



PRESS RELEASE – Regulated information

Wetteren, Belgium, 12 May 2010

Spector Photo Group – Trading Update for first quarter of 2010

- **Retail Group:**
 - o **Difficult economic market conditions persist and lead to a fall of 5.5% in revenue;**
 - o **REBITDA improves by 35.9%.**
- **Imaging Group:**
 - o **Drop in revenue by 23.3% mainly due to ceasing trading in photo paper;**
 - o **REBITDA falls from minus EUR 0.25 million to minus EUR 0.73 million.**

| Segment information of continuing activities (in €'000) | March 2009 | March 2010 | Δ in % |
|--|-------------------|-------------------|---------------|
| Unaudited figures | | | |
| Revenue | | | |
| Total | 59 986 | 53 571 | -10.7% |
| Retail | 42 678 | 40 319 | -5.5% |
| Imaging | 17 483 | 13 406 | -23.3% |
| Corporate | 195 | 146 | -25.1% |
| Intersegment | - 370 | - 301 | NR |
| REBITDA | | | |
| Total | 177 | 135 | -23.7% |
| Retail | 720 | 978 | 35.9% |
| Imaging | - 248 | - 731 | NR |
| Corporate | - 295 | - 112 | NR |

Retail Group

The Retail Group's revenue fell by 5.8% to EUR 40.32 million in 2010's first quarter. Photo Hall in Belgium noted an 8.2% drop of its revenues. Hifi International (Luxembourg) was able to limit the fall to minus 0.4%, thanks to a strong recovery of the trading activities.

Despite the fall in revenue, there was a 35.9% improvement in REBITDA, which increased from EUR 0.72 million in the first quarter of 2009 to EUR 0.98 million in the first quarter of 2010. The Group reaps the benefits of the strict cost control that was carried out in Belgium and Luxembourg in 2009. In Luxemburg, the Group also benefitted from an improved product mix: the sales of both large and small household appliances currently continue to do very well.

Two new shops were opened in Belgium, in Lommel and in Houthalen. This brings the total number of shops in Belgium to 92. The number of retail points of sale in Luxemburg remains stable at 17. In addition, Photo Hall and Hifi International each have their own online shop.

Imaging Group

Revenues recorded a 23.3% drop in the first quarter of 2010 and amounted to EUR 13.41 million. Of this downturn, 90% can be attributed to ceasing the trading activity in photo paper. During the first quarter of 2009, and to a lesser extent in the second quarter of 2009, this activity did very well, but dropped off completely in the second half of 2009 due to the suppliers changing their strategy.

Mail order experienced a fall of 6.3% in revenue. On the one hand, analogue photography experienced a downturn of 37.5%; on the other, digital photography grew by 1.8%. The growth in digital photography was unfavourably affected by rearrangements in the commercial team of ExtraFilm Nordics (Scandinavia) in Sweden. The deployment of a new team since April has led to recovery in the volumes of this region since April.

In the digital photo operations, the photo-related products such as photo books, cards & gifts, etc., continue to grow strongly. The result is that these higher volumes mean the Group must invest in automation to improve their profitability. In view of the cost and productivity of the envisaged machines, the investments are being concentrated in one production centre, more specifically in Wetteren (Belgium). On 27 April 2010, therefore, the intention to close the lab in Sweden was announced. The information and consultation sessions with the local trade unions are currently in progress.

As in 2009, the revenue of the wholesale trade in photoproducts (Filmobel) developed favourably and continues to grow. The photofinishing activities via the Spector channel for the independent photo specialists, on the other hand, once again developed less favourably. This channel is suffering from the decline in analogue photography, a decline that is insufficiently compensated by the growth in digital photography.

The REBITDA decreased from minus EUR 0.25 million in the first quarter of 2009 to minus EUR 0.73 million in the first quarter of 2010. Traditionally, the first quarter of the year always makes a loss due to the seasonal effect; the increase in the loss is due to losing the contribution from the trading activities in photo paper, as well as the smaller contribution from analogue photography. The positive results of the automation will only become visible later in the year.

Prospects

The uncertainty about the economy remains and will continue to put pressure on the revenue and results of the Retail Group for the rest of the year.

Ignoring the trading in photo paper, it is expected that the Imaging Group's revenue in 2010 will gradually recover, thanks to the sustained success of the photo-related products.

Spector Photo Group's profile

Spector Photo Group is a diversified photo and multimedia group operating in 14 European countries, with 800 employees. Spector's shares are traded on Euronext Brussels (ISIN BE0003663748, stock code SPEC).

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 March 2010, the Retail Group had 109 shops, of which 105 were under the Group's own management, spread across Belgium and the Grand Duchy of Luxembourg. The Retail Group's revenues represented 75% of the revenue from continuing operations at the end of March 2010.

The Imaging Group converts digital and analogue photographs into photo prints, photo cards, photo calendars, photo albums 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. The Imaging Group's revenues represented 25% of the revenue from Spector Group's continuing operations as at the end of March 2010.

Financial calendar

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

* indicative dates

Definitions

REBITDA = cash flow from the operating activities before non-recurring items = profit/loss (-) from operating activities before non-recurring items, adjusted for depreciation, amortisation, write-downs, and provisions.

For additional information, please contact:

Tonny Van Doorslaer, Executive Chairman – Tel. +32 9 365 98 11

Email: vdstockm@spector.be – Internet: www.spectorphotogroup.com