

Interim report – first quarter of 2007

Summary: SP Group generated profit before tax of DKK 11.3 million in the first quarter of 2007. Revenue improved by 17.9% to DKK 225 million, while EBIT rose by DKK 8.8 million to DKK 14.7 million. Profit before tax and minority interests improved by DKK 8.2 million over Q1 2006. The financial results were better than expected. The Group retains its full-year forecasts.

Today the Supervisory Board of SP Group considered and adopted the financial results of the first quarter 2007 with the following highlights:

- Revenue was up by 17.9% to DKK 225 million. Organic growth was 12%.
- EBITDA was DKK 23.8 million compared with DKK 14.4 million in Q1 2006.
- EBIT was DKK 14.7 million, up from DKK 5.8 million in Q1 2006.
- The Q1 profit before tax and minority interests amounted to DKK 11.3 million as against DKK 3.1 million in Q1 2006.
- Group development is a bit ahead of schedule as sales, efficiency and earnings are improving steadily.
- The Acccoat coating business continues to report strong revenue and earnings growth: EBIT improved by DKK 8.3 million over Q1 2006.
- The injection moulding business, SP Moulding and SP Medical, continued the positive developments. A stronger contribution margin and increased sales contributed to enhancing EBIT of this business area by approximately DKK 1.6 million.
- The Polyurethane business area also reported good earnings progress: EBIT rose by DKK 1.9 million relative to Q1 2006.
- As had been expected, the Vacuum Forming business area suffered a slight decline in revenue and earnings, but reported improved efficiency.
- Q1 cash flows from operating activities were positive as had been expected, corresponding to the cash flows for investing activities and repayments of long-term debt.
- The Group retains the forecast for the 2007 profit before tax and minorities of DKK 25-30 million. The forecast for the consolidated revenue is retained at 4-8% assuming unchanged exchange rates and raw materials prices.

Niels K. Agner
Chairman of the Board

Frank Gad
CEO

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Statement by Management

We have today considered and adopted the interim report of SP Group A/S for the three months ended 31 March 2007.

The interim report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies. The accounting policies are unchanged from those applied in the annual report for 2006.

Søndersø, 27 April 2007

Executive Board

Frank Gad
Chief Executive Officer

Jørgen Hønnerup Nielsen
Chief Financial Officer

Supervisory Board

Niels K. Agner
Chairman

Erik P. Holm
Deputy Chairman

Erik Christensen

Hans Wilhelm Schur

Poul Henning Jørgensen
Employee representative

Karen Marie Schmidt
Employee representative



Financial highlights and key ratios

DKK '000	2007 1/1-31/3	2006 1/1-31/3	2006
Income statement			
Revenue	225,230	191,012	825,381
Earnings before depreciation and amortisation and impairment losses (EBITDA)	23,787	14,416	73,424
Earnings before interest and tax (EBIT)	14,671	5,854	35,985
Income net financials	-3,358	-2,772	-15,348
Profit/loss before tax and minority interests	11,313	3,082	20,637
Profit before tax and after minority	9,942	1,970	16,593
Profit/loss for the year	7,158	1,373	10,254
Earnings per share (DKK)	3.60	0.78	5.36
Earnings per share, diluted (DKK)	3.56	0.77	5.29
Balance sheet			
Non-current assets	385,473	360,884	383,768
Total assets	696,186	625,213	670,635
Equity	161,349	122,917	154,220
Equity incl. minority interests	172,733	136,266	167,075
Investments in property, plant and equipment, excl. acquisitions	11,371	11,345	61,308
Cash flows			
Cash flows from:			
- operating activities	18,761	8,695	37,501
- investing activities	-15,844	-12,890	-67,471
- financing activities	-3,007	715	38,573
Change in cash and cash equivalents	-90	-3,480	8,603
Average number of employees	935	837	891
Key ratios			
EBITDA margin(%)	10.6	7.5	8.9
EBIT margin %	6.5	3.1	4.4
Profit before tax and minorities as a percentage of revenue	5.0	1.6	2.5
Equity ratio, incl. minority interests (%)	24.8	21.8	24.9
Market price, DKK, per share, year-end	163	112	157
Net asset value per share, DKK each unit, year-end	81	69	77
Market value/net asset value, year-end	2.02	1.62	2.04
Number of Shares	2,000,000	1,778,670	2,000,000

The key figures and ratios have been calculated in accordance with the guidelines issued by the Danish Association of Financial Analysts 2005 (Anbefalinger og Nøgletal 2005). Tax has not been calculated. In line with previous policies, this interim report is unaudited.



Q1 PERFORMANCE REVIEW

In the first quarter of the year, SP Group continued to intensify marketing towards both existing and potential customers. The efforts produced better-than-expected results in the first quarter, even though the rising electricity, oil and raw materials prices had a negative impact on earnings.

Group development is a bit ahead of schedule. The planned process is intended to ensure a significant improvement in consolidated sales, earnings and cash flows.

With effect from 1 January 2007, SP Group increased its ownership interest in TPI Polytechnik from 60 to 70%.

At the end of March, the plant in Helsingør was closed and the entire labour-intensive guidewire production has now been transferred to Poland. SP Group has transferred the medical production from Accoat to SP Medical in order to further strengthen the Group's competencies in this field.

ACTIVITY AND EARNINGS

Revenue amounted to DKK 225 million, up from DKK 191 million for the corresponding period of last year, equal to an increase of 17.9%. However, adjusted for the acquisition and divestment of enterprises and the closing down of activities, the increase is about 12%.

The Group continues to become more and more international, and 42.5% of the revenue is now derived outside Denmark as against 40.7% in the same period of last year. In the first quarter, revenue derived outside Denmark grew by 23%.

Sales to the medical industry, which is a focus area for SP Group, did not increase relative to the corresponding period of last year and amounted to about DKK 42 million, corresponding to one-fifth of the consolidated revenue. Another focus area is the sale of products under own brands from Ergomat (ergonomic workplace equipment) and TPI (ventilation equipment) and sales in this field increased by about 17% to about DKK 29 million.

Strong growth combined with efficiency improvements and better capacity utilisation in production improved the Group's contribution ratios. And since SP Group continues to stringently control overhead costs, the

operating profit (EBITDA) increased by 65% to DKK 23.8 million. The EBITDA margin increased by 3.1 percentage points to 10.6%.

Earnings before interest and tax (EBIT) came to DKK 14.7 million, up from DKK 5.8 million for the same period last year. The improvement was attributable to better capacity utilisation in three of the four business areas and greater efficiency in all four business areas.

The EBIT margin was 6.5%.

The profit before tax and minority interests amounted to DKK 11.3 million as against DKK 3.1 million for the corresponding period of last year. The profit was better than expected and accounted for 5% of revenue.

The consolidated balance sheet increased from DKK 670 million at the end of 2006 to DKK 696 million, which was attributable to larger inventories and an increase in receivables as a result of the growth experienced by the Group. We continue to focus on reducing these items in 2007.

The interest-bearing debt (net) fell from DKK 337 million at the end of 2006 to DKK 334 million. The interest-bearing debt is at the same level as last year. However, both operating profit and solvency increased. We continue to focus on reducing the interest-bearing debt in the course of 2007, among other things, by increasing earnings and selling a couple of properties that do not contribute to earnings.

Cash flows

Cash flows from operating activities were up by DKK 18.8 million, an improvement of well over DKK 10 million compared with last year.

In the first quarter, investments amounted to DKK 15.8 million as against DKK 12.9 million in the same period of last year. This year, the Group has primarily invested in SP Moulding's new factory in Poland, productivity enhancing equipment in SP Moulding – and capacity enhancements in Accoat, Tinby in Poland, TPI and SP Moulding in China and the acquisition of another 10% in TPI Polytechnik bv. DKK 3.0 million was used to repay long-term debt.

The net change in cash and cash equivalents for the period was thus zero.



Equity

Changes in equity since 1 January 2007:

DKK '000	1 January – 31 March Minority interests	Equity
Balance at beginning of period (after tax)	167,075	134,193
Acquisition of minority interests	-2,159	-
Exchange adjustments	-328	-146
Profit after minorities and before tax	8,145	2,219
Balance at end of period (before tax)	172,733	136,266

EXPECTATIONS FOR THE REST OF 2007

SP Group still expects revenue for 2007 to increase by 4-8% assuming unchanged exchange rates and raw materials prices. The profit before tax and minority interests is expected to be DKK 25-30 million. These expectations are based on the Group's existing portfolio of companies. Changes to the Group's activities, raw materials prices and exchange rates may have an impact on the expectations.

The main goal is, in the course of three years, to reach a profit before tax and minority interests corresponding to 5% of the revenue. Based on the implementation of the Group's strategy plan, revenue in 2009 is expected to be around DKK 1 billion.

Forward-looking statement

This report includes forward-looking statements reflecting management's current perception of future trends and financial performance. The statements for 2007 and the following years are inherently subject to uncertainty and SP Group's actual results could therefore differ from expectations. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in SP Group's activities, raw materials prices and foreign exchange rates.

This interim report does not constitute an invitation to buy or sell in shares in SP Group A/S.

HIGHLIGHTS BY SEGMENT:

INJECTION MOULDING (SP Moulding og SP Medical)

DKK '000	First quarter	
	2007	2006
Revenue	136,758	109,094
Earnings before interest and tax (EBIT)	4,222	2,628
Profit/loss for the year	1,365	1,385
Profit/loss before tax and minority interests	1,360	1,221
Average number of employees	585	473

Q1 highlights

Revenue for the first quarter increased by 25.4%. Almost all industries reported a revenue increase. Adjusted for last year's acquisition of the Danfoss plastic operations and the takeover of Accoat Medical with effect from the beginning of the new year, growth amounted to 8.9%.

Earnings before interest and tax improved by DKK 1.6 million, which was due to increasing activities and improved contribution ratios.

Profit before tax and minority interests remained unchanged compared with the same period last year.

As expected, earnings are still adversely affected by the start-up of SP Moulding's new injection moulding plant in Poland and integration costs from acquired activities.

We continue to expect revenue and earnings for 2007 to improve relative to 2006.

POLYURETHANE (Tinby, Ergomat, TPI Polytechnik)

DKK '000	First quarter	
	2007	2006
Revenue	38,751	33,983
Earnings before interest and tax (EBIT)	7,064	5,135
Profit/loss for the year	6,363	4,122
Profit/loss before tax and minority interests	4,997	3,111
Average number of employees	213	186



Interim report – first quarter of 2007

Q1 highlights

Revenue increased by DKK 4.8 million, corresponding to 14%. Growth was generated primarily from the sale of stable ventilation equipment from TPI Polytechnik, but also Tinby's activities in Denmark and Poland contributed.

Earnings before interest and tax (EBIT) increased by DKK 1.9 million, which was attributable to an improved product mix and growth in the level of activity.

Revenue and earnings are expected to continue to increase.

VACUUM FORMING (Gibo Plast)

DKK '000	First quarter	
	2007	2006
Revenue	22,381	25,722
Earnings before interest and tax (EBIT)	438	2,042
Profit/loss for the year	-45	1,540
Profit/loss before tax and minority interests	-45	1,540
Average number of employees	65	73

Highlights first quarter

Revenue fell by DKK 3.3 million due to a decline in sales to the refrigerator and freezer industry of DKK 5.5 million, or 35.6%, and a rise in sales to other industries of DKK 2.2 million, or 21.6%.

Earnings before interest and tax (EBIT) fell by DKK 1.6 million, mainly because of the lower level of activity.

About SP Group

SP Group manufactures moulded plastic components as well as coatings.

The Group is a leading supplier of plastic manufactured products for the manufacturing industries in Denmark and has increasing exports and production from own factories in China and Poland. SP Group has subsidiaries in Denmark, Sweden, Germany, the Netherlands, Poland, USA, Canada and China. SP Group is listed on the Copenhagen Stock Exchange and had about 900 employees at the end of 2006.

SP Group's four business areas have the following activities:

- Injection Moulding
- Polyurethane
- Vacuum Forming
- Coating

We continue to expect lower revenue and earnings than in 2006.

COATINGS (Accoat)

DKK '000	First quarter	
	2007	2006
Revenue	34,056	23,457
Earnings before interest and tax (EBIT)	8,043	255
Profit/loss for the year	7,742	-144
Profit/loss before tax and minority interests	7,742	-144
Average number of employees	65	98

Q1 highlights

Revenue increased by DKK 10.6 million.

As at 1 January, Accoat Medical was transferred to SP Medical and was included in last year's figures.

Growth in the continuing activities was thus about 100% compared with the same period of last year. The growth was driven especially by increasing demand for Accoat's services from the chemical industry and the oil and gas industries.

Earnings before interest and tax (EBIT) increased by DKK 7.9 million. The improved earnings were attributable to a better product mix as well as the earlier-than-expected completion of major projects built up over a period of time.

We still expect revenue and earnings to increase in Accoat.

