



## PRESS RELEASE

### SPECTOR PHOTO GROUP - TRADING UPDATE FOR 2008

Wetteren (Belgium), 9 February 2009

- **Retail Group: slow down due to economic market conditions**
- **Imaging Group: strong fourth quarter heralds a turnaround.**

#### Revenue

Provisional unaudited figures prepared in accordance with IFRS

in EUR x 1,000	4 <sup>th</sup> quarter				YTD			
	2007	2007 revised	2008	% evolution	2007	2007 revised	2008	% evolution
Retail	65 075	57 471	54 899	-4,5%	219 956	195 152	190 414	-2,4%
Imaging	18 892	18 892	23 497	24,4%	76 243	76 243	76 512	0,4%
Corporate	266	266	189	-28,8%	1 067	1 067	762	-28,5%
Intersegment	- 466	- 480	- 380	-20,8%	- 2 010	- 2 024	- 1 530	-
<b>Spector Photo Group</b>	<b>83 766</b>	<b>76 149</b>	<b>78 205</b>	<b>2,7%</b>	<b>295 256</b>	<b>270 438</b>	<b>266 159</b>	<b>-1,6%</b>
Discontinued Operations - Föfoto Kft		7 617	7 014	-7,9%		24 819	24 470	-1,4%
Discontinued Operations - Litto Color NV					791	791		-100,0%
Intersegment			- 21	-		0	- 76	-
<b>Total</b>	<b>83 766</b>	<b>83 766</b>	<b>85 198</b>	<b>1,7%</b>	<b>296 047</b>	<b>296 047</b>	<b>290 553</b>	<b>-1,9%</b>

(1): The Hungarian company Föfoto is included under 'discontinued operations' for the entire year of 2008. The 2007 comparison figures have been revised and take no account of Föfoto.

(2): With effect from the fourth quarter of 2008, the Italian company FLT is no longer proportionally consolidated at 49%, but is recognised as a financial asset. Without FLT in quarter 4 2007, the revenue in 2008 would have increased by 1.5%; on a quarterly basis, the increase would have amounted to 30.2%.

#### Retail – Photo Hall

The retail operations under the Photo Hall name realised a revenue amounting to EUR 190.41 million in 2008, a fall of 2.4% compared with EUR 195.15 million in 2007. Under pressure from the rapidly declining consumer confidence, the revenue decreased in the fourth quarter by 4.5% to EUR 54.9 million. Besides the economic conditions, the decrease in the number of shops from 108 to 104 also had a negative impact on the evolution of the revenue.

The difficult macroeconomic environment in Hungary, and its limited potential for improvement in the long term, has obliged the group to recognise Föfoto under the discontinued operations.

At year-end 2008, Photo Hall Belgium had 87 shops (-3), Hifi International in Luxembourg had 16 shops (+1), and the group only had one shop left in France at the end of 2008, as opposed to 3 at year-end 2007.

In Hungary the number of shops dropped from 139 to 122, with the closure of mainly franchise shops.

With respect to the product lines, HIFI, TV and computer games did very well, whereas lower sales were realised in telecom (GSM phones), information technology and video/DVD.

Similarly to recent years, in spite of increased competition from major chain stores, Photo Hall was able to increase its market share.

Photo Hall Belgium is planning to open 5 new shops in 2009, the first of which was already opened in January.

### Imaging - Photomedia

Photomedia's revenue amounted to EUR 76.5 million in 2008, a limited increase of 0.4% in relation to 2007 (+1.5% on a comparable basis). On the other hand, the fourth quarter of 2008 saw spectacular sales growth of 24.4% to EUR 23.5 million (+30.2% on a comparable basis). These figures herald the turnaround of the Imaging division. They also illustrate the changed seasonal nature of activities. The predominance was in the third quarter in previous years, whereas this has now moved to the fourth quarter. In 2008, the third quarter produced 19% of the revenue, but the fourth quarter produced 31%.

The revenue from the **digital mail order** activities of ExtraFilm increased over the entire year by 40% compared to 2007. Digital now provides 70% of revenue, 30% is still analogue. It is noticeable that, although the number of pure digital photo prints is still increasing, their relative share in the total revenue is falling because of the exponential growth shown by the new product lines, such as photo books, calendars and photo on canvas. The photo books are the best example of this, with their sales more than doubling.

There was a 20% increase in the total number of customers for mail order. December was actually the top month in which the digital growth amounted to 70%. As a result of this, the group called in 50 temporary employees in December, 15 of whom were permanently recruited at the start of 2009.

**Filmobel**, the hardware wholesaler to the professional photography trade, also enjoyed a strong increase in sales that were mainly achieved internally. Supplying shops in Belgium's Camara group had only a limited positive impact.

The Spector brand name, which is used exclusively for supplying **specialised photographic businesses**, did not have the same growth figures as the other Imaging departments due to the slower breakthrough of the new product lines in this channel.

### **Spector Photo Group's profile**

Spector Photo Group is a diversified photo and multimedia group operating in 15 European countries, with around 1,000 employees. Spector Photo 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. At year-end 2008 the Retail Group had 228 retail outlets 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 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 its partnership with specialised photographic businesses.

### **Financial calendar**

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
9 February 2010	Trading update for 2009

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