was very weak with revenue declines of almost 10% for consumer electronics (includes television sets) and photography. Information technology (-2%) and office supplies (-5.9%) suffered to a lesser extent. As in 2010, there was limited growth in the sale of small and large household appliances (1% to 1.5%). The Luxembourg Hifi International is active to a limited extent in this segment, Photo Hall not.

The REBIT of the Retail Group fell from EUR 0.567 million to EUR -1.822 million, while the REBITDA declined from EUR 1.642 million to EUR -0.948 million in the first half of 2011.

In the course of 2011, one new shop has been opened in Belgium until now. The number of shops in the Grand Duchy of Luxembourg remained unchanged. At the end of June 2011, Photo Hall Belgium had 92 shops, and Hifi International had 17 shops. Photo Hall Belgium and Hifi International also each have an e-commerce point of sales.

Number of points of sales	June 2010	June 2011
Belgium		
own shops	88	89
e-commerce	1	1
under franchising	3	3
Luxembourg		
own shops	17	17
e-commerce	1	1
Subtotal		
own shops	105	106
e-commerce	2	2
under franchising	3	3
Total number of points of sales	**110**	**111**

Imaging Group - Photomedia

The revenues from the Imaging Group amounted to EUR 24.850 million in the first half of 2011, a decrease of 13.9% in comparison with the same period in 2010. The REBIT rose from EUR -3.191 million in the first half of 2010 to EUR -0.085 million in the first half of 2011. The REBITDA is positive and amounts to EUR 1.048 million, while it was negative last year (EUR -0.447 million). The lower revenues have therefore not led to a decrease in the result. On the contrary, a greater focus on products with higher margins combined with a reduction in the cost equilibrium point by means of the centralisation of production in Wetteren has led to a strong recovery in profitability.

The photo activities (both mail order and shops) experienced a smaller decline, the result of two developments. Firstly, there is still an impact of the decline of analogue photo activities, which could only partially be compensated by the growth of digital photo activities. There is also a significant seasonal effect: analogue photography does well in the second and third quarters of the year, while digital photography has its peak in the fourth quarter. In the first half of the year, digital photography represented 92% of mail order sales, with analogue accounting for 8% of the total (the ratio was 87%/13% in the first half-year of 2010).

On the other hand, the revenue from digital prints is decreasing, although the impact on the result is negligible due to the lower margins on these products. More important for the profitability is the growth of the digital photo-related products, such as photo books and photo cards, which experienced growth of between 20% and 30% in the first half-year. More targeted marketing investments in books to the detriment of campaigns for digital prints accentuate this trend, along with the continuous investments in user-friendly editing software for these products.

Lower sales of hardware (Filmobel) were responsible for two thirds of the revenue decline. This decrease was largely due to the divestment of sales with minimal margins. Despite the decline in revenues, profitability improved.

Most important items from the statement of comprehensive income

Spector Photo Group realised revenue of EUR 93.753 million (-11.2%) with a REBIT of EUR -2.098 million in the 2011 financial year, compared with EUR 105.548 and EUR -2.855 million respectively in the first half of 2010. The EBIT improved from EUR -4.142 million to EUR -2.214 million. At the level of its REBITDA, Spector Photo Group experienced a deterioration of EUR 0.964 million to EUR -0.088 million. It should be noted that due to the nature and development of Retail and Imaging activities, the focus of the financial year lies in the fourth quarter.

Last year, significant non-recurring expenses of EUR 1.287 million were recorded. This year, the relevant figure was only EUR 0.117 million. It should also be mentioned that the externally acquired customer relationships were still written down using the straight-line method in the first half of 2010. The net cost in the first half of 2010 in this respect amounted to EUR 0.9 million. Since the second half of 2010, these are now recognised as assets with an indefinite useful life. The externally acquired customer relationships undergo annual impairment tests in accordance with IAS 36. As at 30 June 2011, the value was EUR 8.916 million, of which EUR 1.319 million are directly attributable costs.

Financial result

The financial result improved by EUR 3.298 million in the first half of 2011 and amounted to EUR 1.147 million compared to EUR -2.151 million in the previous year. The improvement is due to lower financial expenses (EUR 0.338 million), lower negative exchange differences (EUR 0.949 million) and to a non-recurring income of EUR 2.011 million as a result of the borrowing and facility agreement that was concluded with NIBC Bank in April 2011.

Taxes

In the first half of 2011, Spector Photo Group achieved a tax result of EUR -0.191 million compared to EUR -0.031 million in the first half of 2010. The current taxes amount to EUR -0.266 million. The deferred taxes amount to a credit of EUR 0.075 million.

Result for the financial year

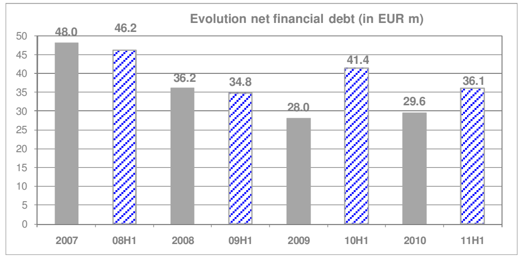
The first half of 2011 financial year was concluded with a loss of EUR 1.258 million, compared to a loss of EUR 6.323 million in the same period of 2010. The improvement in the result by EUR 5.065 million can be explained as follows:

- Operating profit: improved by EUR 1.928 million.
- Financial result: improved by EUR 3.298 million.
- Taxes: improved by EUR 0.160 million.

STATEMENT OF FINANCIAL POSITION

The balance sheet total decreased from EUR 122.974 million at year-end 2010 to EUR 99.220 million at the end of June 2011. The most important items are the following:

- The net financial debt amounted to EUR 36.074 million at the end of June 2011, compared to EUR 41.408 million at the end of June 2010. A decrease in working capital and the agreement with NIBC Bank formed the basis of this decline.



- Shareholders' equity decreased from EUR 30.475 million at the end of 2010 (EUR 0.86 per share) to EUR 29,040 million at the end of June 2011 (EUR 0.79 per share), mainly due to the half-year loss.

Prospects for 2011

The market development remains uncertain for the Retail Group, which means that no prospects can be formulated.

The Imaging Group expects a further improvement in profitability for 2011 thanks to the significant improvements in production and the shift towards products with higher margins.

Condensed financial statements for the period ending 30 June 2011

INCOME STATEMENT FOR THE PERIOD (in € '000)

(in € '000)	June 2010	June 2011	Δ	Δ in %
Revenue	105 548	93 753	- 11 795	-11.2%
Other operating income	2 356	2 107	- 249	-10.6%
Changes in inventory of finished goods & work in progress		- 3	- 3	-
Work performed by enterprise and capiltalised		2	2	-
Trade goods, raw materials and consumables	77 349	67 732	- 9 617	-12.4%
Employee expenses	15 380	13 966	- 1 414	-9.2%
Depreciation and amortisation expenses	3 777	1 985	- 1 792	-47.4%
Other operating expenses	14 254	14 275	21	0.1%
Profit/loss (-) from operating activities, before non-recurring items	- 2 855	- 2 098	757	26.5%
Non-recurring items from operating activities	- 1 287	- 117	1 170	90.9%
Profit/loss (-) from operating activities	- 4 142	- 2 214	1 927	46.5%
Financial income	306	476	170	55.5%
Fiancial costs	- 2 457	- 1 340	1 117	45.5%
Financial cost-net, before non-recurring items	- 2 151	- 864	1 287	59.8%
Non-recurring financial items		2 011	2 011	-
Financial result	- 2 151	1 147	3 298	153.3%
Profit/loss (-) before taxes, before non-recurring financial items	- 6 293	- 3 079	3 214	51.1%
Profit/loss (-) before taxes	- 6 293	- 1 067	5 226	83.0%
Income tax expense (-)/ income	- 31	- 191	- 160	-524.8%
Profit/loss (-) from continuing activities	- 6 323	- 1 258	5 065	80.1%
Profit/loss (-) for the period	- 6 323	- 1 258	5 065	80.1%
Attributable to equity holders of the parent company	- 6 323	- 1 258	5 065	80.1%

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

(in € '000)	June 2010	June 2011
Profit/loss (-) for the period	- 6 323	- 1 258
Currency translation adjustments :	1 059	- 177
Gains/losses(-) arising during the year	485	- 177
Reclassification adjustments for gains/losses (-) included in profit or loss	574	
Total comprehensive income for the period attributable to equity holders of the parent company	- 5 264	- 1 436

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

(in €, except for the number of shares)	June 2010	June 2011
Number of shares	36 619 505	36 619 505
Number of shares with dividend rights	35 412 433	35 412 433
Income statement for the period		
Profit/loss (-) for the period attributable to equity holders of the parent company	-0.18	-0.04
Comprehensive income for the period		
Total comprehensive income for the period attributable to equity holders of the parent company	-0.15	-0.04

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

ASSETS (in € '000)	Dec 2010	June 2011
Non-current assets		
Property, plant and equipment	17 980	16 995
Consolidation goodwill and other goodwill	18 849	18 726
Intangible assets other than goodwill	10 288	10 338
Other non-current financial assets	49	49
Trade and other receivables	224	218
Deferred tax assets	7 760	7 815
Non-current assets	55 151	54 141
Current assets		
Assets held for sale	636	636
Inventories	33 445	24 926
Trade and other receivables	16 267	13 135
Investment securities - current	3	3
Cash and cash equivalents	16 580	6 137
Current income tax assets	892	242
Current assets	67 823	45 080
TOTAL ASSETS	122 974	99 220

EQUITY AND LIABILITIES (in € '000)	Dec 2010	June 2011
Total equity		
Capital	64 194	64 194
Reserves and retained earnings/ accumulated loss (-)	- 33 804	- 35 062
Treasury shares (-)	- 2 422	- 2 422
Currency translation adjustments	2 508	2 330
Shareholder's equity	30 475	29 040
Total equity	30 475	29 040
Non-current liabilities		
Non-current interest-bearing financial obligations	28 697	20 683
Employee benefit liabilities	535	526
Non-current provisions	1 069	1 103
Deferred tax liabilities	979	996
Non-current liabilities	31 279	23 308
Current liabilities		
Liabilities held for sale	653	653
Current interest-bearing financial obligations	17 444	21 532
Trade and other payables	37 971	20 507
Employee benefit liabilities	4 320	3 858
Current income tax liabilities	194	157
Current portion of provisions	637	166
Current liabilities	61 219	46 873
TOTAL EQUITY AND LIABILITIES	122 974	99 220

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

(in € '000)	June 2010	June 2011
Opening balance	29 097	30 475
Profit/loss (-) for the period attributable to equity holders of the parent	- 6 323	- 1 258
Currency translation adjustments and others	1 059	- 177
Closing Balance	23 833	29 040

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

(in € '000)	June 2010	June 2011
Cash flow from operating activities	- 11 425	- 5 727
Cash flow from investing activities	-2 018	- 792
Cash flow from financing actvities	1 903	- 3 926
Net increase/decrease (-) in cash and cash equivalents	- 11 540	- 10 446

BASIS FOR PREPARARIONS OF THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPLIANCE

The half-yearly consolidated financial statements closed on 30 June 2011 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 2010, as published in the 2010 Annual Report.

The half-yearly consolidated financial statements were approved for publication by the Board of Directors on 24 August 2011.

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 2010, as incorporated in the 2010 Annual Report, with the exception of the new standards and interpretations applicable as of 1 January 2011, reported below.

Amendment IAS 1 Presentation of Financial statements – Clarification of statement of changes in equity.

Amendment IAS 24 Related Party Disclosures.

Amendment IAS 32 Financial Instruments: Presentation – Classification of Rights Issues.

Amendment IAS 34 Interim Financial Reporting – Significant events and transactions.

Amendment IFRS 1 First-time adoption of IFRS – Amendment according the annual improvements.

Amendment IFRS 3 Business Combinations:

- 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.

Amendment IFRIC 13 Customer Loyalty Programmes – Fair value of award credits.

Amendment IFRIC 14 IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

Spector Photo Group NV 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 2011, 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 2011:

Amendment IAS 1 Presentation of Financial statements – Presentation of items of Other comprehensive income: applicable for annual periods beginning on or after 1 July 2012.

Amendment IAS 12 Deferred tax – Recovery of underlying assets: applicable for annual periods beginning on or after 1 January 2013.

IAS 19 Employee benefits – Revised version 2011: applicable for annual periods beginning on or after 1 January 2013.

Amendment IAS 27 Separate financial statements: applicable for annual periods beginning on or after 1 January 2013. Requirements for consolidated financial statements will be included in IFRS 10 Consolidated financial statements.

Amendment IAS 28 Investments in associates and joint ventures: applicable for annual periods beginning on or after 1 January 2013.

Amendment IFRS 1 First-time adoption of IFRS – Exemption for severe hyperinflation and removal of fixed dates: applicable for annual periods beginning on or after 1 July 2011.

Amendment IFRS 7 Financial Instruments: Disclosures – Transfers of financial assets: applicable for annual periods beginning on or after 1 July 2011.

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

CONSOLIDATION

Changes relating to the companies included in the consolidation during the first half-year of 2011:

- The legal entities **Extra Film AG**, the company that performs mail order activities in Switzerland under the brand name smartphoto™ (previously ExtraFilm™), and **Extra Film Logistics AG** were merged in accordance with the provisions of a simplified merger pursuant to Section 23(1a) and Section 24(1) of the Merger Act under Swiss company law - OR (Schweizerisches Obligationenrecht)/ CO (Swiss Code of Obligations), with all assets and liabilities of Extra Film Logistics AG being transferred to the sole shareholder Extra Film AG.
- **Vivian Photo Products NV**, a non-operating company, was put into liquidation in the second quarter of 2011.
- The settlement of **Litto-Color NV**, which was already put into liquidation in previous financial years, has not yet been concluded.

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 Imaging		Eliminations		Spector Photo Group	
	June 2010	June 2011	June 2010	June 2011	June 2010	June 2011	June 2010	June 2011	June 2010	June 2011	June 2010	June 2011	June 2010	June 2011	June 2010	June 2011
Revenue																
External revenue	76 949	69 134	28 599	24 620					105 548	93 753					105 548	93 753
Inter-segment	55	51	261	230	292	294	608	575								
Total revenue	77 004	69 184	28 860	24 850	292	294	- 608	- 575	105 548	93 753					105 548	93 753
External other operating income	1 597	957	749	1 149	11	2			2 356	2 107					2 356	2 107
Inter-segment			26	24	114	69	140	94								
Total other operating income	1 597	957	775	1 173	125	72	- 140	- 94	2 356	2 107					2 356	2 107
Profit/loss (-) from operating activities, before non-recurring items	567	-1 822	- 3 191	- 85	- 231	- 191			-2 855	-2 098						
Profit/loss (-) from operating activities	567	-1 939	- 4 478	- 85	- 231	- 191			-4 142	-2 214						
Profit/loss (-) before taxes	- 621	-3 205	-6 675	1 477	1 003	661			- 6 293	- 1 067						
Total operating segment assets	55 465	49 028	41 597	39 357	9 770	8 876	- 8 023	- 6 816	98 808	90 445	681	636			107 811	99 220
Unallocated assets	993	645	634	7 465	42 511	13 466	- 35 815	- 13 437	8 323	8 140						
Total capital expenditures property, plant & equipment	703	381	221	165		13			924	559					924	559
Total capital expenditures intangible assets other than goodwill	109	11	1 033	220	12	13			1 153	244					1 153	244
Depreciations and other non-cash expenses	1 074	874	4 425	1 134	0	2			5 500	2 010					5 500	2 010
Number of persons employed in FTEs end of the period	483	474	278	237	2	2			763	713					763	713

Notes concerning assets for which significant changes have occurred

Property, plant and equipment

The net carrying amount decreased by EUR 0.985 million in the first half of 2011. The decrease is, on the one hand, due to the depreciation that amounted to EUR 1.544 million and the investments amounting to EUR 0.559 million.

Inventories

The 'Inventories' item primarily relates to the Retail Group, with the decline mainly due to seasonality.

Trade and other receivables

The decrease in the trade and other receivables is mainly due to the fall of revenue in the Retail Group on the one hand, and, on the other, due to the seasonal character of the activities of both divisions. The last quarter is the most important one for both the Retail Group and the Imaging Group.

Notes concerning liabilities for which significant changes have occurred

Non-current and current interest-bearing liabilities

The interest-bearing liabilities amounted to EUR 42.214 million as at 30 June 2011 compared to EUR 46,141 as at 31 December 2010. The decrease of EUR 3.927 million was mainly due to both the half-year repayment of the long-term debt of the Retail Group to the bank consortium (EUR 1.5 million) and the loan agreement concluded between Photomedia NV (Imaging Group) and NIBC Bank NV (EUR 1.7 million).

Current trade and other payables

The decrease in the trade and other payables is mainly due to the fall of revenue in the Retail Group on the one hand, and, on the other, due to the seasonal character of the activities of both the Retail Group and the Imaging Group.

Current portion of provisions

This item mainly decreased due to the use of the provision that was formed last year to cover the cost of closing the production laboratory in Sweden.

2. Discontinued operations

Discontinued operations **Imaging Group**

The discontinued operations of the Imaging Group now only include Litto-Color NV (in liquidation).

The discontinued operation Litto-Color NV, in liquidation, had no impact on the result in the first half-year of 2010 nor on the result in the first half-year of 2011.

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

(in € '000)	June 2010	June 2011
Assets		
Property, plant & equipment	1 098	
Trade and other receivables	41	8
Cash and cash equivalents	640	628
Assets held for sale	**1 779**	**636**
Liabilities		
Provisions	35	21
Employee benefit liabilities	663	633
Liabilities directly linked to liabilities held for sale	**698**	**653**

On 30 June 2010, the 'Assets held for sale' item on the one hand included Litto-Color NV (EUR 0.7 million) and on the other hand the building in Tanumshede, Sweden that housed the laboratory providing the photofinishing for ExtraFilm Scandinavia (EUR 1.1 million). This building was sold at the end of 2010.

The assets and liabilities in respect of Litto-Color NV (in liquidation) remained unchanged at EUR 0.7 million.

3. Shares

During the first half-year of 2011 there have been no changes with respect to the treasury shares

On 30 June 2011, 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 2011 that would affect 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 2010 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 2010 Annual Report, continue to apply for the remaining period of the 2011 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	
	June 2010	June 2011	June 2010	June 2011
Swiss franc	1.3283	1.2071	1.423833	1.2658
Norwegian krone	7.9725	7.7875	8.004167	7.7996
Swedish krona	9.5259	9.1739	9.741483	8.9209
American dollar	1.2271	1.4453	1.315133	1.4239

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 2011

PKF

Business advisers

Grant Thornton

SPECTOR PHOTO GROUP NV
Kwatrechtsteenweg 160
9230 WETTEREN

REPORT CONCERNING THE LIMITED REVIEW ON THE INTERIM CONSOLIDATED SITUATION OF SPECTOR PHOTO GROUP AS OF JUNE 30, 2011

We have performed a limited review of the interim consolidated situation of Spector Photo Group as of June 30, 2011 in accordance with the recommendations of the "Institut des Réviseurs 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 motivation of the valuation of the intangible assets depends on the future positive development of the markets on which the business plans are based.

Ghent, August 24, 2011

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Statutory Auditor
Represented by

Ria Verheyen
Registered Auditor

Grant Thornton, Lippens, Rabaey BV CVBA
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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

27 October 2011*	after trading hours	Trading update for third quarter of 2011
8 March 2012*	before trading hours	2011 Annual results
9 May 2012	before trading hours	Trading update for first quarter of 2012
30 August 2012*	after trading hours	Half-year results and Half-yearly financial report for 2012

*indicative dates

Spector Photo Group 's profile

Spector Photo Group is a diversified multimedia and photo group with some 700 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 2011, the Retail Group had 109 shops, of which 106 are under the group's own management, spread across Belgium and the Grand Duchy of Luxembourg. The group also operates 2 online shops.

  The Retail Group's revenue represents 74% of the revenue of the group's continuing activities in the first semester of 2011.

- The Imaging Group processes digital and analogue photographs into photo prints, photo calendars, photo diaries, photo books, photo on canvas, photo gifts, etc. Imaging uses smartphoto™ as its strategic brand name.
  The Imaging Group's revenue represented 26% of the revenue of the group's continuing activities in the first semester of 2010.

For additional information, please contact:
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