Media & Financial analyst meeting
Spector Photo Group N.V.

March 10, 2009

1) Introduction

2) Retail

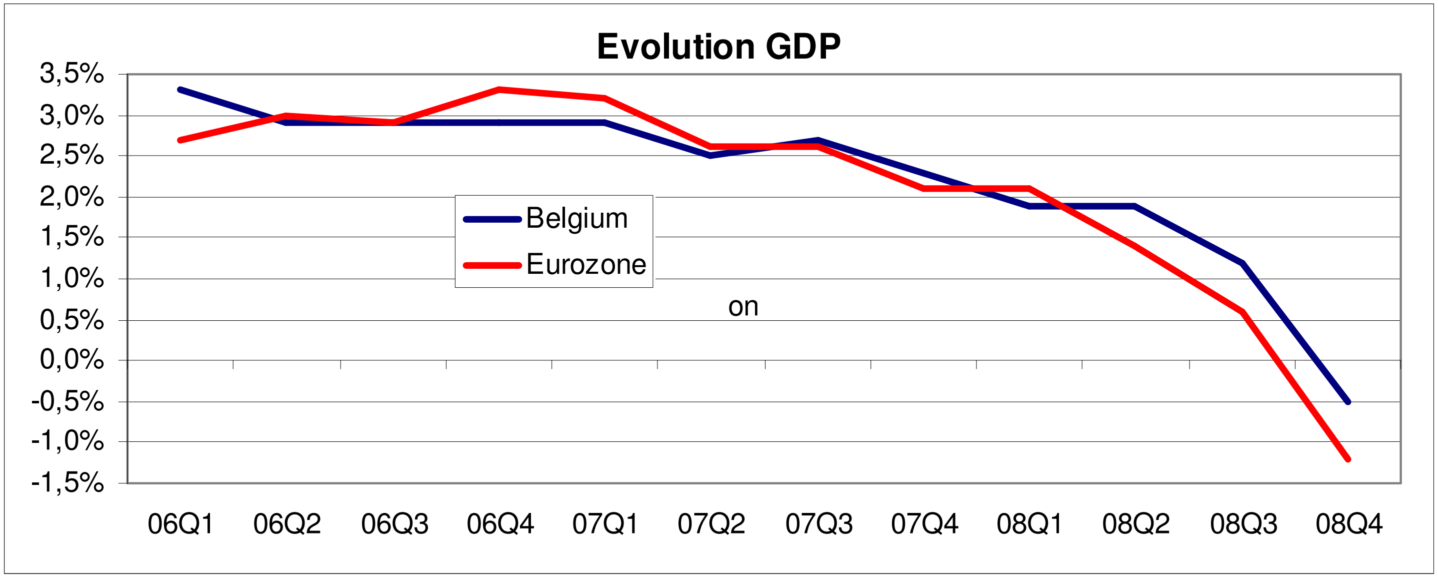
3) Imaging

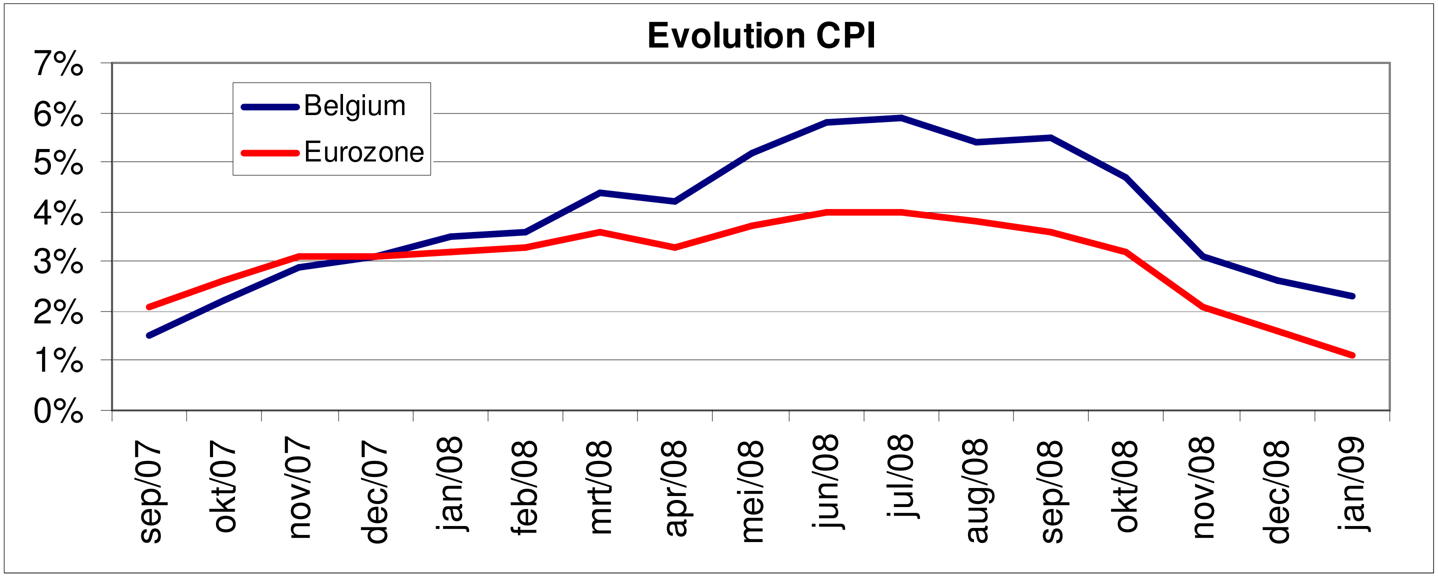
4) Financial data

5) 2009 prospects

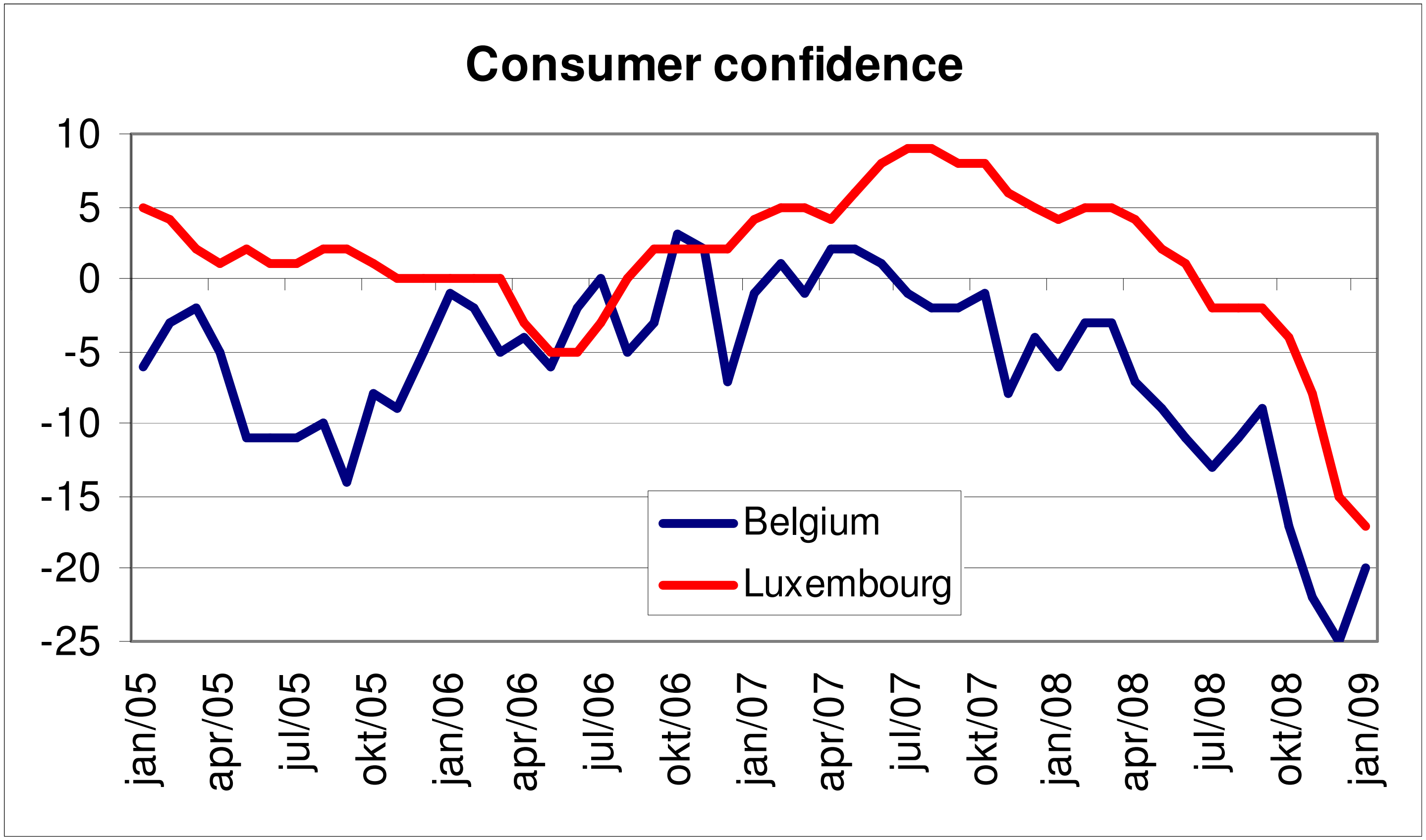
6) Q & A

1. Introduction: general economic conditions





1. Introduction: general economic conditions

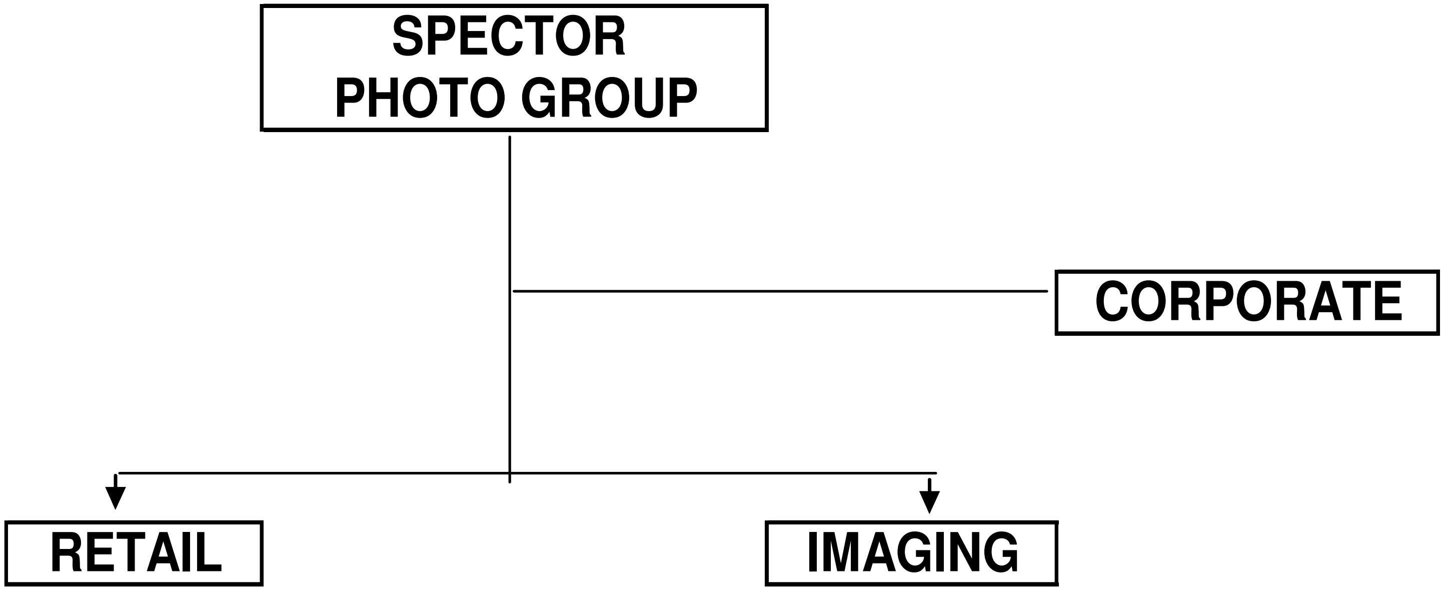


1. Introduction: general comments

Summary of 2008

- Retail: 2 different half years: hurt by:
  - H1: cost inflation
  - H2: economic conditions
- Imaging: turnaround confirmed
- Net result: hurt by non-recurring non-cash elements
- Net financial debt: down € 11,84 m to € 36,15 m

1. Introduction: group structure



Change in consolidation scope

- **Retail:**
  - **Föfoto (Hungary)**: assets held for sale: impact P&L (-3,6 m) and equity (-2,1 m)

- **Imaging:**
  - **FLT (Italy):** written off, lack of info: impact P&L (-1,7 m)

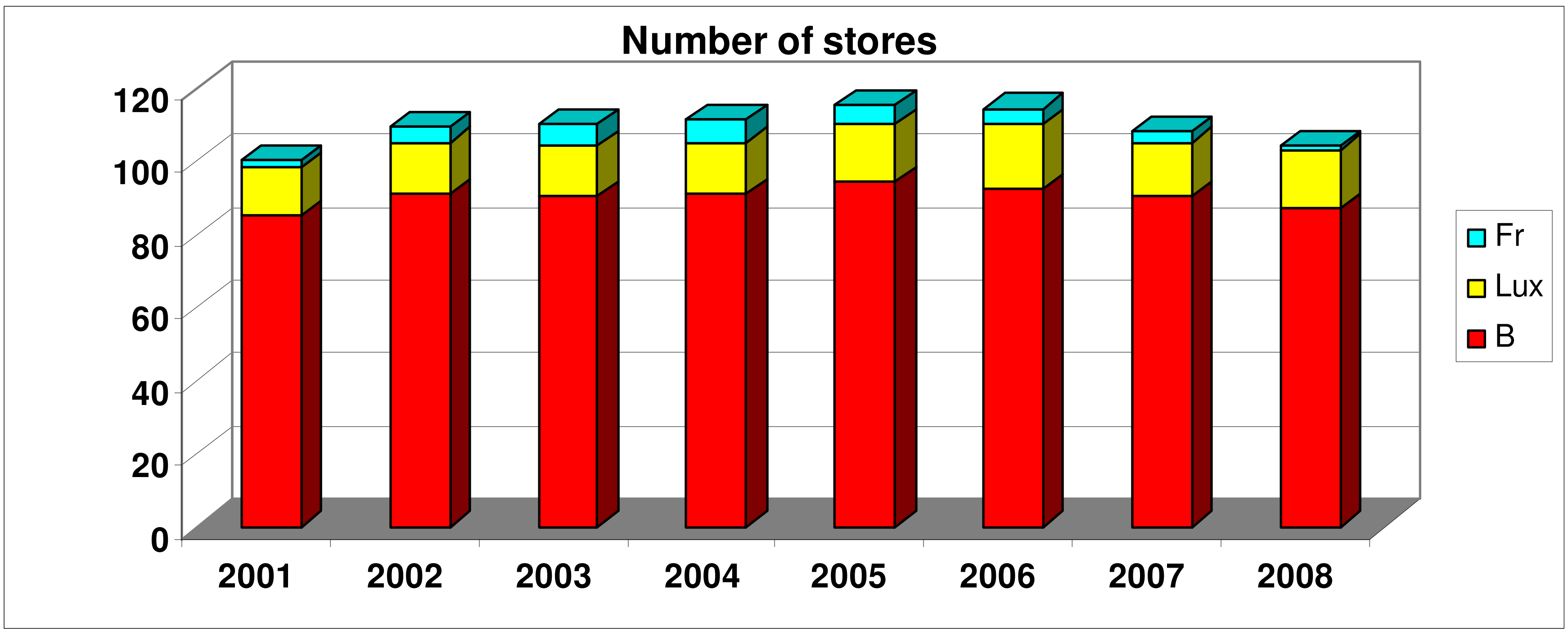
2. Retail

www.photohall.be

www.hifi.lu

Group structure

- Photo Hall Belgium
- Hifi International (Luxembourg)



Evolution of number of stores

- Closures in B and F in 2007 and 2008 (very limited impact on sales)
- 2009: 5 planned openings in Belgium

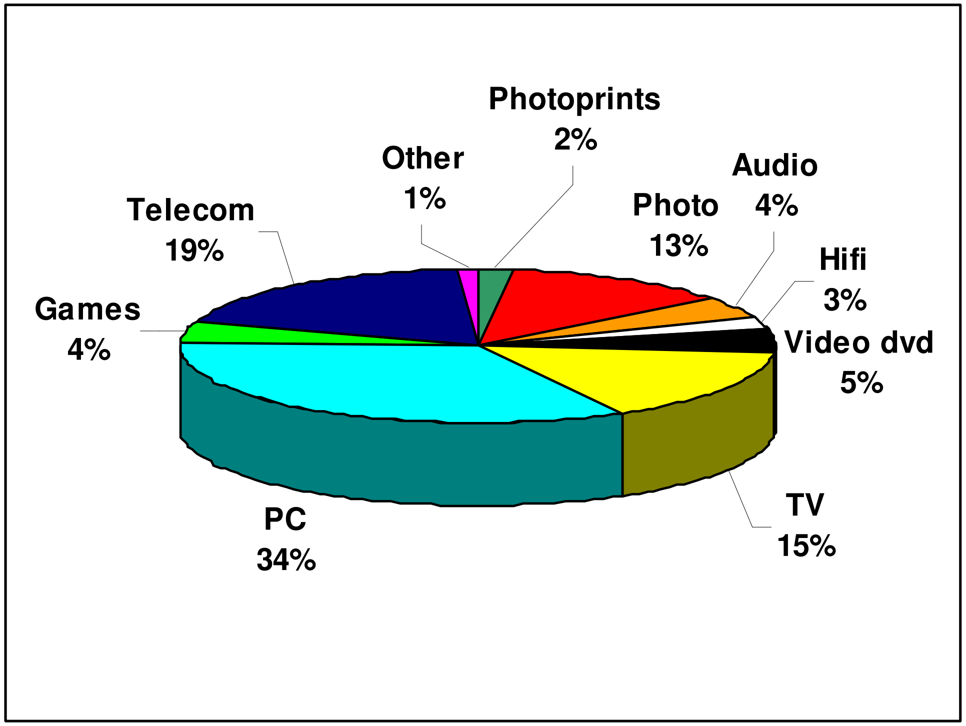
	B	Lux	Fr	Total
2001	85	13	2	100
2002	91	14	4	109
2003	90	14	6	110
2004	91	14	6	111
2005	94	16	5	115
2006	92	18	4	114
2007	90	15	3	108
2008	87	16	1	104

Evolution of product groups

Sales evolution

	B	Lux
Photoprints	↘	↘
Photo	↘	↗
Audio	↘	=
Hifi	↗	↗
Video dvd	↘	↘
TV	↗	=
PC	↘	=
Games	↗	↗
Telecom	↘	↘

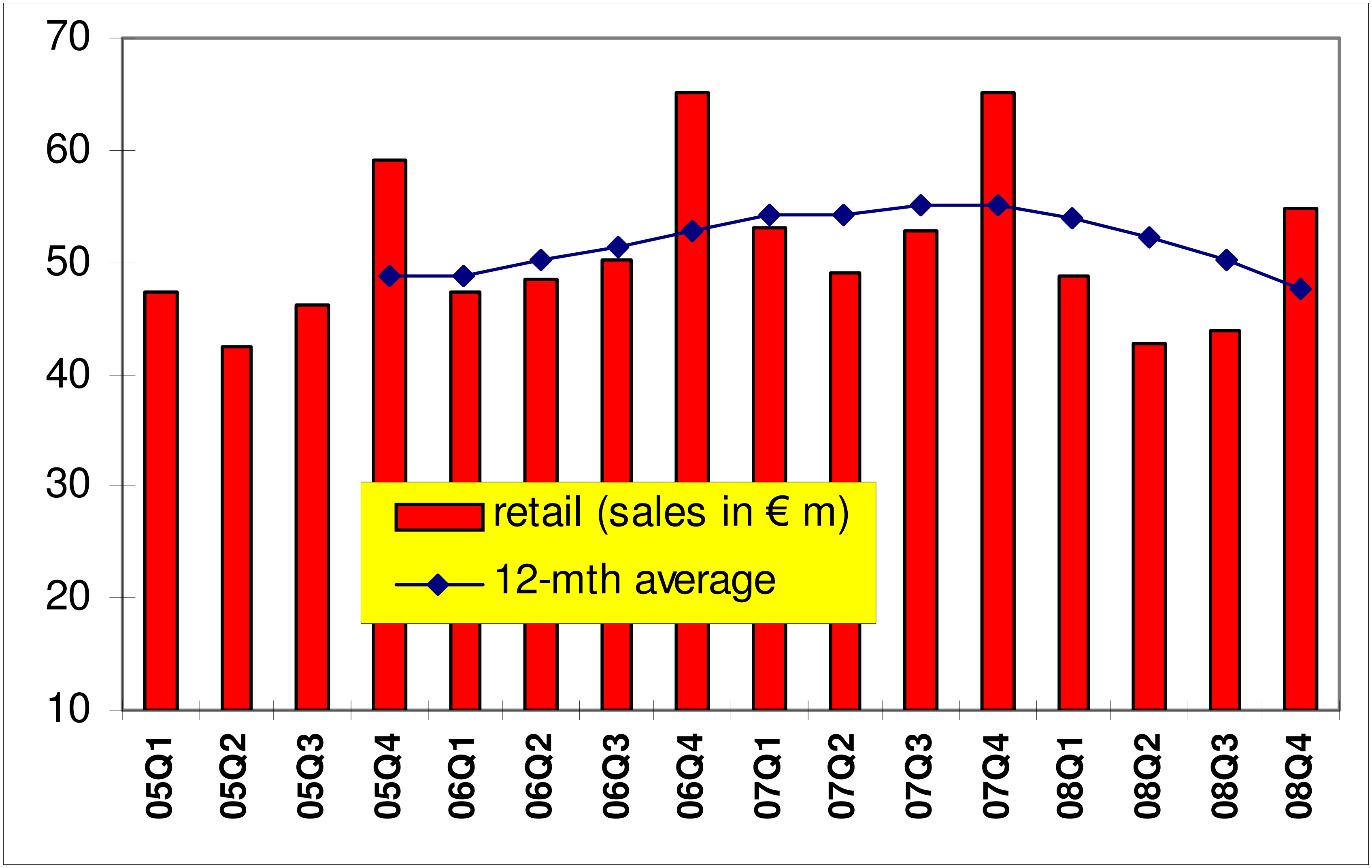
Sales spread Belgium



Evolution of product groups

- **Good sales performances in:**
  - **LCD's**
  - **Home cinema**
  - **Speaker phones**
  - **Computer games**
  - **White goods (in Luxembourg)**
- **Lower sales in:**
  - **MP3, GSM, video/DVD, desktops**

Long term evolution (2008: Föfoto excluded)



Föfoto (Hungary)

- **1996: deal with Interdiscount gives the group access to Hungary (lab + chain of kiosks)**
- **2002: introduction of Photo Hall name**
- **2004: - introduction of Photo Hall concept**
  - decline of number of franchise stores
- **2008: decision to sell off the chain**

3. Imaging

ExtraFilm.com
much more than just prints

SPECTOR digital photos

Group structure

- **Mail Order (ExtraFilm):** mainly photo service and digital photo products by means of online internet (B2C)

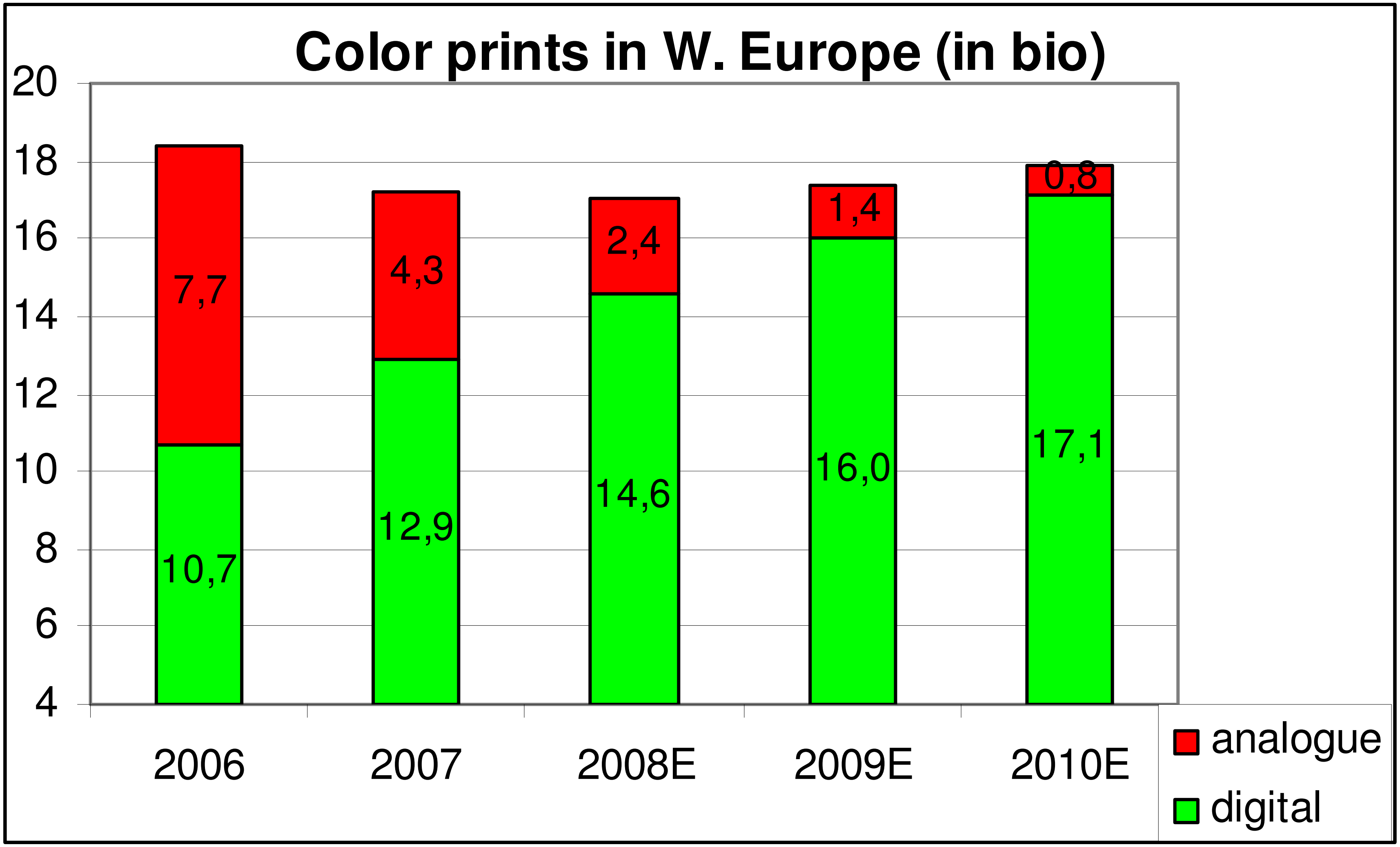
- **Photo specialists** (B2B2C):
  - Spector: photo service and digital photo products (30%)
  - Filmobel: multimedia goods (70%)

Performances 2008

- **Mail Order (ExtraFilm):** very strong thanks to success of new photo products (photo books, calendars, gifts, canvas,…)

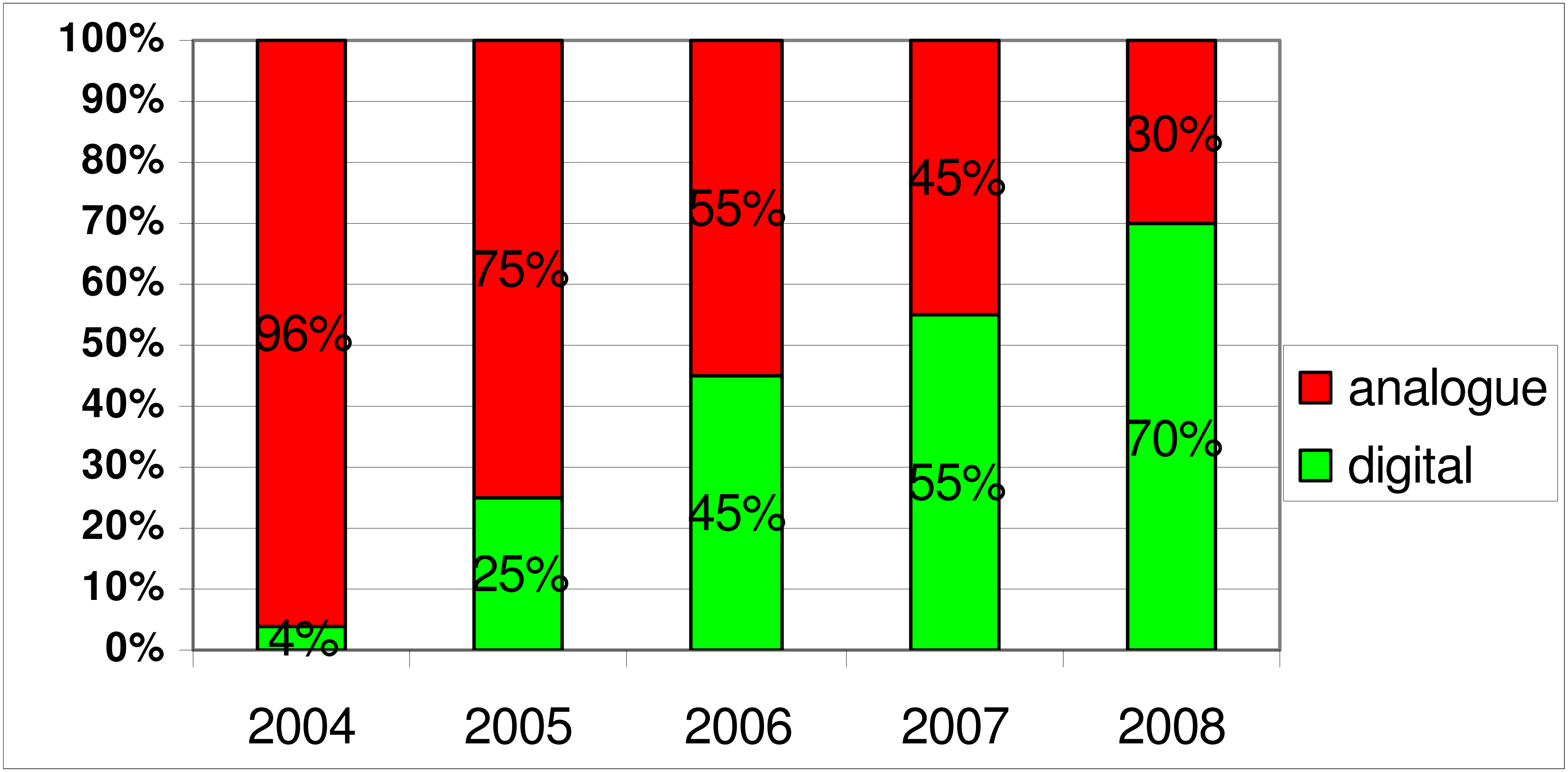
- **Photo specialists:**
  - Spector: photo service and digital products: moderate
  - Filmobel: very strong

3. Imaging



Source: Understanding & Solutions

Relative spread digital/analogue of SPG



Source: Spector Photo Group

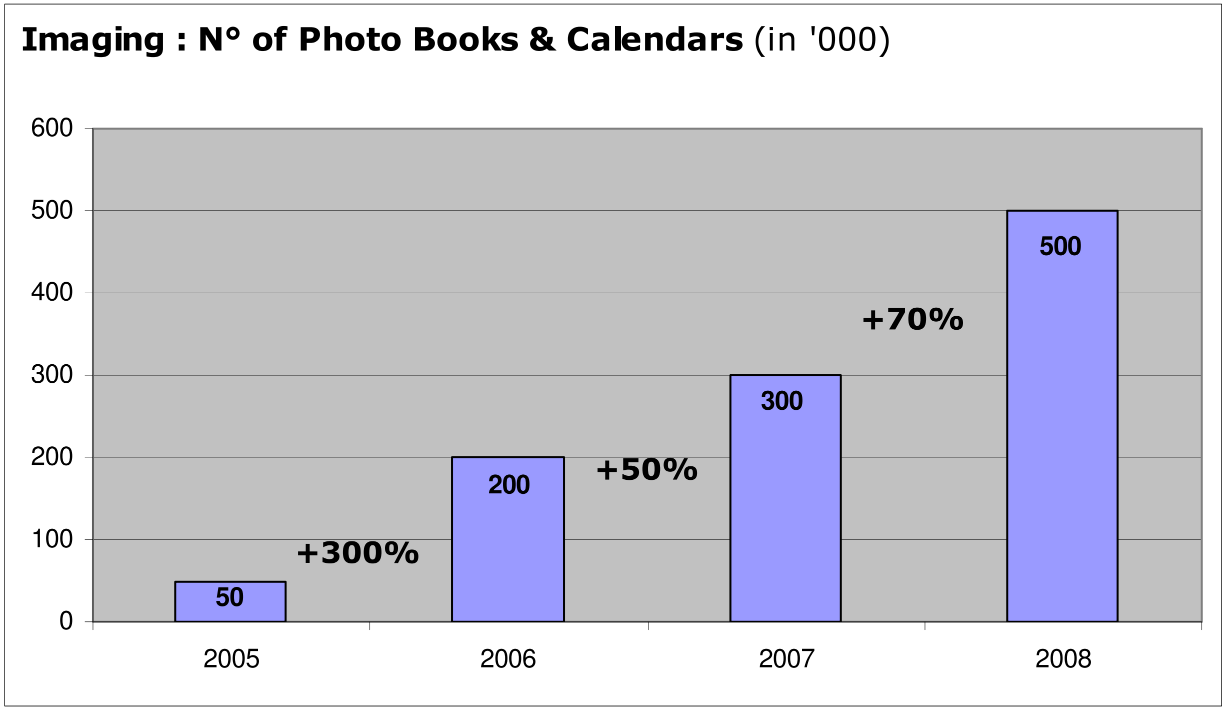
3. Imaging

Strong growth of new products

- In 2007 60% of digital sales came from digital prints, 40% from new products
- In 2008 45% of digital sales came from digital prints, 55% from new products

Strong growth (+20%) of digital customer data base

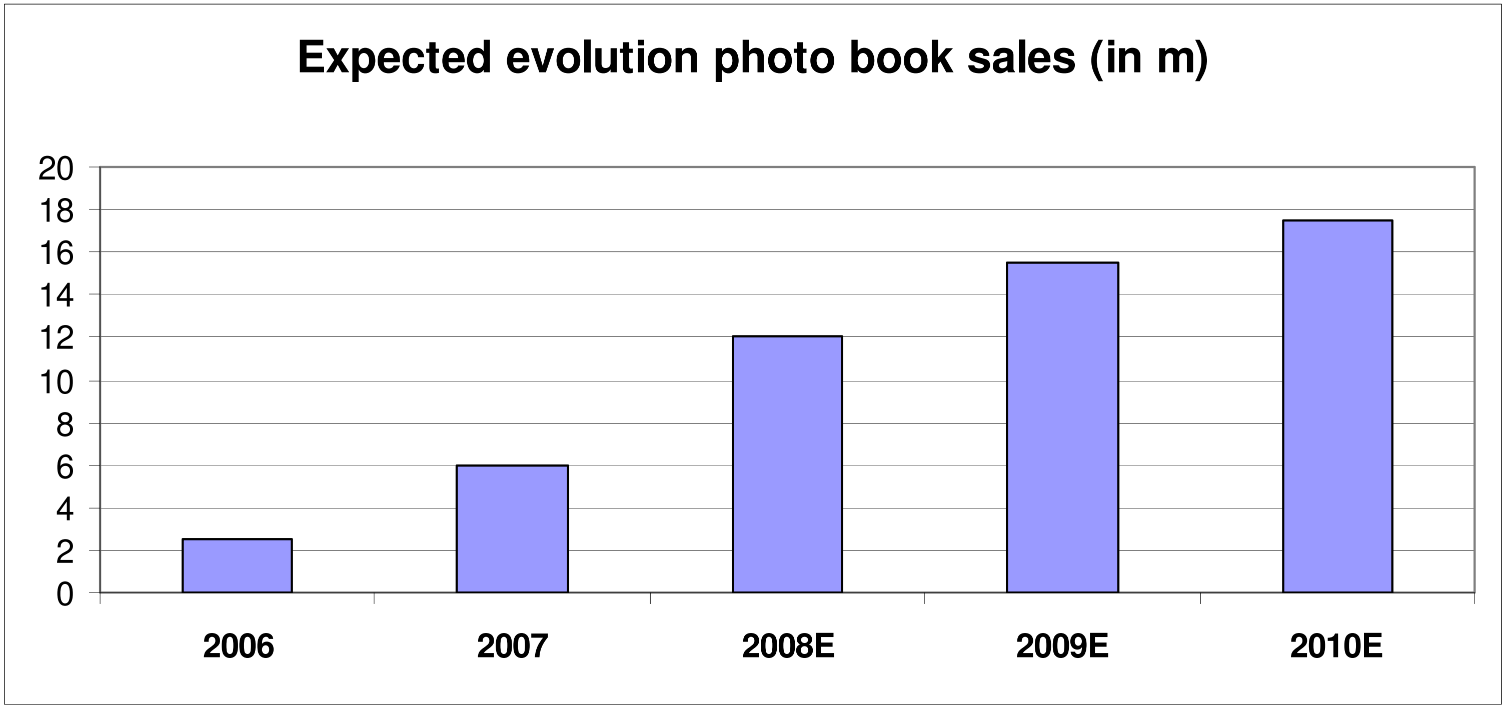
Strong growth of new products



For Photo books alone, the growth amounted to 120% compared to 2007

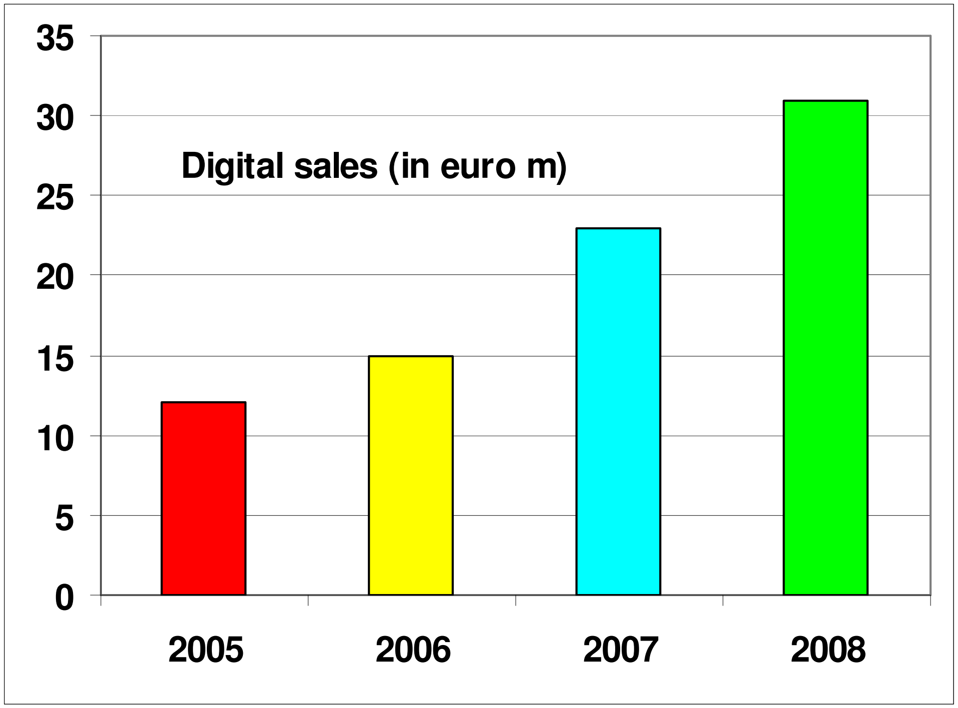
Source: Spector Photo Group

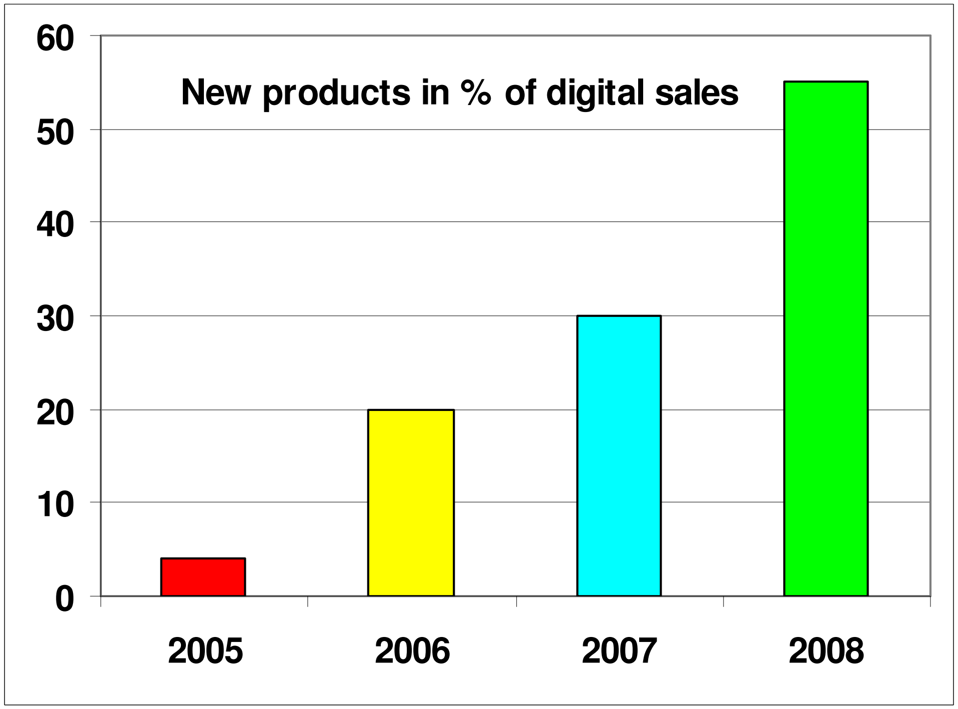
3. Imaging



Source: 2007 Understanding & Solutions Ltd

3. Imaging





Source: Spector Photo Group


Foto's bij ExtraFilm - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Search Favorites

Address http://www.extrafilm.be/producten Go Links

Norton Kaarten en aanmeldingen

Je bent hier: Home ▸ Producten

Winkelwagentje 0,00 €

Producten

Afgedrukte foto's

Echte foto's van topkwaliteit

Druk je foto's af zoals je dat zelf wilt: klein (10x15 cm) of heel groot (50x75 cm)

Ok »

Fotoboeken

Maak indruk met je foto's

Met onze Fotoboeken geniet je jaren van je mooiste foto's. Perfect voor grote feesten en gelegenheden. Of als leuke herinnering aan een fijne barbecue met je vrienden.

Ok »

Fotogeschenken

Geef een stukje van jezelf

Het lijken kleine geschenken. Maar met een persoonlijke foto erop worden ze plots veel groter.

Ok »

Fotokalenders

Fleur je bureau op

Een Fotokalender maken is zo gebeurd. Geniet van je favoriete foto's terwijl je werkt!

Fotokaarten

Persoonlijke wenskaartjes

Waarom zou je nog saaie, voorgemaakte kaartjes kopen als je je familie en vrienden ook met een heel persoonlijke Fotokaart kunt verrassen? Ze zijn zo gemaakt!

Fotocanvas

De trots van je muur!

Je eigen foto's op supergroot formaat op canvas? Je muur zag er nog nooit zo mooi uit.

Internet

start Foto's bij ExtraFilm - ... photo hall - Microsoft ... Microsoft PowerPoint ... 9:18

Foto's bij ExtraFilm - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Search Favorites

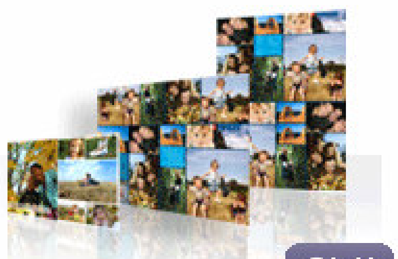
Address http://www.extrafilm.be/producten Go Links

Norton Kaarten en aanmeldingen

Fotocollage

Maak een collageposter van je favoriete foto's

Verzamel al je leuke foto's op een poster van 20x30 cm, 30x40 cm, 40x60 cm of 50x70 cm.



Ok »

Fotoagenda

Je mooiste foto's, dag na dag

Maak jezelf telkens weer blij met een hartverwarmende foto als je je agenda openslaat. Je maakt hem in een handvol minuten!

Ok »

CD/DVD

Maak een backup van je foto's

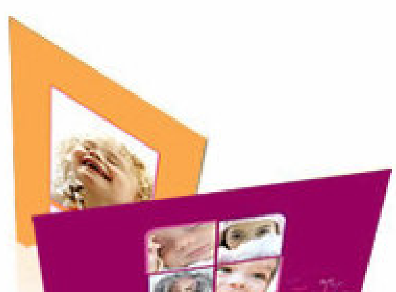
Stuur ons je foto's digitaal door. Dan branden we ze op een cd of dvd. Zo verlies je nooit meer digitale foto's. Vertrouw gerust op onze professionele service.

Ok »

Forex posters

Nieuw

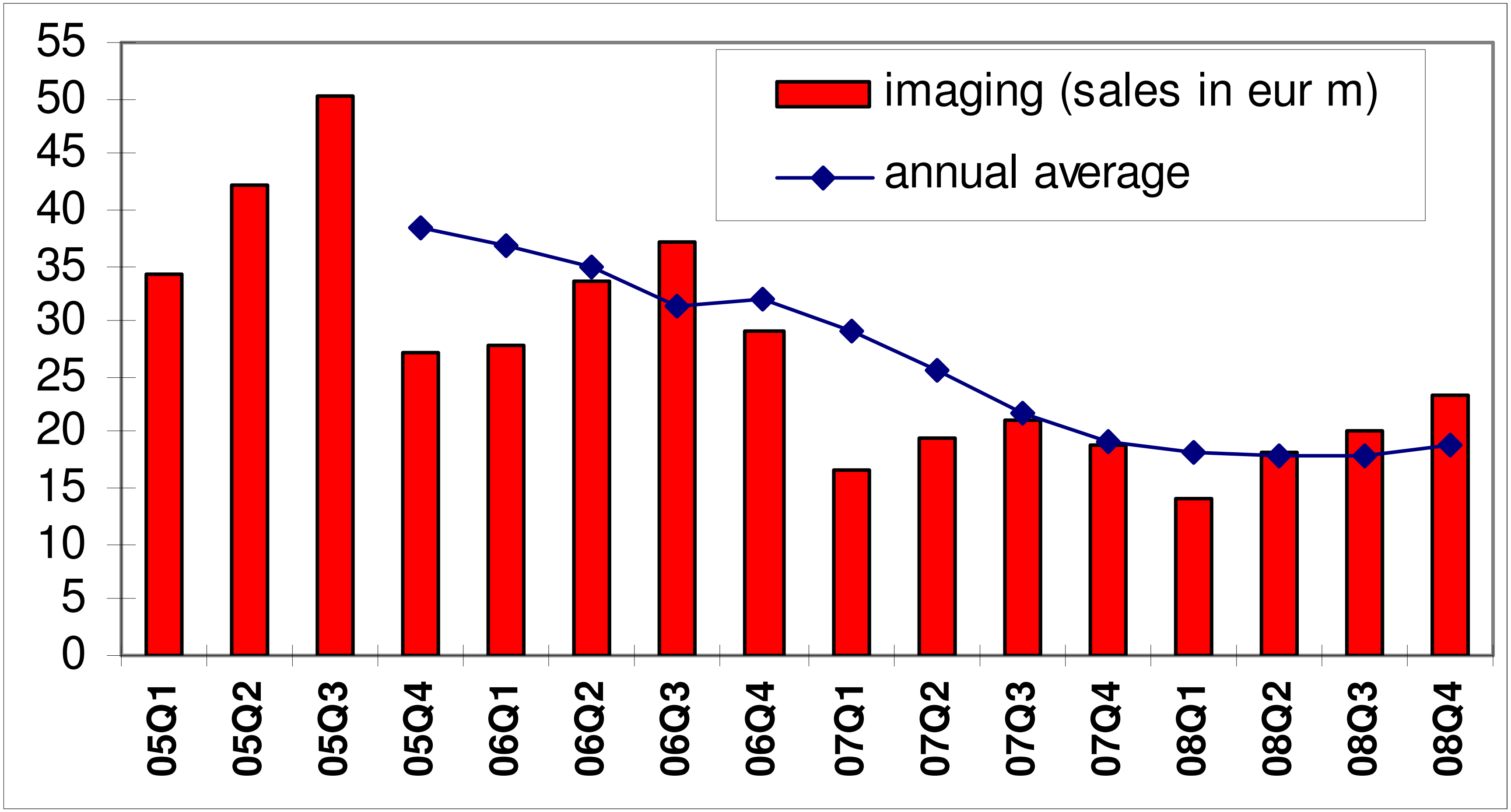
Verzamel je mooiste foto's op een forex poster of fotocollage...



Internet

start Foto's bij ExtraFilm - ... photo hall - Microsoft ... Microsoft PowerPoint ... 9:19

3. Imaging

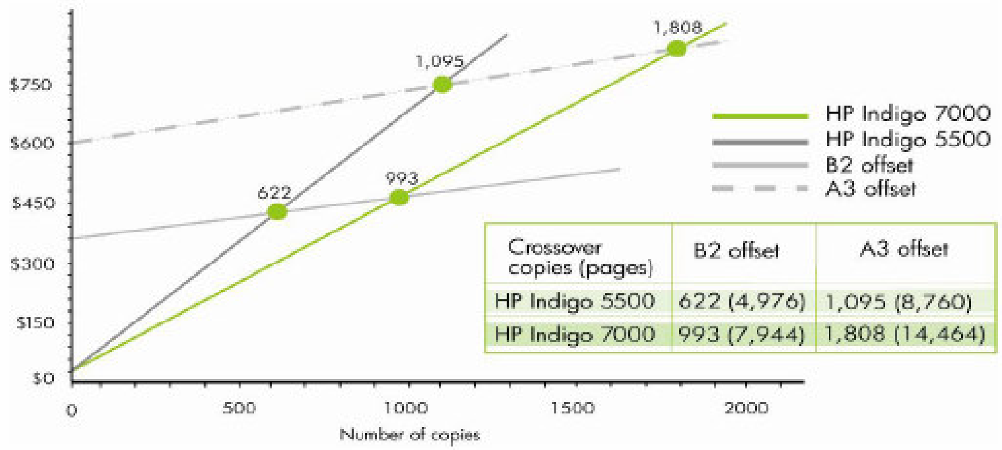


Note change of seasonal patterns:
Q4 is now most important quarter

The group benefits from:

- Experience in direct marketing
- Continuous investments in web sites and software
- Investments in new digital printing technology
- Social networking (sharing experiences)

HP Indigo 7000 Digital Press



Crossover copies (pages)	B2 offset	A3 offset
HP Indigo 5500	622 (4,976)	1,095 (8,760)
HP Indigo 7000	993 (7,944)	1,808 (14,464)

- Exceptional productivity driven by high speed:
  120 ppm 4 color, 240 ppm 1/2 color
- Optimized for very high volume production, generating daily revenue similar to or higher than mid-size offset press
- Increased print area for improved # of ups
- More production per minute, $ of investment, operator, unit of space
- 25% less electricity consumption per page / onboard oil recycling system

3. Imaging


HP Indigo Product and Applications
Publishing / books
On-demand marketing collateral
Personalized Direct Mail
Photo Specialties
HP Indigo Press 5000
5
15 January 2009
invent

HP Indigo @ Spector Group

- September 2007: Spector Groep orders 2 x 5500 HP Indigo Digital Presses
- November 2008: Spector Groep orders 2 x 7000 HP Indigo Digital Presses
- January 2009
  - Benelux consumer market grew 48% in 2008 (FutureSource)
  - Photo business grew 65% for HP
  - Spector Groep grows more than double of the average of HP photo customers

Financial data

4. Financial data: key figures

Income Statement (in €'000)	**2007.DEC**	**2007.DEC revised**	**2008.DEC**	**∆ in %**
Revenue	295 256	270 438	266 159	-1,6%
REBITDA	18 477	17 959	16 284	-9,3%
Profit/loss (-) from op. activities, before non-recurring items (REBIT)	4 640	4 786	5 758	20,3%
Non-recurring items from operating activities	- 484	- 484	- 786	62,4%
Profit/loss (-) from operating activities (EBIT)	4 156	4 302	4 972	15,6%
EBITDA	18 031	17 513	15 583	-11,0%
Financial result	- 4 910	- 4 675	- 7 582	-62,2%
Income tax expense (-)/income	- 156	- 156	- 908	n.r.
Profit/loss (-) from continuing activities	**- 910**	**- 530**	**- 3 518**	n.r.
Profit/loss (-) from continuing activities, corrected for non-cash items	**11 218**	**11 527**	**9 505**	-17,5%
Profit/loss (-) from discontinued operations	- 254	- 635	- 4 229	n.r.
Profit/loss (-) for the period	**- 1 164**	**- 1 164**	**- 7 748**	n.r.
Attributable to the group	**- 1 164**	**- 1 164**	**- 7 748**	n.r.

∆ 6,5 m

- EBIT: € +0,7 m
- Financial result (write offs): € -2,4 m
- Financial result (currency translations): € -0,5 m
- Discontinued operations: € -3,6 m
- Taxes: € -0,7 m

4. Financial data: key figures

(in €'000)	2007 Dec.	2007 Dec. Revised	2008 Dec.	∆ in %
Revenue				
Retail	219 956	195 152	190 414	-2,4%
Imaging	76 243	76 243	76 512	0,4%
Corporate	1 067	1 067	762	-28,5%
Intersegment	- 2 010	- 2 024	- 1 530	24,4%
Spector Photo Group	**295 256**	**270 438**	**266 159**	-1,6%
Discontinued activities	791	25 610	24 470	-4,4%
Intersegment			- 76	-
Total	**296 047**	**296 047**	**290 553**	-1,9%
Profit/loss (-) from oper. activities, before non-recurring items (REBIT)	4 640	4 786	5 758	20,3%
Retail	10 554	10 700	7 632	-28,7%
Imaging	- 5 607	- 5 607	- 1 342	76,1%
Corporate	- 307	- 307	- 532	-73,3%
REBITDA	18 477	17 959	16 284	-9,3%
Retail	14 279	13 762	10 479	-23,9%
Imaging	4 343	4 343	6 329	45,7%
Corporate	- 145	- 145	- 524	-260,6%
Profit/loss (-) from operating activities (EBIT)	4 156	4 302	4 972	15,6%
Retail	10 554	10 700	7 632	-28,7%
Imaging	- 5 986	- 5 986	- 2 128	64,4%
Corporate	- 412	- 412	- 532	-29,1%
EBITDA	18 031	17 513	15 583	-11,0%
Retail	14 279	13 762	10 479	-23,9%
Imaging	4 002	4 002	5 627	40,6%
Corporate	- 250	- 250	- 524	-109,3%

➚ of Imaging ≈ ➘ of Retail

4. Financial data: balance sheet

Balance Sheet (in €'000)	**2007.DEC**	**2008.DEC**	**∆ in %**
Total equity	41 579	30 559	-26,5%
Balance sheet total	161 014	136 505	-15,2%
Net financial debt	47 990	36 150	-24,7%
Customer relationships	13 936	11 181	-19,8%
Investments	2 069	2 110	2,0%
Amortisations	- 5 608	- 4 800	14,4%

- Equity: € -11 m: net loss of FY08 of € 7,75 m and other corrections for € 3,25 m (€ 2,14 m buildings in Hungary, € 1,12 m buy back of own shares)
- Equity per share: € 0,84
- Net financial debt: down € 11,8 m: combination of operating cash, lower capex, lower working cap and disposal
- Customer relationships: continue to decline (see further)

4. Financial data: balance sheet

Balance Sheet (in €'000)	2007.DEC	2008.DEC	Δ in %
Total equity	41 579	30 559	-26,5%
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Investments	2 069	2 110	2,0%
Amortisations	- 5 608	- 4 800	14,4%

(in € million)	2005	2006	2007	2008
net financial debt	59.01	51.06	47.99	36.15

- Net financial debt: € 36,15 m
  - LT debt € 20,2 m
  - ST debt € 15,7 m
  - NIB debt € 12,5 m -> = to equity in Belgian GAAP
  - Cash € 12,3 m
- Net debt/EBITDA: 2,32
- Net debt/EBITDA: 1,51 (NIB debt = equity)

4. Financial data: balance sheet

	2009.DEC	2010.DEC	2011.DEC	2012.DEC	2013.DEC
Depreciations on Capitalised Customer Relationships till 2008	3 861	2 738	2 051	1 214	1 123
Estimated Depreciation on investments 2009 (*)	286	286	286	286	286
Estimated Depreciation on investments 2010 (*)		286	286	286	286
Estimated Depreciation on investments 2011 (*)			286	286	286
Estimated Depreciation on investments 2012 (*)				286	286
Estimated Depreciation on investments 2013 (*)					286
	4 147	**3 310**	**2 909**	**2 358**	**2 553**

(*) Assumption: Investments 2 mio € per year

- Customer relationships: depreciations continue in the next years, but are declining (positive impact on EBIT).

4. Financial data: cash flow statement

CONDENSED CONSOLIDATED CASH FLOW STATEMENT	(in € '000)	2007	2008
Cash flow from operating activities		7 765	14 858
	Of which discontinued	383	- 618
Cash flow from investing activities		- 4 112	-3 397
	Of which discontinued	201	- 255
Cash flow from financing actvities		- 11 299	- 12 040
	Of which discontinued	- 391	381
Net increase/decrease (-) in cash and cash equivalents		**- 7 645**	**-579**

- Cash flow from operating activities:
  - operating cash: € 10,13 m
  - changes in working capital and provisions: € 10,76 m
  - financial results & taxes: € 6,03 m

4. Financial data: operating income

Income statement (in €'000)	2007.DEC	2008.DEC	Δ	Δ in %
Revenue	270 438	266 159	- 4 279	-1.6%
Other operating income	6 542	7 282	740	11.3%
Work performed by enterprise and capiltalised	350	0	- 350	-
Trade goods, raw materials and consumables	188 216	190 839	2 623	1.4%
Employee expenses	32 607	32 095	- 512	-1.6%
Depreciation and amortisation expenses	12 745	10 642	- 2 103	-16.5%
Other operating expenses	38 975	34 107	- 4 868	-12.5%
Profit/loss (-) from operating activities, before non-recurring items	**4 786**	**5 758**	**972**	**20.3%**
Non-recurring items from operating activities	- 484	- 786	- 302	-62.4%
Profit/loss (-) from operating activities	**4 302**	**4 972**	**670**	**15.6%**

4. Financial data: financial results

Income statement (in €'000)	2007.DEC	2008.DEC	Δ	Δ in %
Spector Photo Group Consolidated				
Financial income	1 569	896	- 672	-42,9%
Financial costs	- 6 296	- 6 074	223	3,5%
Financial cost-net, before non-recurring items	**- 4 727**	**- 5 177**	**- 450**	**-9,5%**
Non-recurring financial items	53	- 2 405	- 2 458	-
Financial result	- 4 675	- 7 582	- 2 907	-62,2%

- Financial income: lower as cash balance in Imaging was used for investments (working capital is positive)
- Financial costs:
  - Higher interest rates neutralised impact of lower debts
  - Currency translation: worsened from € -0,73 to € -1,18 m
- Non-recurring:
  - FLT: write off of € 1,7 m
  - SIV: write off receivable due to sale of building below book value: € 0,55 m

4. Financial data: taxes

Income statement (in €'000)	2007.DEC	2008.DEC	Δ	Δ in %
Spector Photo Group Consolidated				
Income tax expense (-)/ income	- 156	- 908	- 752	-480,7%

- Income taxes: increased from € - 1,122 to € -1,541 m:
  - profits in Retail declined
  - fiscal dispute was solved with positive outcome in 2007
- Deferred taxation: from € 0,966 m in 2007 to € 0,633 m in 2008

4. Financial data: discontinued operations

Income statement (in €'000)	2007.DEC	2008.DEC	Δ	Δ in %
Spector Photo Group Consolidated				
Discontinued operations				
Profit/loss (-) from discontinued operations	- 635	- 4 229	- 3 595	-566,2%

- In 2007 revised: Spector Fotohandel (Austria) (€ 0,255 m) and Föfoto (€ 0,38 m)
- In 2008: € 3,6 m from Föfoto and € 0,6 m from sale of remaining Austrian subsidiary

4. Financial data: figures per share

	2007.DEC	2008.DEC	Δ in %
Key figures per share			
Total number of shares	36 619 505	36 619 505	
Total number of shares with dividend rights	36 487 708	35 412 433	
Revenue	7,41	7,52	1,4%
Profit/loss (-) from operating activities, after non-recurring items (EBIT)	0,12	0,14	19,1%
REBITDA	0,49	0,46	-6,6%
EBITDA	0,48	0,44	-8,3%
Profit/loss (-) from continuing activities	-0,01	-0,10	-584,6%
Profit/loss (-) from discontinued operations	-0,02	-0,12	-586,5%
Profit/loss (-) for the period (ordinary & diluted)	-0,03	-0,22	-585,6%
Profit/loss (-) before taxes, corrected for non-cash items	0,37	0,31	-15,5%
Profit/loss (-) from continuing activities, corrected for non-cash items	0,32	0,27	-15,0%
Profit/loss (-) for the period attributable to equity holders of the parent	-0,03	-0,22	-585,6%
Net cash flow	0,31	0,20	-36,6%
Share price for the period	1,15	0,38	-67,0%

	2007.DEC	2008.DEC	Δ in %
Key figures per share			
Weighted average number of shares	36 619 505	36 619 505	
Weighted average number of shares with dividend rights	36 487 708	35 668 731	
Revenue	7,41	7,46	0,7%
Profit/loss (-) from operating activities, after non-recurring items (EBIT)	0,12	0,14	18,2%
REBITDA	0,49	0,46	-7,2%
EBITDA	0,48	0,44	-9,0%
Profit/loss (-) from continuing activities	-0,01	-0,10	-579,7%
Profit/loss (-) from discontinued operations	0,00	-0,12	-
Profit/loss (-) for the period diluted	-0,03	-0,22	-580,7%
Profit/loss (-) from discontinued operations	0,37	0,31	-16,1%
Profit/loss (-) from continuing activities, corrected for non-cash items	0,32	0,27	-15,7%
Profit/loss (-) for the period attributable to equity holders of the parent	-0,03	-0,22	-580,7%
Net cash flow	0,31	0,20	-37,1%
Share price for the period	1,15	0,38	-67,0%

5. Prospects 2009

- **Retail:**
  - **consumer confidence to remain low**
  - **opening of stores in Belgium**
- **Imaging:**
  - **further growth of digital sales**
  - **question: decline of (profitable) analogue**
- **Financial results: improving**
- **No non-recurring costs anymore**

6. Q&A

QUESTIONS

AND

ANSWERS