

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

March 9, 2010

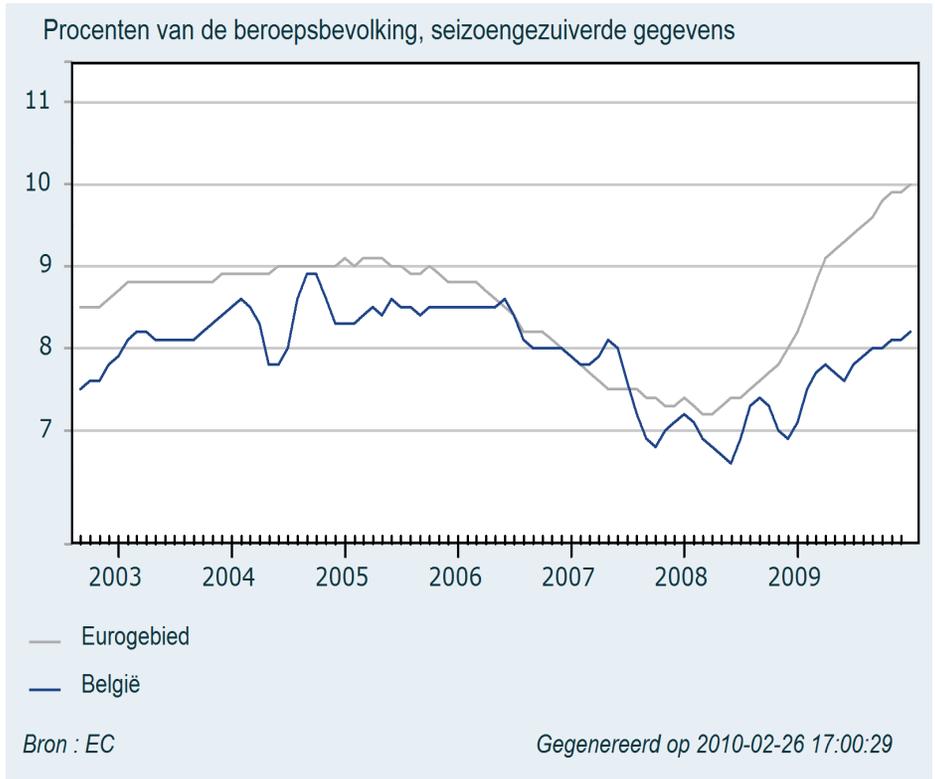


Spector Photo Group - 2009 Results

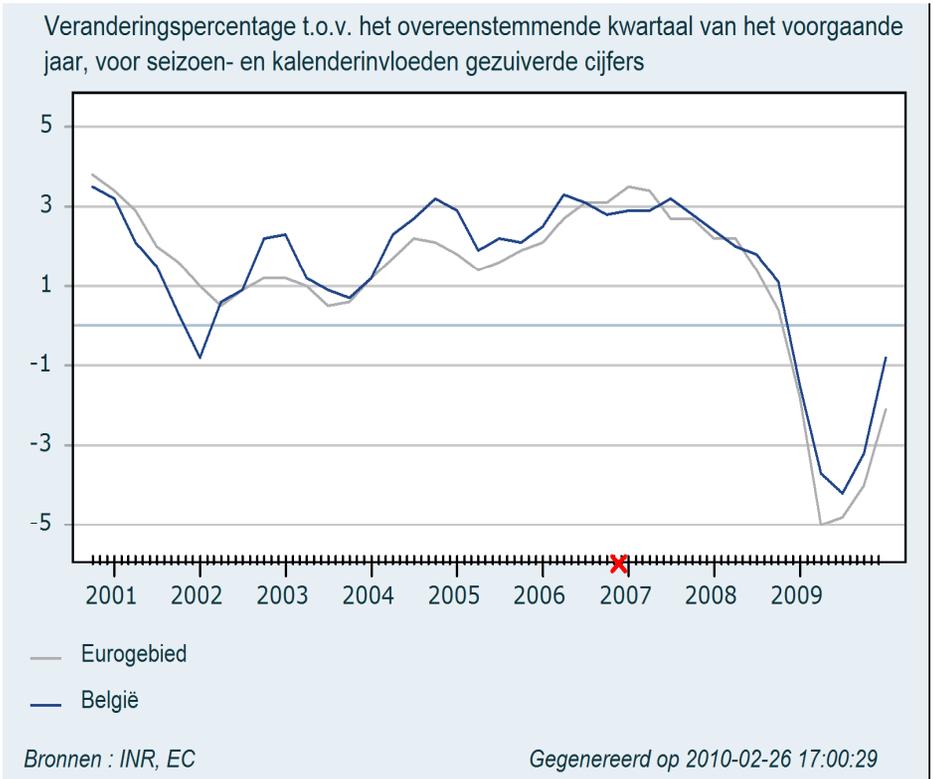
- 1) Introduction
- 2) Retail
- 3) Imaging
- 4) Financial data
- 5) 2010 prospects
- 6) Q & A

1. Introduction: general economic conditions

Evolution of unemployment



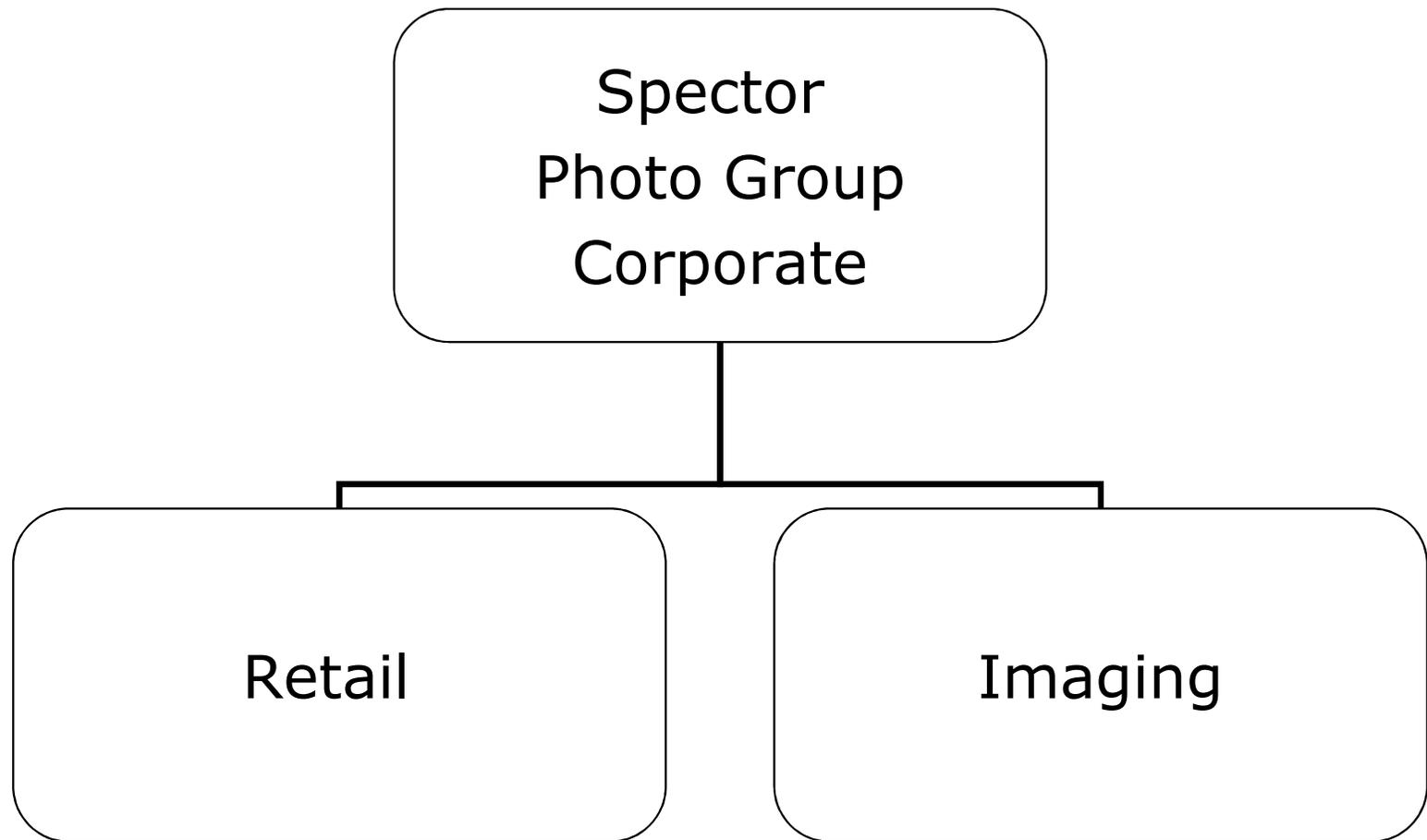
GDP change in %



Summary of 2009

- **Retail:** weakness through the year
- **Imaging:** stable turnover, growth in digital mail order
- **Net financial debt:** down € 8,12 m to € 28,03 m

1. Introduction: group structure



1. Introduction: group structure

Changes in group:

➤ Retail:

- **Föfoto (Hungary):** disposal mid 2009
 - realised currency translation differences with a negative non-cash impact of 0.76 mio €
 - costs related the completion of the transaction 0.30 mio €

2. Retail



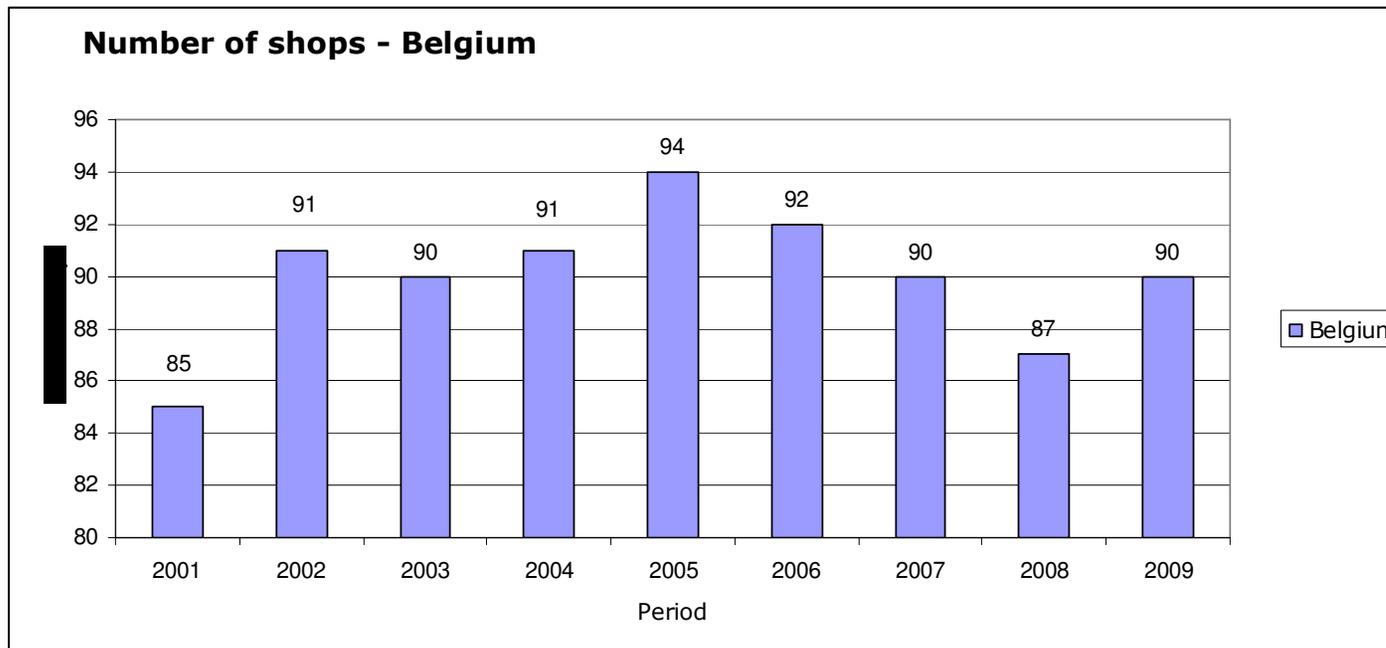
www.photohall.be



www.hifi.lu

Group structure

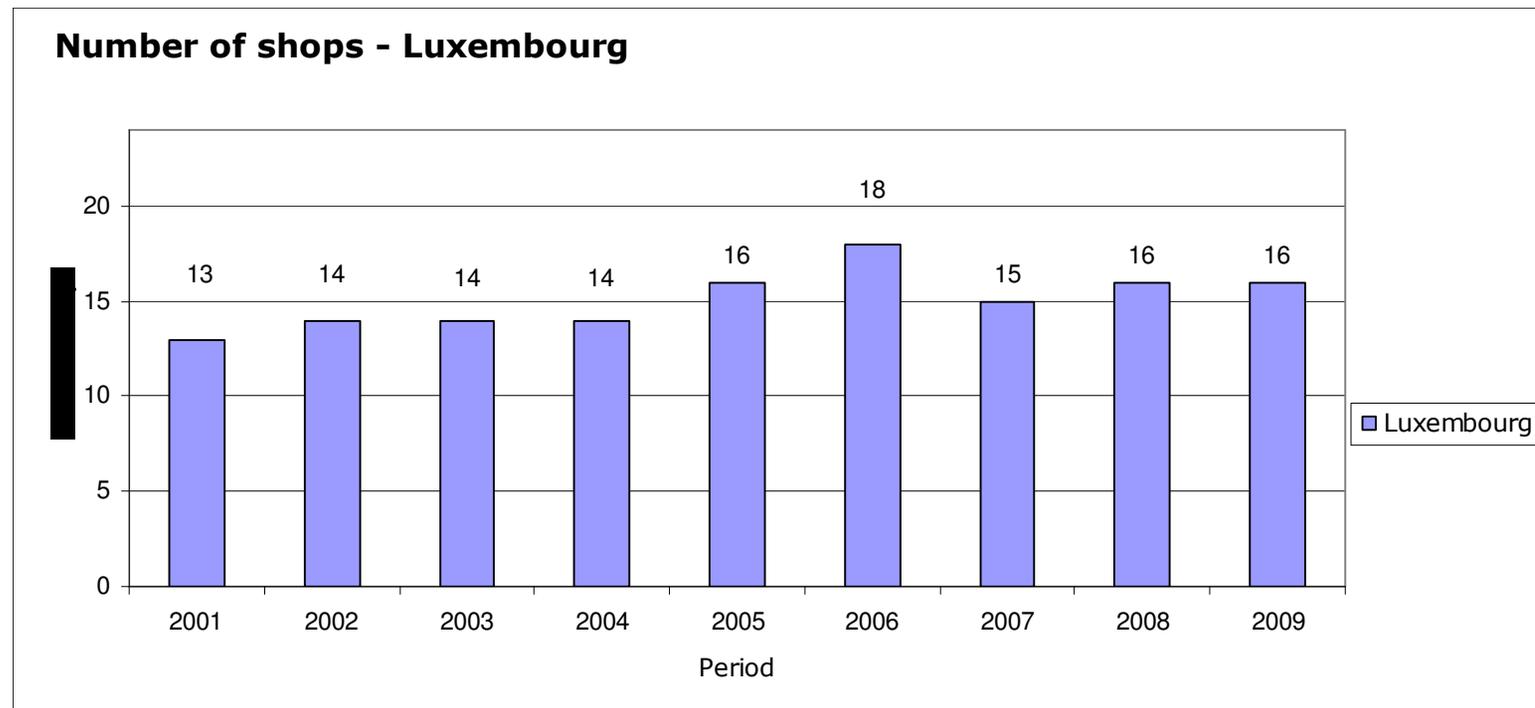
➤ Photo Hall Belgium



2. Retail

Group structure

➤ Hifi International



2. Retail

Evolution of number of stores

- **Belgium: net opening of 3 stores (5 openings & 2 closures)**
- **Luxembourg and France: no change**

	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
2009	90	16	1	107

Market evolution in 2009: GfK-survey in Belgium

- General remarks on the industry:
 - Price deflation
 - Saturation of market (e.g. TV's)
 - Good replacement market in some products (e.g. white goods)
 - End of innovation cycle

Market evolution in 2009: GfK-survey in Belgium

- Consumer electronics: -11%
 - Price deflation up to 30% in TV's
- Photography: -6,6%
 - Switch to single lens reflex camera's
 - Also cheaper in price

Market evolution in 2009: GfK-survey in Belgium

- ICT: +2,1%
 - Driven by laptops (50% of ICT-sales)
- Telecom: +0,9%
 - Decline of faxes and DECT phones
 - Growth in smart phones

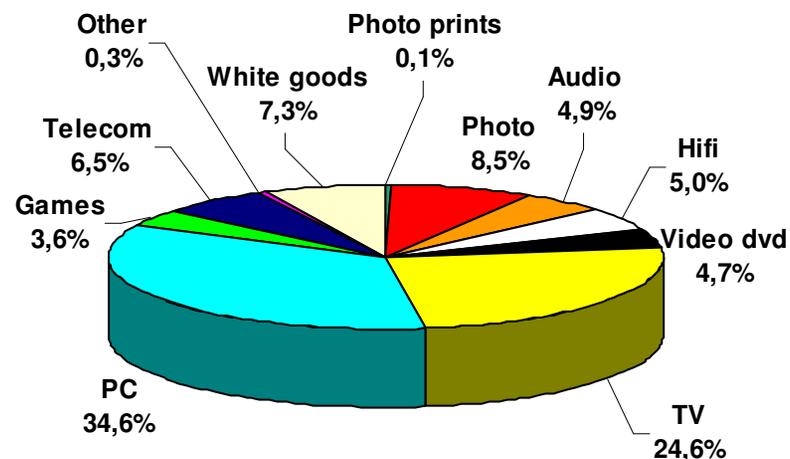
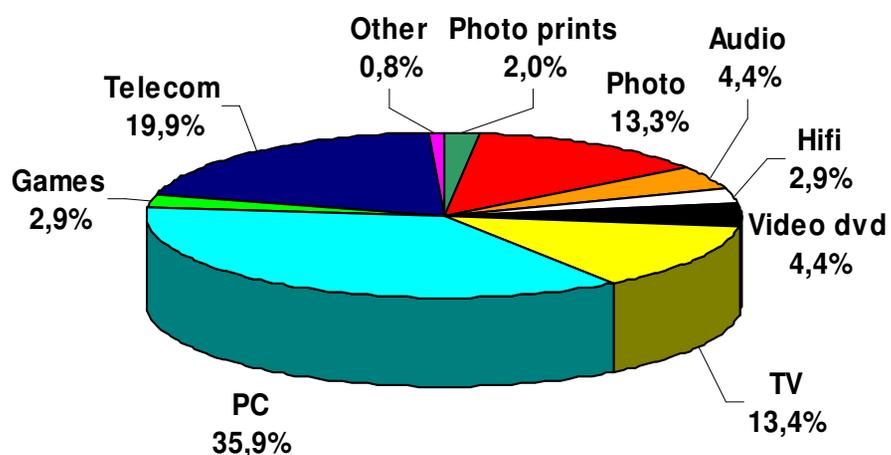
Retail Group: evolution of product groups:

- **Sales in all product groups down except:**
 - White goods in Luxembourg
 - Photo prints in Luxembourg
- **Some subsegments perform well:**
 - Reflex digital camera's in B & Lux
 - Home cinema in Luxembourg

2. Retail

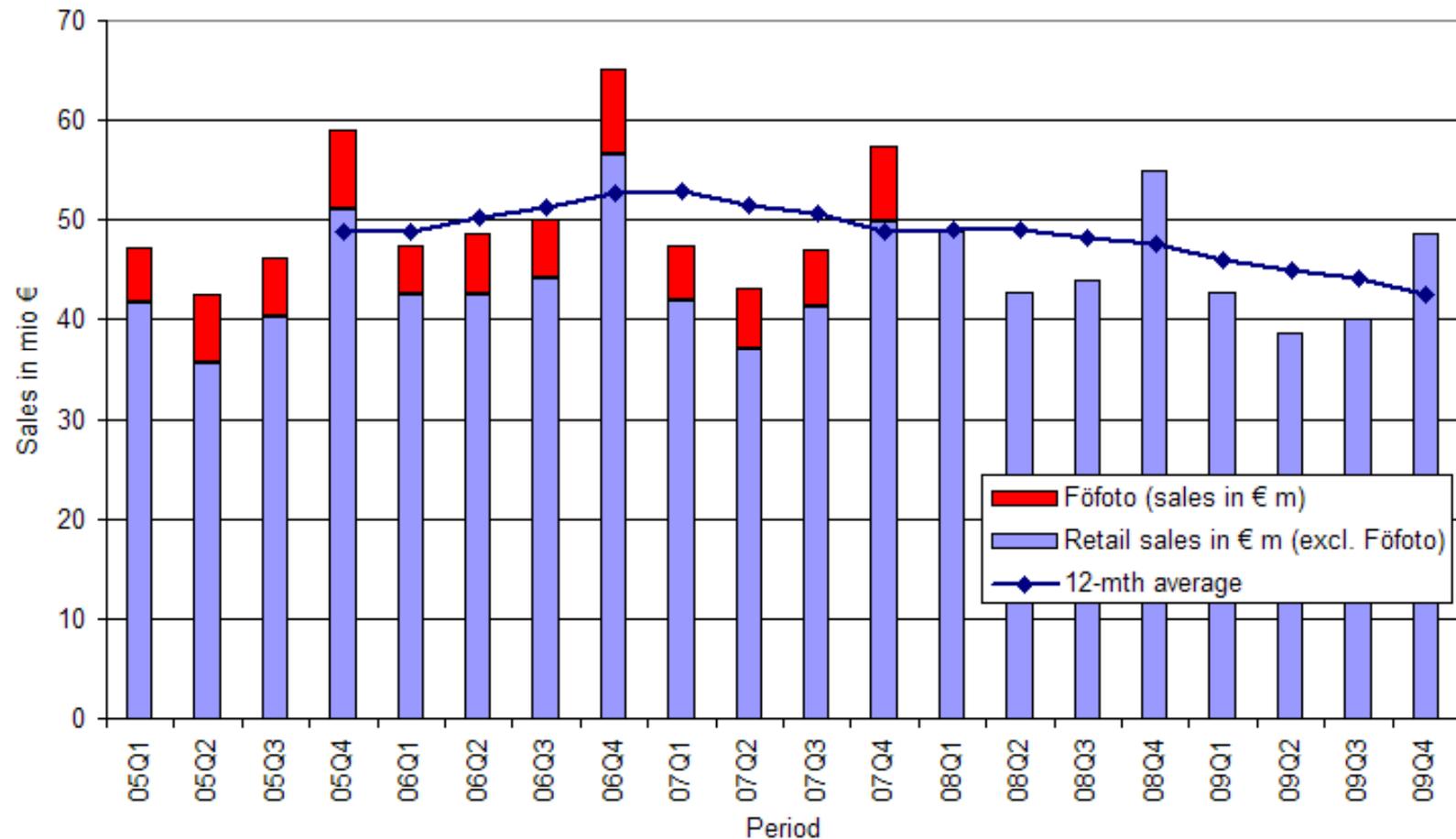
Evolution of product groups

Sales spread Belgium Sales spread Luxembourg



2. Retail

Long term evolution (As of 2008: Föfoto excluded)



3. Imaging



Group structure

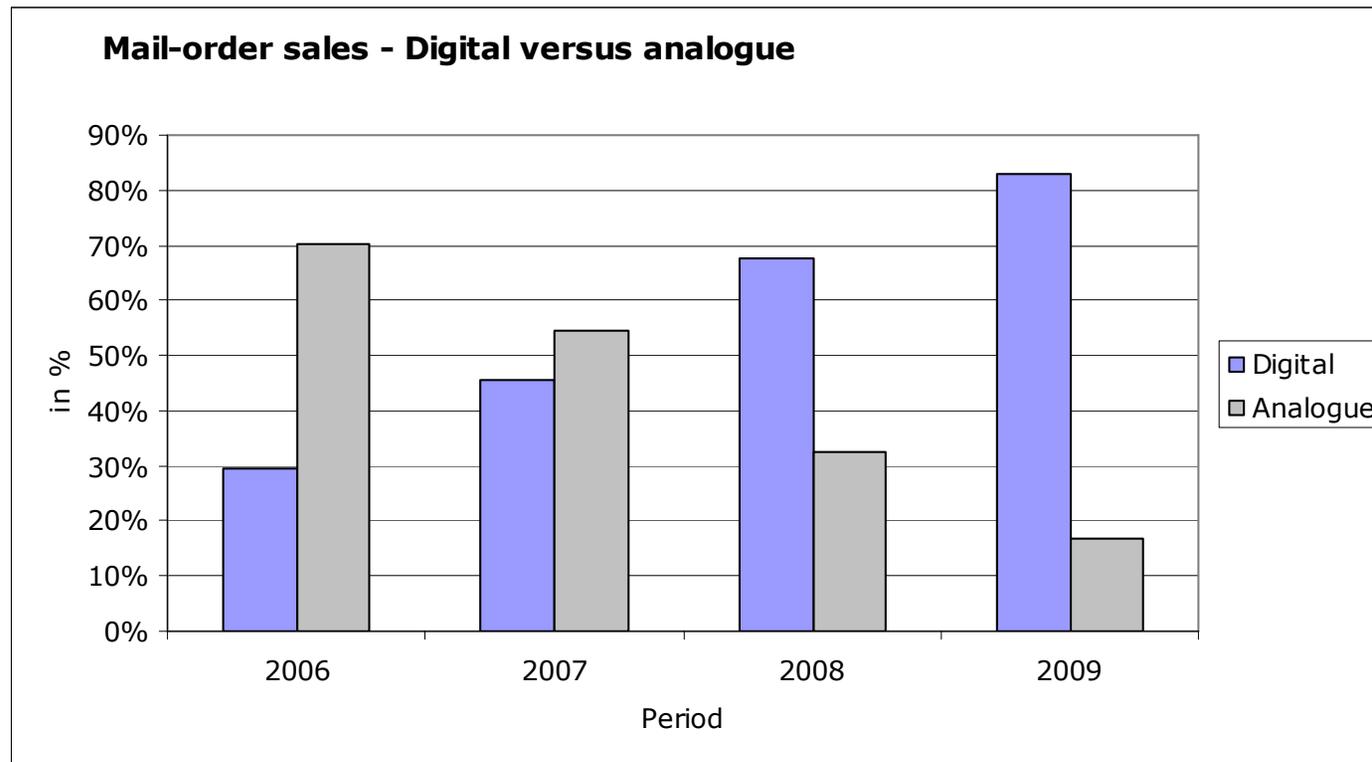
- **Mail Order (ExtraFilm):** mainly photo service and digital photo products by means of online internet (B2C)
- **Photo specialists (B2B2C):**
 - Spector: photo service and digital photo products (30%)
 - Filmobel: multimedia goods (70%)

Performances 2009

- **Mail Order (ExtraFilm):** good performance in number of products (photo books, gifts, cards,...)
- **Photo specialists:**
 - Photo service and digital products (Spector) → weak
 - Filmobel → good

3. Imaging

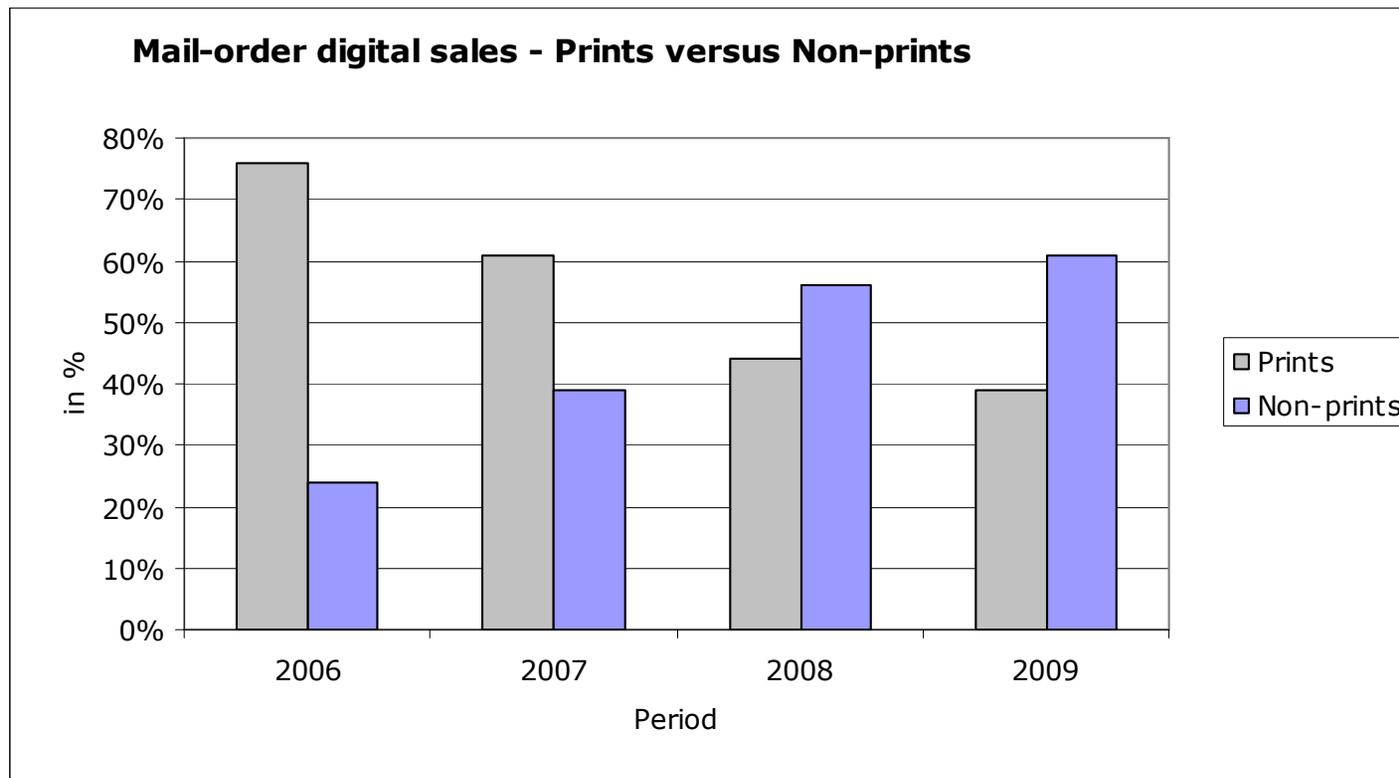
Mail order sales - Digital versus analogue



Source: Spector Photo Group

3. Imaging

Mail order Digital sales - Prints versus non-prints



Source: Spector Photo Group

3. Imaging

Main elements:

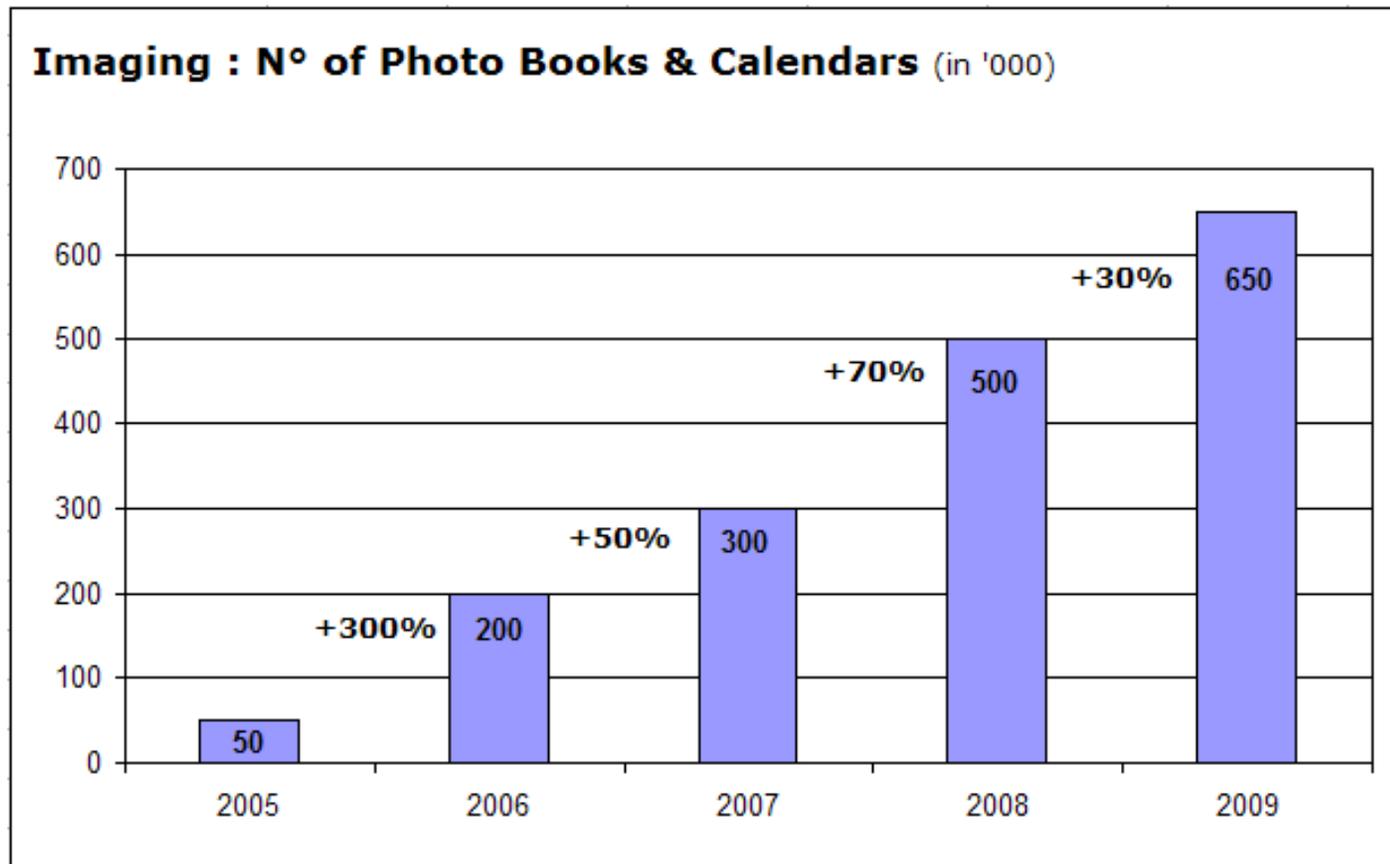
- 17% increase of digital mailorder sales, impacted by price promotions replacing marketing expenses
- Digital photo prints: +4%
- Analogue photo prints sales: -49%
- Photo books/calendars: +34%
- Photo gifts: more than doubled
- Like for like sales (excl. FLT & currencies): +1,8%
 - FLT: fully consolidated in 9M 2008
 - Currency, mainly SEK: Negative impact on sales

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
- In 2009: 39% of digital sales came from digital prints, 61% from new products

3. Imaging

Strong growth of new products



Source: Spector Photo Group

3. Imaging: mogelijkheden in 'foto gifts'



Leuke Cadeautjes

Zoveel mogelijkheden: om weg te geven of om jezelf te trakteren

Een assortiment aan producten als herinnering aan je laatste vakantie, dat leuke feestje, die toffe familie BBQ, etc... Trakteer je familie en vrienden, of nog beter, trakteer jezelf!

Mok Magische Mok Spaarpot Glas Muismat T-shirt Kinderen T-shirt Volwassenen T-shirt Vrouwen Kussen Slabbetje

Placemat Juwele-kistje Teddybeer Tegel Sweatshirt Puzzel Zonnescherm Handdoek Schort

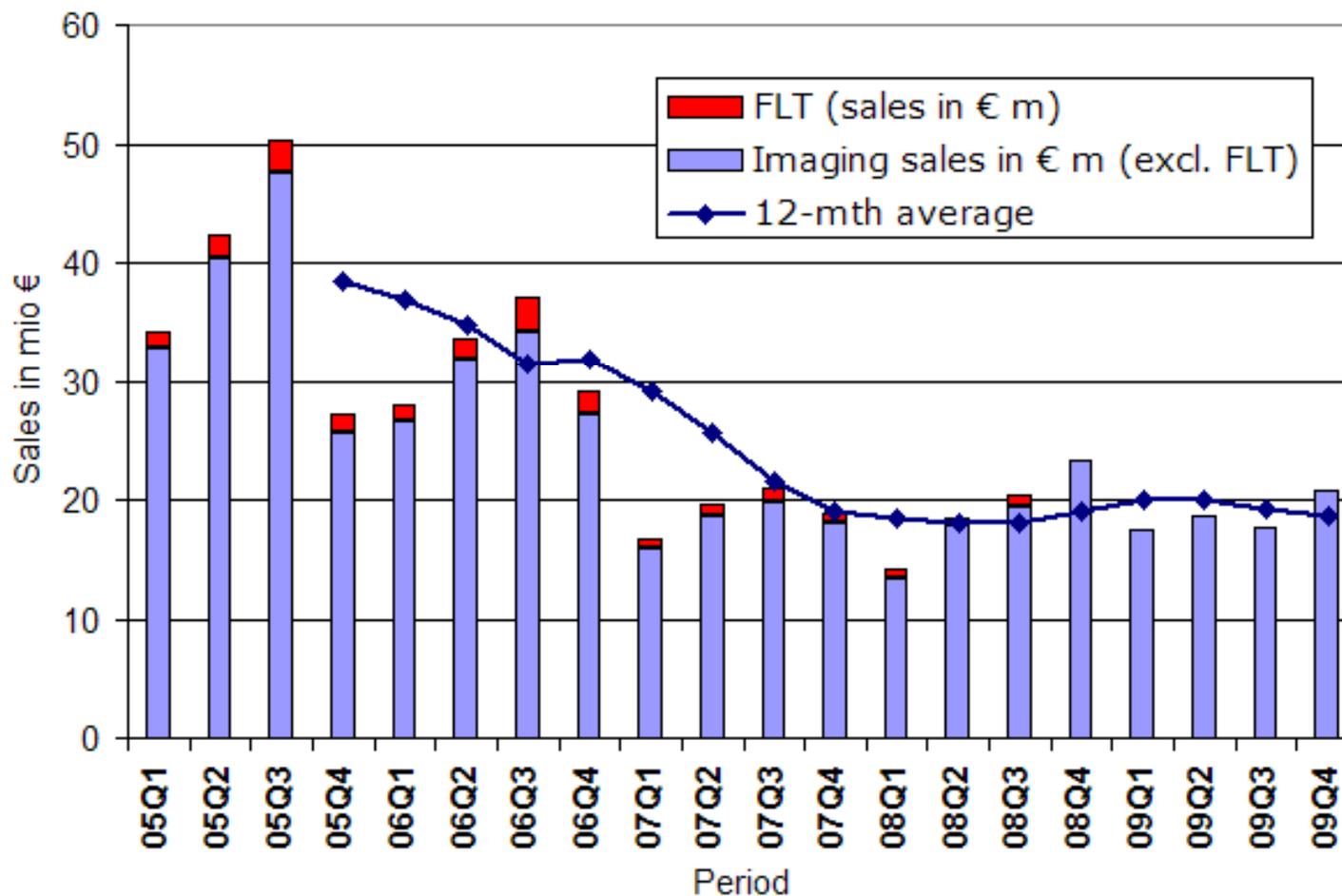
Nieuwe Kwaliteit!

3. Imaging: nieuwigheden bij ExtraFilm

The screenshot shows the ExtraFilm.be website interface. At the top right, there are navigation links for 'Inloggen', 'Prijzen', 'Help', 'Contact', and 'FR | NL'. The main navigation bar includes 'Home', 'Foto's opladen', 'Producten', 'Mijn Foto's', and 'Mijn ExtraFilm'. A breadcrumb trail indicates the current location: 'Je bent hier: Home > Producten > Aanbevolen: Nieuwigheden'. A shopping cart icon shows 'Winkelwagentje' with a price of '0,00 €'. A large image on the left shows a smiling woman holding a gift. The main content area features a 'NEW! Nieuwigheden' banner with the text: 'We maakten voor jou een selectie uit onze nieuwe producten en designs die je helemaal te gek zal vinden! Neem snel een kijkje en ontdek dat een gepersonaliseerd product maken nog nooit zo eenvoudig was.' Below this are three product cards: 1. 'Fotoboek Create' priced at 34⁹⁵ € with an image of a photo book showing a baby. 2. 'Visitekaartjes' priced at 12⁹⁵ € with an image of a photo keychain and the text 'pakket van 40 kaartjes'. 3. 'Fotocanvas 40 x 40 cm' priced at 45⁰⁰ € with an image of a photo canvas. Each card has an 'Ok >>' button.

3. Imaging

Long term evolution (As of Q4 2008: FLT excluded)



Financial data

4. Financial data: key figures

Income statement for the period

(in €'000)	2008	2009	Δ in %
Spector Photo Group Consolidated			
Revenue	266 159	243 978	-8,3%
Profit/loss (-) from operating activities, before non-recurring items	5 758	620	-89,2%
Non-recurring items from operating activities	- 786		-
Profit/loss (-) from operating activities	4 972	620	-87,5%
Financial cost-net, before non-recurring items	- 5 177	- 4 293	17,1%
Non-recurring financial items	- 2 405		-
Financial result	- 7 582	- 4 293	43,4%
Profit/loss (-) before taxes, before non-recurring financial items	- 205	- 3 673	n.r.
Profit/loss (-) before taxes	- 2 610	- 3 673	-40,7%
Income tax expense (-)/ income	- 908	946	204,2%
Profit/loss (-) from continuing activities	- 3 518	- 2 726	22,5%
Discontinued operations			
Profit/loss (-) from discontinued operations	- 4 229	- 1 062	74,9%
Profit/loss (-) for the period	- 7 748	- 3 788	51,1%
Attributable to equity holders of the parent company	- 7 748	- 3 788	51,1%

- EBIT: € -4,4 m
- Financial result: € 3,3 m
- Taxes: € +1,9 m
- Discontinued operations: € +3,2 m



€ +4 m

4. Financial data: key figures

Segment information

(in €'000)	2008	2009	Δ in %
Revenue			
Retail	190 414	169 922	-10,8%
Imaging	76 512	74 821	-2,2%
Corporate	762	777	1,8%
Intersegment	- 1 530	- 1 542	-0,8%
Spector Photo Group	266 159	243 978	-8,3%
Discontinued activities	24 470	3 565	-85,4%
Intersegment	- 76	0	-
Total	290 553	247 542	-14,8%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)			
Retail	7 632	3 127	-59,0%
Imaging	- 1 342	- 1 976	-47,2%
Corporate	- 532	- 530	0,3%
REBITDA			
Retail	10 479	5 282	-49,6%
Imaging	6 329	4 089	-35,4%
Corporate	- 524	- 529	-1,0%
Profit/loss (-) from operating activities (EBIT)			
Retail	7 632	3 127	-59,0%
Imaging	- 2 128	- 1 976	7,2%
Corporate	- 532	- 530	0,3%
EBITDA			
Retail	10 479	5 282	-49,6%
Imaging	5 627	4 089	-27,3%
Corporate	- 524	- 529	-1,0%

4. Financial data: balance sheet

Statement of financial position

	(in €'000)	2008	2009	Δ in %
Total equity		30 559	29 097	-4,8%
Statement of financial position total		136 505	121 541	-11,0%
Net financial debt		36 150	28 028	-22,5%
Customer relationships		11 181	8 828	-21,0%
Investments		2 110	1 520	-28,0%
Amortisations		- 4 800	- 3 926	18,2%

- Equity: € -1,5 m: net loss of FY09 of € 3,79 m and € 2,33 m positive currency adjustments (equity per share: € 0,82)
- Net financial debt: down € 8,1 m: good performance in reduction of working capital
Without the purchase of the building in Luxembourg: € - 11.3 m
- Customer relationships: investments continue to decline, as well as the amortisations

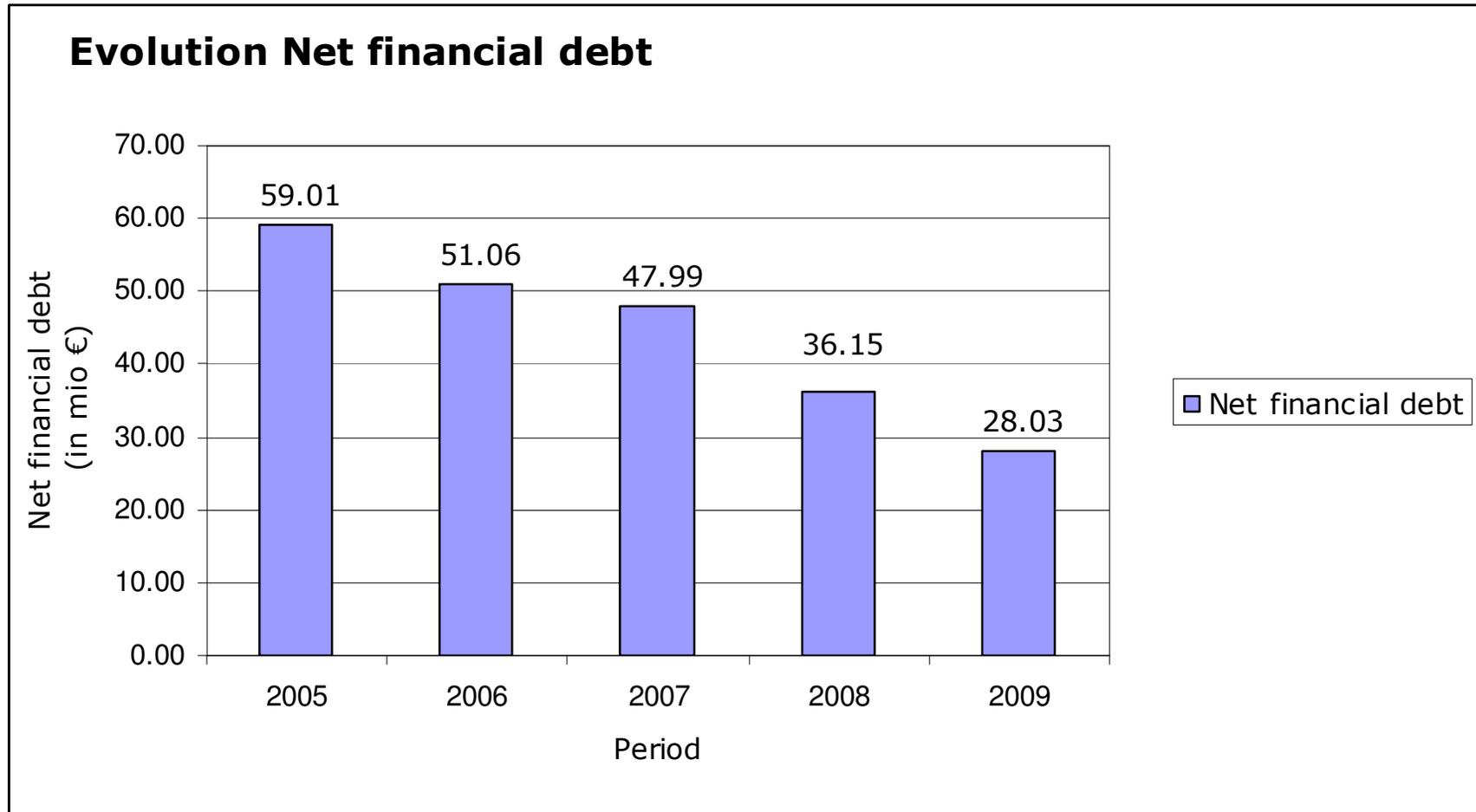
4. Financial data: balance sheet

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- Net financial debt: € 28,03 m:
 - LT debt: € 4 m
 - NIB debt: € 12,5 m
 - ST debt: € 30 m of which € 15 m LT debt of Photo Hall Multimedia to be renegotiated end 2010
 - Cash: € 18,4 m

4. Financial data: balance sheet



4. Financial data: balance sheet

(in €'000)	2010	2011	2012	2013	2014
Depreciations on Capitalised Customer Relationships till 2009	2 956	2 266	1 428	962	680
Estimated Depreciation on investments 2010 (*)	286	286	286	286	286
Estimated Depreciation on investments 2011 (*)		286	286	286	286
Estimated Depreciation on investments 2012 (*)			286	286	286
Estimated Depreciation on investments 2013 (*)				286	286
Estimated Depreciation on investments 2014 (*)					286
	3 241	2 837	2 286	2 106	2 110

(*) 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

	(in € '000)	2008	2009
Cash flow from operating activities		14 858	16 064
Cash flow from investing activities		- 3 397	-8 291
Cash flow from financing activities		- 12 040	- 2 151
Net increase/decrease (-) in cash and cash equivalents		- 579	5 623

of which:

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD **DISCONTINUED OPERATIONS**

Retail	(in € '000)	2008	2009
Cash flow from operating activities		-1 060	- 166
Cash flow from investing activities		- 255	2 255
Cash flow from financing activities		689	-2 223

Imaging	(in € '000)	2008	2009
Cash flow from operating activities		443	- 124
Cash flow from investing activities		0	
Cash flow from financing activities		- 308	

- Capex in 2009: € 8,38 m
 - of which € 6,12 m in tangible and € 2,26 m in intangible assets
 - Retail Group € 3,85 m: € 3 m for purchase of central building in Luxembourg, € 0,85 m for store equipment
 - Imaging Group: print equipment and development of designs (€ 2,17 m), data center (€ 0,51 m) and acquisition of customer relationships (€ 1,52 m)

4. Financial data: operating income

Income statement for the period

	(in €'000)	2008	2009	Δ in %
Spector Photo Group Consolidated				
Revenue		266 159	243 978	-8,3%
Other operating income		7 282	5 038	-30,8%
Trade goods, raw materials and consumables		190 839	175 923	-7,8%
Employee expenses		32 095	31 728	-1,1%
Depreciation and amortisation expenses		10 642	8 941	-16,0%
Other operating expenses		34 107	31 803	-6,8%
Profit/loss (-) from operating activities, before non-recurring items		5 758	620	-89,2%
Non-recurring items from operating activities		- 786	-	-
Profit/loss (-) from operating activities		4 972	620	-87,5%

- Employee expenses: slight decline
- Depreciations: minus 1.7 mio €
- No non-recurring in 2009

In 2008, mainly regarding the closure of the back office for ExtraFilm France

4. Financial data: financial results

Income statement for the period

(in €'000)	2008	2009	Δ in %
Spector Photo Group Consolidated			
Financial income	896	536	-40,2%
Financial costs	- 6 074	- 4 829	20,5%
Financial cost-net, before non-recurring items	- 5 177	- 4 293	17,1%
Non-recurring financial items	- 2 405	-	-
Financial result	- 7 582	- 4 293	43,4%

➤ Financial costs:

- Interest charges decline € 0,89 m
- No non-recurring financial items in 2009

In 2008: - write-down of the 49% holding in FLT (1.7 mio €)
- write-down regarding Spector Immobilien Verwaltung (0.5 mio €)

4. Financial data: taxes

Income statement for the period

(in €'000)	2008	2009	Δ in %
Income tax expense (-)/ income	- 908	946	204,2%

- Income taxes: positive result of € 0,95 m:
 - Tax expense: € -1,57 m of which € -0,97 m on the current book year and € -0,59 on previous years
 - Deferred taxes: € 2,51 m of which € 1,06 m carry backs in France and € 1,45 m write-backs of deferred taxes

4. Financial data: discontinued operations

Income statement for the period

(in €'000)	2008	2009	Δ in %
Discontinued operations			
Profit/loss (-) from discontinued operations	- 4 229	- 1 062	74,9%

- In 2008: € -3,6 m from Föfoto and € -0,6 m from sale of remaining Austrian subsidiary
- In 2009: € -0,76 m non-cash from currency translations on Föfoto and € -0,30 m costs for the Föfoto sale

4. Financial data: figures per share

Key figures per share			
	2008	2009	Δ in %
Total number of shares	36 619 505	36 619 505	
Total number of shares with dividend rights	<u>35 412 433</u>	<u>35 412 433</u>	
Revenue	7.52	6.89	-8.3%
Profit/loss (-) from operating activities, after non-recurring items (EBIT)	0.14	0.02	-87.5%
REBITDA	0.46	0.25	-45.7%
EBITDA	0.44	0.25	-43.3%
Profit/loss (-) before taxes (EBT)	-0.07	-0.10	-40.7%
Profit/loss (-) from continuing activities	-0.10	-0.08	22.5%
Profit/loss (-) from discontinued operations	-0.12	-0.03	74.9%
Profit/loss (-) for the period (ordinary & diluted)	-0.22	-0.11	51.1%
Profit/loss (-) before taxes, corrected for non-cash items	0.31	0.14	-55.6%
Profit/loss (-) from continuing activities, corrected for non-cash items	0.27	0.09	-64.6%
Profit/loss (-) for the period attributable to equity holders of the parent	-0.22	-0.11	51.1%
Net result of the year attributable to equity holders of the parent company, corrected for non-cash items	0.20	0.09	-56.7%
Share price for the period	0.38	0.67	76.3%

5. Prospects 2010

➤ **Retail:**

- **consumer spending to remain low**
- **opening of 4 new shops in Belgium**

➤ **Imaging:**

- **less impact from declining analogue sales**
- **growth of new photo products will continue**

➤ **Renegotiation debt Photo Hall**

QUESTIONS

AND

ANSWERS