To the Copenhagen Stock Exchange A/S
Nikolaj Plads 6
DK-1067 Copenhagen K

Announcement No.
13/2007
22 August 2007
CVR No. 15701315

Interim report – first half of 2007

Summary: SP Group generated profit before tax and minority interests of DKK 20.7m in the first half-year of 2007. Revenue improved by 14.7% to DKK 454m, while EBIT rose by DK 8.7m to DKK 26.4m. Profit before tax and minority interests doubled to DKK 20.7m. The financial results were better than expected. The Group increases its forecast for the 2007 profit before tax and minorities to approximately DKK 30m. This forecast includes expected restructuring costs relating to the closure of the injection moulding factory at Sønderborg, Denmark. New polyurethane factory to be built in Poland.

The Supervisory Board of SP Group A/S has today considered and adopted the interim report for the six months to 30 June 2007. Highlights of the interim report:

- Revenue was up by 14.7% to DKK 454m. Organic growth was about 8%.
- EBITDA was DKK 45.3m compared with DKK 34.9m in H1 2006.
- EBIT was DKK 26.4m, up from DKK 17.7m in H1 2006.
- Profit before tax and minorities amounted to DKK 20.7m, as compared with DKK 10.0m in H1 2006.
- Group development is a bit ahead of schedule as sales, efficiency and earnings are improving steadily.
- The Accoat coating business continued to report strong revenue and earnings growth: EBIT up by DKK 8.1m over H1 2006.
- The injection moulding business, SP Moulding and SP Medical, continued the positive developments, as a stronger contribution margin and increased sales contributed to enhancing EBIT by about DKK 0.9m.
- The Polyurethane business area also reported good earnings progress: EBIT rose by DKK 3.8m over H1 2006.
- The Vacuum Forming business area suffered a slightly greater decline in revenue and earnings than had been expected, but also reported improved efficiency. EBIT was down by DKK 4.0m.
- H1 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 increases the forecast for the 2007 profit before tax and minorities to approximately DKK 30m, up from DKK 25-30m. This forecast includes expected costs relating to the closure of the factory at Sønderborg. Consolidated revenue is now expected to grow by 6-10% instead of the previous forecast of 4-8%, assuming unchanged exchange rates and raw materials prices.

Niels K. Agner
Chairman

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CEO

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Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and adopted the interim report of SP Group for the six months ended 30 June 2007.

The interim report is presented in accordance with IAS 34 and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies to be appropriate to the effect that the interim report gives a true and fair view of the Group's assets and liabilities, financial position, results of operations and cash flows.

Søndersø, 22 August 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 W. Schur	Poul H. Jørgensen Employee representative	Karen M. Schmidt Employee representative

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK ’000 (key ratios excepted)	H1 2007	H1 2006	FY2006
Income statement			
Revenue	454,134	395,921	825,381
Earnings before depreciation/amortisation and impairment losses (EBITDA)	45,280	34,915	73,424
Earnings before interest and tax (EBIT)	26,449	17,723	35,985
Net financials	-5,745	-7,714	-15,348
Profit before tax and minority interests	20,704	10,009	20,637
Profit before tax and after minority	18,257	7,460	16,593
Profit for the year	15,727	5,371	10,254
Earnings per share (DKK)	7,92	2,90	5.36
Earnings per share, diluted (DKK)	7,78	2,88	5.29
Balance sheet			
Non-current assets	388,020	365,785	383,768
Total assets	702,576	655,815	670,635
Equity	170,166	144,799	154,220
Equity incl. minority interests	182,418	158,968	167,075
Investments in property, plant and equipment	23,466	26,426	61,308
Cash flows			
Cash flows from:			
- operating activities	31,868	13,022	37,501
- investing activities	-27,939	-26,426	-67,471
- financing activities	-4,838	15,416	38,573
Change in cash and cash equivalents	-909	2,012	8,603
Average number of employees	946	835	891
Key ratios			
EBITDA margin (%)	10.0	8.8	8.9
EBIT margin (%)	5.8	4.5	4.4
Profit before tax and minorities as a percentage of revenue	4.6	2.5	2.5
Equity ratio, incl. minority interests (%)	26.0	24.2	24.9
Market price, DKK, per share, end of period	220	117	157
Net asset value per share,DKK each unit, end of period	85	74	77
Market value/net asset value, end of period	2.59	1.58	2.04
Number of shares, end of period	2,000,000	1,956,470	2,000,000

Accounting policies

The Group’s interim report for the six months ended 30 June 2007 is prepared in accordance with IAS 34 Interim Financial Reporting and additional Danish disclosure requirements for interim reports. The application of IAS 34 means that the presentation is limited relative to the presentation of a full annual report and that the valuation principles are in accordance with the International Financial Reporting Standards (IFRS). The accounting policies are unchanged from the policies applied in the Annual Report for 2006. The interim report is unaudited. The financial ratios have been calculated on the basis of “Recommendations & Financial Ratios 2005”, issued by the Danish Society of Financial Analysts.

OPERATING REVIEW

SP Group continued to intensify marketing towards both existing and potential customers during the first half-year. The efforts produced better-than-expected results during the period, 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 Polytechniek from 60% to 70%.

At the end of March, the plant in Elsinore, Denmark was closed and the entire labour-intensive guidewire production has now been transferred to Poland. As expected, the new guidewire operations in Poland achieved break even in the second quarter and the plant is expected to be profitable going forward. At the beginning of 2007, SP Group transferred the medical production from Accoat to SP Medical in order to further strengthen the Group's competencies in this field.

At its meeting today, the Supervisory Board resolved to close the loss-making injection moulding factory in Sønderborg, Denmark, and to relocate production to our other factories in Denmark and Poland in close collaboration with our customers. The relocation is expected to take place during the second half of 2007 and the closure will affect some 50 employees.

By this structural adjustment we expect to provide better and more effective service to our customers, and the move is also expected to contribute to a necessary improvement in SP Moulding's earnings as from 2008.

The anticipated restructuring costs are included in our forecasts.

Also today, the Board resolved to invest approximately DKK 30m in a new production facility for Tinby in Poland. The new plant will replace the existing facilities based at leased premises in Zdunska Wola. The new factory will be built during 2007–2008 and will double our capacity. The investment is necessary in order to meet the expected increase in demand for stable ventilation equipment from TPI customers and to accommodate demand from other Tinby customers. The factory is expected to be operational in the autumn of 2008.

As stated in Announcement No. 12/2007 of 3 July 2007, SP Group has set up a warrant scheme for the Executive Board and 20 senior managers after the end of the reporting period. The scheme is based on the authorisation provided by the shareholders in general meeting in April to issue 80,000 warrants.

FINANCIAL REVIEW

Revenue amounted to DKK 454m, up from DKK 396m for the corresponding period of last year, equal to an increase of 14.7%. Adjusted for the acquisition and divestment of enterprises and the closing down of activities, the increase is about 8%.

The Group continues to become more and more international, and 41.9% of the revenue is now derived outside Denmark as against 39.7% in the same period of last year. In the first half-year, revenue derived outside Denmark grew by 23%.

Sales to the medical industry, which is a focus area for SP Group, improved by around 6% over the year-earlier period and amounted to about DKK 88m, corresponding to almost 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 these sales increased by about 6% to about DKK 59m.

Strong growth in consolidated revenue combined with efficiency improvements and better capacity utilisation in production improved the Group's contribution ratios. And backed by our stringent control of overhead costs, the operating profit (EBITDA) increased by 30% to DKK 45.3m. The EBITDA margin increased by 1.2 percentage points to 10.0%.

Earnings before interest and tax (EBIT) came to DKK 26.4m, up from DKK 17.7m for the same period of 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. As a result, the EBIT margin improved from 4.5% to 5.8%.

The profit before tax and minority interests amounted to DKK 20.7m as against DKK 10.0m for the corresponding period of last year. The profit was better than expected and accounted for 4.6% of revenue, compared with 2.5% in the same period of last year.

Total assets increased from DKK 670m at the end of 2006 to DKK 703m, which was mainly attributable to larger inventories, an increase in receivables and greater investments in production equipment resulting from the growth in the Group's business. However, our business volume outgrew our balance sheet.

Interest-bearing debt (net) fell from DKK 337m at the end of 2006 to DKK 333m. The interest-bearing debt is DKK 10m greater than it was a year earlier. During that same period, however, operating profit and the equity ratio both improved. As a result, the interest-bearing debt is almost four times EBITDA for the last 12-month period. 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.

Deferred tax liabilities have been lowered by DKK 2m due to the lower Danish corporate tax rate.

Cash flows

Cash flows from operating activities were DKK 31.9m, corresponding to an increase of almost DKK 19m on the year-earlier period.

In the first half-year, investments amounted to DKK 27.9m as against DKK 26.4m in the same period of last year. This year, we have primarily invested in SP Medical's and SP Moulding's new factories in Poland, productivity enhancing equipment in SP Moulding, and capacity enhancements in Accoat, Tinby in Poland, TPI and SP Moulding in China as well as the acquisition of an additional 10% of the shares in TPI Polytechniek bv. DKK 4.8m was used to repay long-term debt.

The net change in cash and cash equivalents for the period was thus a cash outflow of almost DKK 1m.

Equity

Changes in equity since 1 January 2007:

DKK '000	1 Jan.-30. Jun. 07 Equity incl. minorities	1 Jan.-30. Jun. 06 Equity incl. minorities
Equity at beginning of period (after tax)	167.075	134.193
Share issue		17.780
Share premium account		697
Addition from acquisitions		
Acquisition of minority interests	-2.159	
Recognition of share-based payment	476	189
Exchange rate adjustments	-536	-1.097
Profit for the period (after tax)	17.562	7.206
Equity at end of period (after tax)	182.418	158.968

OUTLOOK FOR THE REST OF 2007

SP Group raised its full-year forecasts to revenue growth in the range of 6–10% from 4-8%, assuming unchanged exchange rates and raw materials prices. The profit before tax and minority interests is now expected to be approximately DKK 30m, up from DKK 25-30m. These forecasts are based on the Group's existing portfolio of companies. The revised forecast includes the anticipated costs of closing the factory in Sønderborg. Changes to the Group's activities, raw materials prices and exchange rates may have an impact on expectations.

Our financial targets are unchanged: (i) to reach, in the course of three years, a profit before tax and minority interests corresponding to 5% of revenue, and (ii) to generate an EBITDA margin of more than 10%. Based on the implementation of the Group's strategy plan, revenue in 2009 is expected to be around DKK 1 billion.

Forward-looking statements

This interim report contains forward-looking statements reflecting management's current perception of future trends and financial performance. Statements relating to 2007 and the following years are inherently subject to uncertainty and SP Group's actual results may thus 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 shares in SP Group A/S.

HIGHLIGHTS BY SEGMENT:

INJECTION MOULDING (SP Moulding and SP Medical)

DKK '000	First half-year 2007	2006
Revenue	272,967	219,677
EBITDA	17,567	14,100
Earnings before interest and tax (EBIT)	6,214	5,366
Profit before tax and minority interests	657	2,010
Profit before tax and after minority interests	631	2,053
Average number of employees	593	474

H1 highlights

Revenue for the first half-year increased by 24.3%. Almost all industries reported a revenue increase. Adjusted for last year's acquisition of the Danfoss plastics operations and the takeover of Accoat Medical with effect from the beginning of the new year, growth amounted to 6.1%.

The business area established two new production plants in Poland in 2006: an injection moulding factory for SP Moulding in Sieradz and a facility for the production of medical devices for SP Medical in Zdunska Wola. As expected, first-half earnings were curbed by the start-up of these facilities and by integration costs relating to the acquisition of Danfoss injection moulding operations in 2006. On the other hand, the new medical device operations in Poland achieved break-even in the second quarter and the plant is expected to be profitable going forward. At the same time, the new injection moulding factory is performing well, having achieved its initial break-even result in June. The injection moulding factory is expected to be a positive contributor to earnings in the second half-year.

The injection moulding factories in Juelsminde and Stoholm, Denmark and in China as well as SP Medical all contributed favourably to H1 growth and earnings. However, due to the costs of establishing operations in Poland and the poor financial results at the Sønderborg plant, EBIT improved by only DKK 0.9m and the operating margin fell from 2.4% to 2.3%. Similarly, profit before tax and minority interests was lower than in the same period of last year.

We continue to expect revenue and earnings for 2007 to improve relative to 2006, before including the expected costs of closing the factory at Sønderborg.

POLYURETHANE

(Tinby, Ergomat, TPI Polytechniek)

DKK '000	First half-year 2007	2006
Revenue	82,357	73,920
EBITDA	19,003	15,177
Earnings before interest and tax (EBIT)	15,638	11,834
Profit before tax and minority interests	14,472	9,271
Profit before tax and after minority interests	12,051	6,679
Average number of employees	216	184

H1 highlights

Revenue increased by DKK 8.4m, corresponding to organic growth of 11.5%. Growth was generated primarily from the sale of stable ventilation equipment from TPI Polytechniek, but also Tinby's activities in Denmark and Poland contributed. Ergomat reported unchanged revenue, but also, like TPI and Tinby, a strong earnings improvement.

The business area lifted EBIT by DKK 3.8m and the EBIT margin from 16% to 19%, driven by an improved product mix and growth in the level of activity.

Revenue and earnings are expected to continue to increase relative to 2006.

VACUUM FORMING (Gibo Plast)

DKK '000	First half-year 2007	2006
Revenue	42,677	53,058
EBITDA	958	5,333
Earnings before interest and tax (EBIT)	-392	3,601
Profit before tax and minority interests	-1,323	2,678
Profit before tax and after minority interests	-1,323	2,678
Average number of employees	64	72

H1 highlights

Revenue fell by DKK 10.4m, mainly due to a decline in sales to the refrigerator and freezer industry. The fall was greater than expected and resulted from customer relocation of their production facilities to lower wage countries.

We continue to expect lower revenue and earnings relative to 2006, and the process of refocusing towards new customer groups is expected to last a little longer than previously anticipated.

COATINGS (Accoat)

DKK '000	First half-year 2007	2006
Revenue	64,677	51,881
EBITDA	15,545	7,929
Earnings before interest and tax (EBIT)	13,457	5,387
Profit before tax and minority interests	12,933	4,518
Profit before tax and after minority interests	12,933	4,518
Average number of employees	66	98

H1 highlights
Revenue increased by DKK 12.8m.

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 60% 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.

For selected customers, Accoat performed nano-coatings on their components. The customers are now testing the functionality of the components.

Earnings before interest and tax (EBIT) increased by DKK 8.1m. The earnings improvement was due to a better product mix, greater capacity utilisation and recent years' efforts to optimise facilities at Kvistgaard, Denmark. In addition, the operating margin was 20.8%, lifted by the relocation of the operations in Accoat Medical. Last year, the production of guidewires at the now closed facilities at Elsinore and Jyderup, Denmark, pushed down the operating margin.

We still expect revenue and earnings in Accoat to increase relative to 2006.

In case of any discrepancies the Danish version shall prevail.

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 beginning of 2007.

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

- Injection Moulding
- Polyurethane
- Vacuum Forming
- Coating