SPECTOR PHOTO GROUP – 2008 HALF-YEARLY FINANCIAL REPORT

Regulated information

2008 HALF-YEARLY 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, Chief Executive Officer, Mr. Christophe Levie, Managing Director of the Retail Group, Mr. Stef De corte, Managing Director of the Imaging Group and Mr. Luc Vansteenkiste, Chairman of the Board of Directors 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)	**2007.JUN**	**2008.JUN**	**07/08**
Revenue	137 932	134 967	-2.1%
REBITDA	5 684	4 508	-20.7%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)	- 1 195	- 713	40.3%
Non-recurring items from operating activities	485	- 709	-246.1%
Profit/loss (-) from operating activities (EBIT)	- 710	- 1 422	-100.5%
EBITDA	6 017	3 883	-35.5%
Financial result	- 1 997	- 3 244	-62.4%
Income tax expense (-)/income	222	- 238	-207.2%
Profit/loss (-) from continuing activities	**- 2 485**	**- 4 904**	-97.3%
Profit/loss (-) from continuing activities, corrected for non-cash items	**3 028**	**69**	-97.7%
Profit/loss (-) from discontinued operations	- 15	- 272	-1706.1%
Profit/loss (-) for the period	**- 2 500**	**- 5 176**	-107.0%
Attributable to the group	**- 2 500**	**- 5 176**	-107.0%

Balance Sheet (in €'000)	**2007.JUN**	**2008.JUN**	**07/08**
Net financial debt	50 923	46 201	-9.3%
Externally acquired customer relationships	15 514	12 600	-18.8%
Investments	788	1 011	28.3%
Amortisations	- 2 777	- 2 376	14.4%

Segmentinformation Spector Photo Group (in €'000)	**2007.JUN**	**2008.JUN**	**07/08**
Revenue			
Retail	102 094	102 669	0.6%
Imaging	36 329	32 656	-10.1%
Corporate	534	385	-27.9%
Intersegment	- 1 025	- 743	27.5%
Spector Photo Group	**137 932**	**134 967**	-2.1%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)			
Retail	2 622	1 612	-38.5%
Imaging	- 3 764	- 2 014	46.5%
Corporate	- 53	- 312	-487.9%
REBITDA			
Retail	4 518	3 225	-28.6%
Imaging	1 212	1 591	31.3%
Corporate	- 45	- 308	-585.8%
Profit/loss (-) from operating activities (EBIT)			
Retail	2 622	1 612	-38.5%
Imaging	- 3 279	- 2 723	16.9%
Corporate	- 53	- 312	-488.7%
EBITDA			
Retail	4 518	3 225	-28.6%
Imaging	1 545	966	-37.4%
Corporate	- 45	- 308	-584.4%

Recurring items operating activities

During the first half-year of 2008, **Spector Photo Group** realised EUR 135.0 million turnover from continuing operations, of which EUR 102.7 million was realised by the Retail Group and EUR 32.7 million by the Imaging Group, including intersegment turnover. The recurring result from operating activities amounted to EUR – 0.7 million, compared with EUR –1.2 million during the same period last year.

The first half of 2008 has been characterised by stable turnover for the **Retail Group** (+ 0.6%) in spite of the continuing negative trend in consumer confidence that resulted in a fall in spending, particularly in Belgium and Hungary.
In particular, the market for the more expensive consumer goods has been characterised by price erosion and pressure on the margins, leading to a negative impact on the results. The REBIT amounted to EUR 1.6 million, in contrast to EUR 2.6 million as at 30 June 2007
(-28.5%). REBITDA also dropped from EUR 4.5 million to EUR 3.2 million (-28,6%).

The **Imaging Group** only experienced a 10.1% fall in turnover. This indicates that there is increasing improvement in compensating for the decline in analogue turnover by the growth of the new product ranges. This turnover growth, combined with continued control of the marketing and overhead costs, resulted in an increase of the REBIT by 46.5% and positive REBITDA of EUR 1.6 million, or an increase of 31.3%.

Non-recurring items from operating activities

The non-recurring items from operating activities have had a negative impact on the figures this year. These amounted to EUR –0.7 million for the first half-year. The non-recurrent expenses include the costs of the closing of the site at Villeneuve d'Asq due to centralisation in Paris of the services of the Extra Film France unit, the company that performs the mail order activities in France under the brand name ExtraFilm™. Synergy savings will earn back these one-off costs within the year.

Last year, on the other hand, non-recurrent items provided a positive impact on the result of EUR 0.5 million due to the sale proceeds of ExtraFilm Australia (EUR 0.2 million) and of property (EUR 0.3 million).

Financial result

The financial result before non-recurring items amounted to EUR -2.5 million as at 30 June 2008, which was in line with 2007's EUR –2.4 million. Both interest expenses and the negative impact of exchange rate differences have virtually remained the same.

Non-recurring financial items

The EUR –0.7 million non-recurring financial items relate, on the one hand, to a lower value of the amount owed by Fotoinvest CVBA, in liquidation, and, on the other, a write-down on the amount owed by Spector Immobilien Verwaltung GmbH.
After Fotoinvest CVBA, in liquidation, has partially paid the receivable by transferring the bundle of shares in Spector Photo Group NV to Spector Coördinatiecentrum NV, a EUR –148,000 write-down still needed to be recognised to reconcile the liquidation of Fotoinvest. As a result of the sale of the asset items of the company Spector Immobilien Verwaltung GmbH, a write-down was recognised on the outstanding receivable amounting to EUR –543,000. The participating interest in this company was also written down (EUR –25,000). This transaction resulted in cash receipts amounting to EUR 0.6 million.

Taxes
The income taxes include, on the one hand, current taxes on the positive result in the Retail Group (EUR –0.8 million) and, on the other, the reversal of the deferred taxes concerning mainly the Imaging Group (EUR 0.6 million).

Discontinued operations
The discontinued operations include the entities Spector Fotohandel GmbH, operating as lessor of the building in Austria, and Litto Color NV, in liquidation. In the first half-year of 2008, the loss from the discontinued operations amounted to EUR –0.3 million, which is the net result of rental income and leasing costs of the property in Austria.

Result for the first half-year of 2008
The loss as at 30 June 2008 amounted to EUR –5.2 million, compared with EUR -2,5 million in 2007. The loss over the first six months of 2008 has been heavily impacted by the non-recurring items. If non-recurring items are not taken into account, the result would amount to EUR –3.7 million, in comparison with EUR –3.4 million in 2007.

Investments
The investments over the first half-year of 2008 were limited to EUR 2.4 million (EUR 2.9 million in the first half-year of 2007).
For the Retail Group, investments have mainly been related to the equipping and furbishing existing and new shop outlets. The Imaging Group invested in new machines for printing photo books and photo calendars. Additional investments were made in the expansion of the data centres for the website and storage of digital pictures, and in the in the acquisition of external customer relationships.

Balance sheet position

The most important items are the following:

- The net financial debt has further decreased by EUR 1.8 million to EUR 46.2 million during the first six months of 2008.
- The shareholders' equity has mainly decreased due to the impact of the negative result and the repurchase of own shares with the transfer of the bundle of shares from Fotoinvest CVBA, in liquidation.
- After investments, and write-downs, the value of the externally acquired customer relationships amounted to EUR 12.6 million, of which EUR 8.6 million is for externally acquired customer relationships and EUR 4.0 million is directly attributable costs.
- The inventories item remained effectively stable at € 38.3 million.
- The assets held for sale have mainly decreased due to the completion of the sale of the building in Ostend of Litto Color NV, in liquidation. This sale had no effect on the result.

RESULTS BY DIVISION – THE RETAIL GROUP

The external economic factors during the second quarter were not of the nature to already show an improving pattern of consumption compared with the first quarter.
More expensive oil prices, the credit crisis and stock market uncertainty affected the results of Photo Hall negatively.

From a global perspective, Photo Hall was able to maintain its turnover level (+0.6%) thanks to the positive development in Luxembourg.
Belgium and Hungary suffered much more from decreasing consumption.

Belgium:
Internally, the emphasis was placed on absolute cost control. The margin was under pressure; however, on the other hand, Photo Hall Belgium was able to increase its market share slightly.
Generally, Photo Hall sold more products in numbers (+5.3%), but the average price decrease per product put the turnover and margin under pressure.

Luxembourg:
The turnover and the results continued to develop positively in first half of 2008.
The general pattern of consumption in Luxembourg is clearly better than in Belgium.
All product families experienced continued growth.
The introduction of kitchen equipment at the beginning of 2007 also already provides a substantial contribution to turnover and result.

With effect from September, Photo Hall will retain a single shop in France that will be fully included in the Luxembourg organisation.

Hungary:
The economic crisis hit hard in Hungary and mainly affects the purchasing power of consumers.
This is causing a clear delay in purchases of the more expensive consumer goods. The Hungarian organisation is trying to adapt to this difficult market by strict cost control and a cautious marketing approach.
The turnover fell by 2.8%, but mainly the margin has been under pressure.

The number of our own sales outlets has remained more or less stable. The sales outlets under franchising in Photo Hall Hungary are continuing to be reduced.

Number of sales outlets	**2007.JUN**	**2008.JUN**
Belgium		
own sales outlets	83	82
e-commerce	1	1
under franchising	8	7
Luxembourg		
own sales outlets	15	16
e-commerce		1
France		
own sales outlets	3	2
Hungary		
own sales outlets	54	52
under franchising	113	82
Subtotal		
own sales outlets	155	152
e-commerce	1	2
under franchising	121	89
Total number of sales outlets	**277**	**243**

RESULTS BY DIVISION – THE IMAGING GROUP

The drop in turnover by 10.1% compared with 2007 was already lower than last year (-29.4%) and also lower than the first quarter (-15.4%).
The impact of the heavy decrease in analogue film is gradually disappearing.
For the first time in years, the results showed an improvement in comparison with last year.

Mail order (ExtraFilm)
In mail order, the digital turnover rose by 31% compared with 2007. Improved marketing efficiency made the operational contribution positive for the first time, in spite of the observation that the first half-year is the weakest period as a result of the seasonal effect.
All KPIs developed very favourably. Both new customers and orders increased by 29%.
The number of photo books and photo calendars even grew by 144%.
In the first half-year, the emphasis was put on the further expansion of the selling of the new product ranges. The percentage in the entire digital turnover already amounted to 45.3% compared with 23.6% in 2007.

Several new products were launched, as well as new models. During the course of June 2008, moreover, a new version of the website was launched. Higher user-friendliness and a faster uploading system for the photos are the most important characteristics. The active database is being further expanded. There are currently already more than 3.5 million users of the ExtraFilm services in Europe.

Photo specialists (Spector)

Spector is increasingly promoting itself as the full service provider for photo specialists, by offering tailor-made solutions for digital photography. In-store production using minilab and printers is enjoying increasing success. At the same time, Spector provides its entire expertise concerning new products (photo books, photos on canvas, etc.) and new software to the photo specialists.
Furthermore, Spector succeeded in significantly improving its market position as supplier of photo products (Filmobel) in the Belgian market.

PROSPECTS (*)

Photo Hall – Retail Group

The activities in Photo Hall in the second half-year will still be affected by the difficult economic environment that has a negative effect on consumption.
Photo hall will use cost control and specific marketing campaigns, including one around its 75-year existence, to stand up to this.

Photomedia – Imaging Group
The figures show that the fall in turnover from analogue photography is levelling off and the positive development of digital turnover continues to improve. The summer months showed the same positive trend as in the first half-year. The fourth quarter will even become the most important quarter of the year due to the increased importance of the new products, such as photo books and calendars. The strategy to continue developing this digital market will also in the second half-year lead to expansions and innovations in the range of products and further improvements to the website and user software.

Condensed financial statements as at 30 June 2008

INCOME STATEMENT (in € '000)

(in €'000)	2007.JUN	2008.JUN
Revenue	137 932	134 967
Other operating income	3 866	4 217
Work performed by enterprise and capiltalised	350	0
Trade goods, raw materials and consumables	97 435	98 881
Employee expenses	17 726	17 024
Depreciation and amortisation expenses	6 877	5 403
Other operating expenses	21 305	18 590
Profit/loss (-) from operating activities, before non-recurring items	**- 1 195**	**- 713**
Non-recurring items from operating activities	485	- 709
Profit/loss (-) from operating activities	**- 710**	**- 1 422**
Financial income	1 049	922
Financial costs	- 3 423	- 3 449
Financial cost-net, before non-recurring items	**- 2 374**	**- 2 527**
Non-recurring financial items	376	- 716
Financial result	- 1 997	- 3 244
Profit/loss (-) before taxes, before non-recurring financial items	**- 3 083**	**- 3 950**
Profit/loss (-) before taxes	**- 2 707**	**- 4 666**
Income tax expense (-)/ income	222	- 238
Profit/loss (-) from continuing activities	**- 2 485**	**- 4 904**
Discontinued operations		
Profit/loss (-) from discontinued operations	- 15	- 272
Profit/loss (-) for the period	**- 2 500**	**- 5 176**
Attributable to equity holders of the parent company	**- 2 500**	**- 5 176**

Profit/loss (-) per share	2007.JUN	2008.JUN
Total number of shares	36 619 505	36 619 505
Total number of shares with dividend rights	36 487 708	35 412 433
Profit/loss (-) from continuing activities	-0.07	-0.14
Profit/loss (-) from discontinued operations	0.00	-0.01
Profit/loss (-) for the period attributable to equity holders of the parent	-0.07	-0.15
Share price for the period	1.30	1.02

Ordinary shares with dividend rights listed per 1 January 2008	36 487 708
Purchase treasury shares dd. 27 March 2008	1 075 275
	35 412 433
Weighted average number of ordinary shares per 30 june 2008 (Diluted)	36 231 410

Profit/loss (-) per share	2007.JUN	2008.JUN
Weighted average number of shares	36 619 505	36 619 505
Weighted average number of shares with dividend rights	36 487 708	36 231 410
Profit/loss (-) from continuing activities	-0.07	-0.14
Profit/loss (-) from discontinued operations	0.00	-0.01
Profit/loss (-) for the period attributable to equity holders of the parent	-0.07	-0.14
Share price for the period	1.30	1.02

BALANCE SHEET (in € x 1,000)

ASSETS (in €'000)	2007.DEC	2008.JUN
Non-current assets		
Property, plant and equipment	27 014	26 183
Consolidation goodwill and other goodwill	21 084	20 918
Intangible assets other than goodwill	15 822	14 034
Available-for-sale investments	25	
Investment securities - non-current	49	49
Long term receivables	1 896	311
Deferred tax assets	7 238	7 238
Non-current assets	**73 129**	**68 733**
Current assets		
Assets held for sale	5 459	3 803
Inventories	40 410	38 338
Trade and other receivables	25 559	18 978
Investment securities - current	3	3
Cash and cash equivalents	13 526	8 862
Current income tax assets	2 927	3 429
Current assets	**87 884**	**73 413**
TOTAL ASSETS	**161 014**	**142 146**

EQUITY AND LIABILITIES (in €'000)	2007.DEC	2008.JUN
Total equity		
Capital	64 194	64 194
Reserves and retained earnings/ accumulated loss (-)	- 22 367	- 27 543
Revaluation surplus	2 139	2 139
Treasury shares (-)	- 1 304	- 2 422
Currency translation adjustments	- 1 083	- 372
Shareholder's equity	**41 579**	**35 995**
Total equity	**41 579**	**35 995**
Non-current liabilities		
Non-current interest bearing financial obligations	38 050	35 202
Employee benefit liabilities	445	437
Non-current provisions	1 775	1 750
Deferred tax liabilities	3 730	3 207
Non-current liabilities	**44 000**	**40 596**
Current liabilities		
Liabilities held for sale	3 316	3 529
Current interest bearing financial obligations	23 469	19 865
Trade and other payables	40 227	34 192
Employee benefit liabilities	4 398	4 202
Current income tax liabilities	3 634	3 541
Current portion of provisions	390	225
Current liabilities	**75 434**	**65 555**
TOTAL EQUITY AND LIABILITIES	**161 014**	**142 146**

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

	2007.JUN	2008.JUN
Opening balance	**41 891**	**41 579**
Profit or loss for the period attributable to equity holders of the parent	- 2 500	- 5 176
Currency translation adjustments and others	230	710
Treasury shares		- 1 118
Decrease minority	- 18	
Closing Balance	**39 603**	**35 995**

CONDENSED CASH FLOW STATEMENT (in € '000)

CONSOLIDATED (in € '000)	2007.JUN	2008.JUN
Cash flow from operating activities	1 539	3 951
Cash flow from investing activities	- 723	- 462
Cash flow from financing actvities	- 8 378	- 8 036
Net increase/decrease in cash and cash equivalents	**- 7 562**	**- 4 548**

BASIS FOR PREPARARIONS OF THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

The half-yearly consolidated financial statements closed on 30 June 2008 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 2007, as published in the 2007 Annual Report.

The half-yearly consolidated financial statements were approved for publication by the Board of Directors on 28 August 2008.

Changes in accounting and presentation rules

The accounting rules and presentation basis applied for the format of the half-yearly consolidated financial statements are identical to those applied for the year ended 31 December 2007, as incorporated in the 2007 Annual Report.

Spector Photo Group incorporated no new IFRS standards or interpretations in its policies in 2008.

Consolidation

Changes in the consolidation scope during the first half-year of 2008:

- For the following companies put into liquidation in 2007, the liquidation was concluded during the first six months of the financial year: EDRO BVBA, Spector Routing BVBA, Extra Film Nederland BV, Extra Film Europe NV, Extra Film Denmark A/S.
- Merger between the companies Spector Nederland BV and Photo Finance BV, respectively the company whose activity was the cooperation with the photo specialists in the Netherlands and a former holding company.

In order to compare the figures for the first half-year of 2007 with the first half-year of 2008, one should also take into account the following change in 2007:

- The income statement for the first half-year of 2007 still contained the activities of Digital Photoworks Ltd (Extra Film Australia), the company that conducted mail order activities in Australia.

NOTES TO THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

1. Condensed segment information by business segment

The Spector Photo Group reporting covers two segments (Imaging Group and Retail Group), and is completed by Corporate and Discontinued Operations.
The condensed segment information of these primary business segments is included below:

(in € '000)	RETAIL		IMAGING		CORPORATE		Eliminations		Continued operations		Discontinued operations		Spector Photo Group	
	2007.JUN	2008.JUN	2007.JUN	2008.JUN	2007.JUN	2008.JUN	2007.JUN	2008.JUN	2007.JUN	2008.JUN	2007.JUN	2008.JUN	2007.JUN	2008.JUN
Revenue														
External revenue	102 092	102 663	35 840	32 304					137 932	134 967	778		138 710	134 967
Inter-segment	2	6	489	353	534	385	1 025	743						
Total revenue	**102 094**	**102 669**	**36 329**	**32 656**	**534**	**385**	**- 1 025**	**- 743**	**137 932**	**134 967**	**778**		**138 710**	**134 967**
External other operating income	2 403	2 664	1 463	1 488	0	65			3 866	4 217	489	115	4 355	4 333
Inter-segment	0	0	13	33	695	298	707	331						
Total other operating income	**2 403**	**2 664**	**1 476**	**1 521**	**695**	**364**	**- 707**	**- 331**	**3 866**	**4 217**	**489**	**115**	**4 355**	**4 333**
Profit/loss (-) from operating activities, before non-recurring items (REBIT)	**2 622**	**1 612**	**-3 764**	**- 2 014**	**- 53**	**- 312**			**- 1 195**	**- 713**	**25**	**- 13**		
Profit/loss (-) from operating activities (EBIT)	**2 622**	**1 612**	**- 3 279**	**- 2 723**	**- 53**	**- 312**			**- 710**	**-1 422**	**25**	**- 13**		
Number of persons employed in FTE end of the period	668	662	366	300	4	3			1 038	965			1 038	965

2. Discontinued operations

The discontinued operations include the entities Spector Fotohandel GmbH, operating as lessor of the building in Austria, and Litto Color NV, in liquidation.

In the first half-year of 2008, the loss from the discontinued operations amounted to EUR –0.3 million, which is the net result of rental income and leasing costs of the property in Austria.

The assets held for sale have mainly decreased due to the completion of the sale of the building in Ostend of Litto Color NV, in liquidation. This sale had no effect on the result.

The result and cash flow from these discontinued operations can be summarised as follows:

CONDENSED INCOME STATEMENT FOR DISCONTINUED OPERATIONS (in € '000)

(in € '000)	2007.JUN	2008.JUN
Post-tax profit/loss (-) of discontinued operations	- 15	- 272
Revenue from ordinary activities	778	82
Other income from ordinary activities	489	34
Expenses from ordinary activities	-1 241	- 129
Profit/loss (-) from operating activities	25	- 13
Pre-tax profit/loss (-) from discontinued activities	- 13	- 271
Taxes	- 2	- 1

CONDENSED CASH FLOW STATEMENT FOR DISCONTINUED OPERATIONS (in € '000)

(in € '000)	2007.JUN	2008.JUN
Cash flow from operating activities	- 73	365
Cash flow from investing activities	721	0
Cash flow from financing actvities	0	- 205
Net increase/decrease in cash and cash equivalents	**648**	**160**

ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY RELATED TO THEM

(in € '000)	2007.DEC	2008.JUN
Assets		
Property, plant & equipment	4 766	3 000
Trade and other receivables	63	14
Cash and cash equivalents	629	789
Assets held for sale	**5 459**	**3 803**
Liabilities		
Interest bearing liabilities	2 942	2 736
Employee benefit liabilities	354	609
Trade and other payables	21	184
Liabilities directly linked to assets held for sale	**3 317**	**3 529**

3. Shares

During the first half-year of 2008, 1,075,275 company shares were acquired for an amount of EUR 1,118,000. As a means of partially paying its debt, Fotoinvest CVBA, in liquidation, transferred its bundle of shares in Spector Photo Group NV to Spector Coördinatiecentrum NV. The companies Fotoinvest CVBA, in liquidation, and Partimage CVA, on the one hand, and Spector Coördinatiecentrum NV, Alexander Photo SA and Spector Photo Group NV on the other, submitted an official notification of this, dated 28 March 2008, to the Belgian Banking, Finance and Insurance Commission and to Euronext Brussels.
The liquidation of Fotoinvest CVBA was finally closed and the company definitively ceased to exist as at 20 June 2008. A write-down totalling EUR 148,000 was recognised for this under non-recurring financial items.

On 30 June 2008, 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 recognised as a reduction of the shareholders' equity.

4. Events After Balance Sheet Date

No important events have occurred after 30 June 2008 that would effect 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, photos 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 2007 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 2007 Annual Report, continue to apply for the remaining period of the 2008 financial year.

8. Related parties

The following transactions have taken place during the first half-year:

- Information concerning Fotoinvest CVBA: see note 4.
- As a result of the sale of the building in Dresden, the most important asset item of the company Spector ImmobiliënVerwaltung GmbH, a write-down was recognised on the recoverable amount of the amount owed by this company. This write-down amount of EUR 543,000 has been recognised under the non-recurring financial items. The investment in Spector ImmobiliënVerwaltung GmbH has also been written-down. This write-down of EUR 25,000 has also been recognised under the non-recurring financial items.

9. Currency exchange rates

The half-yearly financial statements were prepared using the following exchange rates:

Currency exchange rates	Closing rate		Average rate	
	2007.DEC	2008.JUN	2007.JUN	2008.JUN
Australian dollar	1.6457	1.6371	1.6435	1.6573
Swiss franc	1.6547	1.6056	1.6348	1.6026
Danish krone	7.4583	7.4579	7.4501	7.4566
Hungarian forint	253.7300	235.4300	250.5500	252.1867
Norwegian krone	7.9580	8.0090	8.1009	7.9887
Swedish krona	9.4415	9.4703	9.2290	9.4034
American dollar	1.4721	1.5764	1.3341	1.5444

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 2008

REPORT CONCERNING THE LIMITED REVIEW ON THE INTERIM CONSOLIDATED SITUATION OF SPECTOR PHOTO GROUP AS OF 30 JUNE 2008

We have performed a limited review of the interim consolidated situation of Spector Photo Group as of 30 June 2008 in accordance with the recommendations of the "Institut des Reviseurs d'Entreprises/Instituut der 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.

This review has not disclosed elements that could lead to significant corrections of this interim consolidated situation, taking into account that the valuation of the intangible assets of the Imaginggroup is strongly linked to the success of the business plan and the transition to digital photography.

Gent, August 28 , 2008

PKF bedrijfsrevisoren
Statutory Auditor
Represented by :

D. De Jonge

Grant Thornton, Lippens & Rabaey
Statutory Auditor
Represented by :

J. Lippens

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, adjusted for depreciation, amortisation and provisions.
EBITDA = profit/loss (-) from operating activities adjusted for depreciation, amortisation and provisions.
Profit/loss (-) before taxes, corrected for non-cash items = Profit/loss (-) before taxes, adjusted for depreciation, amortisation, provisions, financial non-cash elements
Profit/loss (-) from continuing operations, corrected for non-cash items = Profit/loss (-) after taxes, adjusted for depreciation, amortisation, provisions, financial non-cash elements and deferred taxes
Share of the shareholders in the parent company in the net profit/loss for the financial year, corrected for non-cash items = Net profit/loss adjusted for depreciation, amortisation, provisions, financial non-cash items, deferred taxes and non-cash items from discontinued operations
Net Financial debt = Financial obligations less cash, cash equivalents and non-current investment securities

Financial calendar

18 November 2008	Trading Update for third quarter of 2008
9 February 2009	Trading update for fourth quarter of 2008
10 March 2009	Annual announcement of 2008 annual results
28 April 2009	2008 Annual report
13 May 2009	Trading update for first quarter of 2009
31 August 2009	2009 half-year results and Half-yearly financial report

Spector Photo Group is a diversified multimedia and photo group with more than 1,000 employees, operating in 15 European countries. The 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 separate divisions:

- the Retail Group operates under the brand names Photo Hall and Hifi International in the retailing of consumer electronics and multimedia products. It operates some 240 shops under its own management or under granted franchises. This network extends across Belgium, the Grand Duchy of Luxembourg, France and Hungary.
- the Imaging Group processes digital and analogue photographs into photo prints, photo calendars, photo diaries, photo books, photos 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 the partnership with specialised photographic businesses.

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(*) This press communication contains forward-looking information that is based on the current internal estimates and expectations. The forward-looking statements contain inherent risks and only apply at the date on which they are communicated. It cannot be excluded that the actual results differ considerably from the forward-looking expectations that have been incorporated in this message.

This report is an English translation of the official Dutch version.