

PRESS RELEASE – Regulated information
Wetteren, 25 May 2012

Changed consolidated figures 2010 and 2011
concerning the useful life of externally acquired customer relationships

Referring to the press release dated May 8, 2012, in which the Board of Directors announced the change in the consolidated financial statements for the 2010 and 2011 financial years concerning the externally acquired customer relationships, in particular the definite or indefinite useful life thereof, the audited adjusted consolidated statements of financial position and income statement are presented hereafter.

Income statement for the period (in € '000)	2010 published	2010 change	2010 after change	2011 published	2011 change	2011 after change
Revenue	223 347		223 347	197 405		197 405
Other operating income	5 459		5 459	4 142		4 142
Changes in inventory of finished goods & work in progress	14		14	- 8		- 8
Work performed by enterprise and capitalised	40		40	2		2
Trade goods, raw materials and consumables	- 159 888		- 159 888	- 140 285		- 140 285
Employee expenses	- 30 373		- 30 373	- 28 472		- 28 472
Depreciation and amortisation expenses	- 5 738	- 8 072	- 13 810	- 4 415	- 729	- 5 144
Other operating expenses	- 28 225		- 28 225	- 30 048		- 30 048
Profit/loss (-) from operating activities, before non-recurring items	4 635	- 8 072	- 3 438	- 1 678	- 729	- 2 407
Non-recurring items from operating activities	- 1 501		- 1 501	- 1 732		- 1 732
Profit/loss (-) from operating activities	3 134	- 8 072	- 4 938	- 3 411	- 729	- 4 140
Financial income	565		565	509		509
Financial costs	- 4 013		- 4 013	- 2 333		- 2 333
Financial cost-net, before non-recurring items	- 3 448		- 3 448	- 1 824		- 1 824
Non-recurring financial items				2 011		2 011
Financial result	- 3 448		- 3 448	187		187
Profit/loss (-) before taxes, before non-recurring financial items	- 313	- 8 072	- 8 386	- 5 235	- 729	- 5 964
Profit/loss (-) before taxes	- 313	- 8 072	- 8 386	- 3 224	- 729	- 3 953
Income tax expense (-)/ income	413	348	761	1 101	- 21	1 080
Profit/loss (-) from continuing activities	99	- 7 724	- 7 625	- 2 123	- 750	- 2 873
Profit/loss (-) for the period	99	- 7 724	- 7 625	- 2 123	- 750	- 2 873
Attributable to equity holders of the parent company	99	- 7 724	- 7 625	- 2 123	- 750	- 2 873

Statement of comprehensive income for the period (in € '000)	2010 published	2010 change	2010 after change	2011 published	2011 change	2011 after change
Profit/loss (-) for the period	99	- 7 724	- 7 625	- 2 123	- 750	- 2 873
Currency translation adjustments :	1 279	- 80	1 199	- 248	- 21	- 269
Gains/losses (-) arising during the year	689	- 80	610	- 248	- 21	- 269
Reclassification adjustments for gains/losses (-) included in profit or loss	589		589			
Revaluation surplus				5 514		5 514
Income tax relating to components of other comprehensive income				- 179		- 179
Total comprehensive income for the period attributable to equity holders of the parent company	1 378	- 7 804	- 6 426	2 964	- 771	2 193

STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD (in € '000)	2010 published	2010 change	2010 after change	2011 published	2011 change	2011 after change
ASSETS						
<u>Non-current assets</u>						
Property, plant and equipment	17 980		17 980	20 849		20 849
Consolidation goodwill and other goodwill	18 849		18 849	18 603		18 603
Intangible assets other than goodwill	10 288	- 8 172	2 116	10 247	- 8 929	1 318
Other non-current financial assets	49		49	49		49
Long term receivables	224		224	199		199
Deferred tax assets	7 760		7 760	8 881		8 881
Non-current assets	55 151	- 8 172	46 979	58 828	- 8 929	49 899
<u>Current assets</u>						
Assets held for sale	636		636	735		735
Inventories	33 445		33 445	20 337		20 337
Trade and other receivables	16 267		16 267	14 149		14 149
Investment securities - current	3		3	3		3
Cash and cash equivalents	16 580		16 580	10 235		10 235
Current income tax assets	892		892	250		250
Current assets	67 823		67 823	45 709		45 709
TOTAL ASSETS	122 974	- 8 172	114 802	104 537	- 8 929	95 608
EQUITY AND LIABILITIES						
<u>Total equity</u>						
Capital	64 194		64 194	64 194		64 194
Reserves and retained earnings/ accumulated loss (-)	- 33 804	- 7 725	- 41 529	- 35 927	- 8 474	- 44 402
Revaluation surplus				5 335		5 335
Treasury shares (-)	- 2 422		- 2 422	- 2 422		- 2 422
Currency translation adjustments	2 508	- 80	2 428	2 260	- 102	2 159
Shareholder's equity	30 475	- 7 805	22 671	33 439	- 8 576	24 864
Total equity	30 475	- 7 805	22 671	33 439	- 8 576	24 864
<u>Non-current liabilities</u>						
Non-current interest-bearing financial obligations	28 697		28 697	8 468		8 468
Employee benefit liabilities	535		535	474		474
Non-current provisions	1 069		1 069	1 236		1 236
Deferred tax liabilities	979	- 368	611	1 113	- 354	759
Non-current liabilities	31 279	- 368	30 912	11 290	- 354	10 937
<u>Current liabilities</u>						
Liabilities held for sale	653		653	753		753
Current interest-bearing financial obligations	17 444		17 444	33 904		33 904
Trade and other payables	37 971		37 971	19 837		19 837
Employee benefit liabilities	4 320		4 320	4 061		4 061
Current income tax liabilities	194		194	45		45
Current portion of provisions	637		637	1 208		1 208
Current liabilities	61 219		61 219	59 808		59 808
TOTAL EQUITY AND LIABILITIES	122 974	- 8 172	114 802	104 537	- 8 929	95 608

NOTES RELATING TO THE AMENDMENT OF CONSOLIDATED RESULTS 2010 AND 2011

The change in the amortisation method and period was applied retroactively in accordance with IAS 8.41 resulting in an additional amortisation expense of EUR 8,072 ('000) to the consolidated figures for 2010 and EUR 729 ('000) to the consolidated figures of 2011.

The following items in the consolidated statements of financial position and income statements were affected:

For the consolidated figures of 2010:

- an increase in amortisation by EUR 8,072 ('000) to EUR 13,810 ('000);
- a reduction in income tax by EUR 348 ('000);
- a decrease in the result from continuing activities by EUR 7,724 ('000) to minus EUR 7,625 ('000); the result adjusted for non-cash expenses remains unchanged;
- a decrease of the intangible assets other than goodwill by EUR 8,172 ('000) to EUR 2,116 ('000);
- a decrease in equity by EUR 7,805 ('000) to EUR 22,671 ('000);
- a decrease in the deferred tax liabilities by EUR 368 ('000).

For the consolidated figures of 2011:

- an increase in amortisation by 729 ('000) to EUR 5,144 ('000), relating the pro rata temporis amortisations of the externally acquired customer relationships in 2010;
- a reduction in income tax by EUR 21 ('000);
- a decrease in the result from continuing activities by EUR EUR 750 ('000) to minus EUR 2,873 ('000); the result adjusted for non-cash expenses, remains unchanged;
- a decrease in the intangible assets other than goodwill by EUR 8,929 ('000) to EUR 1,318 ('000);
- a decrease in equity by EUR 8,576 ('000) to EUR 24,864 ('000);
- a decrease in the deferred tax liabilities by EUR 354 ('000).

An adjusted version of the 2011 Annual Report is available on the website www.spectorphotogroup.com. In Appendix 1 to the 2011 Annual Report, the reconciliation between the consolidated figures for the year 2010 as filed with the National Bank of Belgium and the amended consolidated figures is included.

The comparable figures, disclosed in 2012, are also adjusted.

Statement of the Committee of Statutory Auditors



Business advisers



Grant Thornton

COMMITTEE OF STATUTORY AUDITOR'S REPORT OF SPECTOR PHOTO GROUP NV ON THE ADJUSTED CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2011 BEING PART OF THE PRESS RELEASE OF 25 MAY 2012

Unqualified audit opinion on the adjusted consolidated balance sheet and income statement on 31 December 2010 and 31 December 2011 with an explanatory paragraph

We have audited the adjusted consolidated balance sheet and income statement for the year ended 31 December, 2010 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of EUR (000) 114.802 and a loss for the year of EUR (000) 7.625 and also the adjusted consolidated balance sheet and income statement for the year ended 31 December, 2011 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of EUR (000) 95.608 and a loss for the year of EUR (000) 2.873.

Management is responsible for the preparation and the fair presentation of these adjusted consolidated balance sheets and income statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the adjusted consolidated balance sheets and income statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these adjusted consolidated balance sheets and income statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises / Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the adjusted consolidated balance sheets and income statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the adjusted consolidated balance sheets and income statements. We have assessed the appropriateness of the accounting policies and consolidation principles, the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the adjusted consolidated balance sheets and income statements. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion the adjusted consolidated balance sheets and income statements for the year ended 31 December, 2010 and 31 December, 2011 give a true and fair view of the group's assets and liabilities, its financial position and the results of its operations in accordance with International Financial Reporting Standards as adopted by the European Union

Notwithstanding our unqualified opinion, we draw the attention to the adjusted consolidated director's report dated 21 May, 2012 in which the board of directors explains the adjustment of the consolidated figures of 2010 and 2011 and motivates the valuation of the intangible assets (consolidation goodwill included), the deferred tax assets and the inclusion of Photo Hall Multimedia in the consolidation under the assumption of going concern, taken into account the changing market conditions. The motivation of the valuation of the intangible assets (consolidation goodwill included) and deferred tax assets depends on the future positive development of the markets on which the business plan is based. The inclusion of Photo Hall Multimedia in the consolidation under the assumption of going concern depends on the further financial support of its banks and on the realisation of the announced restructuring measures.

The adjustment of the consolidated figures of 2010 and 2011 concerns the depreciation method and lifetime of the external acquired customer relationships from "indefinite" to "finite" as explained in the above mentioned adjusted consolidated director's report. As established in 2010 by the board of directors, a straight-line depreciation method over a period of 7 years was no longer an adequate representation of the reality and it was impossible to determine a "best estimate" of the lifetime. In view of the fact that a lifetime had to be determined, the board of directors is of the opinion that the most transparent estimate is an amortisation period of one year. Taking into account the foregoing we are of the opinion that there will be always an element of uncertainty while determining the lifetime (depreciation period).

Gent, May 23, 2012

The Committee of Statutory Auditors

PKF bedrijfsrevisoren CVBA
Represented by



Ria Verheyen
Statutory Auditor

Grant Thornton, Lippens & Rabaey
Represented by



Leen Defoer
Statutory Auditor

This press release is an English translation of the official Dutch version.

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