NASDAQ OMX Copenhagen A/S
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Announcement No. 14/2009
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Interim report – First half-year of 2009

Summary: As expected, the H1 financial results were strongly affected by the extreme conditions in SP Group's markets in general. SP Group incurred a loss before tax and minority interests of DKK 19.5m in the first half year of 2009. Revenue fell by 25% relative to H1 2008 to DKK 338.7m and EBITDA was DKK 7.3m, but the results were better in the second quarter than in the first quarter. The recession has impacted the entire Group, but tight cost management and capacity adjustments combined with higher sales to customers in the medical devices industry in particular partially offset the fall in sales to other industries.

The Supervisory Board of SP Group A/S has today considered and approved the interim report for the six months ended 30 June 2009. Highlights of the interim report:

- Revenue fell by DKK 113.4m (25%) in H1 2009 relative to the year-earlier period to DKK 338.7m.
- EBITDA was DKK 7.3m compared with DKK 33.6m in H1 2008. EBITDA was DKK 6.1m in Q2 and DKK 1.2m in Q1.
- All four business areas reported EBITDA profits in the second quarter.
- EBIT was a loss of DKK 12.8m in H1 2009, down from a DKK 13.1m profit in H1 2008.
- Net financial items were a DKK 6.6m loss in H1 2009, a DKK 8.5m improvement over H1 2008.
- SP Group incurred a H1 loss before tax and minority interests of DKK 19.5m as against a DKK 2.0m loss in H1 2008. In Q2, the loss amounted to DKK 6.8m, a substantial improvement from the Q1 loss of DKK 12.7m.
- The injection moulding businesses, SP Moulding and SP Medical, suffered a 32% downturn in revenue and a drop in earnings. EBITDA was a profit and it improved in the second quarter relative to the first quarter.
- The Polyurethane business area reported a 31% revenue decline in the first half year. The Q2 EBITDA was a profit and more than offset the Q1 loss.
- The Vacuum business area reported a 29% fall in revenue and a smaller loss than had been expected. The Q2 EBITDA was a profit, but it was not large enough to offset the Q1 loss.
- The coating business, Accoat, generated a decent, 22% revenue increase and lifted the operating profit.
- There was a cash inflow from operating activities of DKK 16.3m, against a cash inflow of DKK 19.2m in H1 2008.
- We expect to record a loss in 2009 but a profit in 2010.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000 (key ratios excepted)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Income statement					
Revenue	169,187	224,572	338,744	452,098	863,705
Earnings before depreciation/amortisation and impairment losses (EBITDA)	6,075	16,280	7,296	33,622	60,311
Depreciation/amortisation and impairment losses	-10,439	-10,028	-20,145	-20,571	-43,317
Earnings before interest and tax (EBIT)	-4,364	6,252	-12,849	13,051	16,994
Net financials	-2,395	-3,061	-6,617	-15,072	-31,855
Profit before tax and minority interests	-6,759	3,191	-19,466	-2,021	-14,861
Profit/loss for the period	-5,069	2,393	-14,599	-1,516	-10,314
Share attributable to SP Group A/S	-5,214	1,649	-14,796	-2,541	-12,802
Earnings per share (DKK)			-7,36	-1,27	-6,39
Diluted earnings per share (DKK)			-7,36	-1,27	-6,39
Balance sheet					
Non-current assets			390,269	420,194	402,363
Total assets			687,237	746,038	708,092
Equity			145,960	167,579	159,547
Equity including minority interests			156,338	177,477	170,471
Investments in property, plant and equipment (excluding acquisitions)	11,390	944	18,074	21,361	63,266
Net interest-bearing debt (NIBD)			395,159	376,467	393,400
Cash flows					
Cash flows from:					
- operating activities	14,715	25,046	16,307	19,227	35,353
- investing activities	-11,390	-781	-18,074	-47,164	-69,499
- financing activities	-5,555	-2,336	-12,212	-8,537	-17,464
Change in cash and cash equivalents	-2,230	21,929	-13,979	-36,474	-51,610
Average number of employees			915	1,035	1,021
Key ratios					
EBITDA margin (%)	3.6	7.2	2.2	7.4	7.0
EBIT margin (%)	-2.6	2.8	-3.8	2.9	2.0
Profit before tax and minority interests as a percentage of revenue	-4.0	1.4	-5.7	-0.4	-1.7
Equity ratio including minority interests (%)			22.7	23.8	24.1
Market price, end of period (DKK per share)			29	127	42
Net asset value per share, end of period (DKK)			72	83	79
Market price/net asset value, end of period			0.40	1.53	0.53
Number of shares, end of period			2,024,000	2,024,000	2,024,000

Accounting policies: The Group's interim report for the six months ended 30 June 2009 has been 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 of the International Financial Reporting Standards (IFRS) have been applied. The accounting policies are unchanged from the policies applied in the Annual Report for 2008. The financial ratios have been calculated on the basis of "Recommendations & Financial Ratios 2005", issued by the Danish Society of Financial Analysts.

H1 PERFORMANCE REVIEW

The company's performance continued to be adversely affected by the global recession in the first half year. With the exception of the medical devices industry, there was a plunge in sales of plastics and coating to virtually every industry. Sales to the automotive industry (rolling stock) were particularly hard hit. On the other hand, sales to the medical devices industry rose by 7.7% to DKK 108.1m, accounting for 31.9% of H1 revenue (up from 22.2% in H1 2008).

The drop in revenue was almost entirely due to lower volume sales.

However, SP Group continues to intensify marketing efforts towards existing and potential customers, aiming to reduce the effects of weakening demand in a number of markets. The Group achieved an inflow of new customers and continues the active approach to develop and market a number of new solutions to the energy, medical devices and other industries which the company believes to have growth potential. SP Group continued to record rising sales to customers in these industries in the first half year.

Sales outside Denmark fell by almost as much as our domestic sales and now account for 43.1% of consolidated revenue (down from 43.4%). International sales fell by 25.6%. The Group's Danish customers export a large part of the products they buy from SP Group after incorporating them in their own products.

We have won several minor coating orders from the oil and gas industry. Our sales to the wind turbine industry are rising, and we have won orders for several new plastics components for regular shipment.

SP Group continues the efforts to optimise the business under the current market conditions by making production more efficient, aligning capacity and through tight cost management.

Work sharing is still in force at a number of factories and unfortunately it has been necessary to lay off a number of skilled and competent employees. The number of employees was reduced to 874 at 30 June 2009 from 989 at the beginning of the year.

In addition to capacity adjustments, we are also working to reduce our general costs. In a dynamic business, costs should be adjusted continually and at SP Group, all of our production facilities must manufacture and deliver better, cheaper and faster. We continually consider steps to cut consumption of raw materials and resources and to reduce the time necessary to commission equipment and restructure production. We will continue the ongoing roll-out of our LEAN project, focusing on improving our processes and flows, and we will work to enhance the skill sets of our organisation. Our headcount in Poland continues to grow as we relocate labour-intensive assignments, whereas we have had to adjust our staff in China in order to enhance efficiency.

On 20 May 2009, the City Court passed judgment in the case between the Danish tax authorities, SKAT, and SP Group's subsidiary SP Moulding in the matter of the tender for license plate production in Denmark. Like the Complaints Board for Public Procurement, the City Court found that SKAT had committed serious errors when holding the tender in 2007, and both the City Court and the Complaints Board have ruled that the contract entered into with our German competitor should be cancelled, because it was concluded on an illegal basis.

City Court ordered SKAT to pay DKK 600,000 in damages to SP Group's subsidiary as well as DKK 150,000 in legal costs and to cancel the contract concluded with the German company. SKAT have paid the damages and the legal costs, but have not yet cancelled the contract with the German company. SKAT have announced that they will not hold a new tender, with production starting in 2012, until the current contract expires. We have also noted that SKAT have opted not to appeal the judgment. The fact that SKAT have not complied with the judgment immediately is completely unacceptable.

FINANCIAL PERFORMANCE REVIEW

H1 revenue amounted to DKK 338.7m, against DKK 452.1m for the year-earlier period, equal to a drop of 25.1%.

Sales to the medical devices industry improved. Another focus area is the sale of products under in-house brands from Ergomat (ergonomic workplace equipment), SP Medical (guidewires) and TPI (ventilation equipment), and sales in this field fell by about 32% to DKK 47.8m. Sales declined in all three product groups.

The severe market slowdown reduced the consolidated EBITDA to DKK 7.3m for an EBITDA margin of 2.2%.

EBITDA was DKK 6.1m in the second quarter for an EBITDA margin of 3.6%, which was a substantial Q/Q improvement. All four business areas reported EBITDA profits in the second quarter.

EBIT was a loss of DKK 12.8m in H1, down from a DKK 13.1m profit in the year-earlier period.

The EBIT margin was negative at 3.8% for the first half year and negative at 2.6% for the second quarter.

Net financials amounted to an expense of DKK 6.6m against an expense of DKK 15.1m in H1 2008. The improvement was due to the lower level of interest rates and a smaller exchange loss than last year.

SP Group recorded a loss before tax and minority interests of DKK 19.5m for H1 2009 as against a loss of DKK 2.0m in H1 2008. The Q2 loss before tax and minority interests was DKK 6.7m. The Group's lower cost base contributed to the improved, although still unsatisfactory, performance.

Total assets fell from DKK 746.0m at 30 June 2008 to DKK 687.2m at 30 June 2009. The equity ratio fell from 23.8% to 22.7%.

Net interest-bearing debt amounted to DKK 395.1m, against DKK 393.4m at 31 December 2008. We remain strongly focused on reducing the interest-bearing debt from the current level by increasing the cash flow from operating activities and selling an additional two properties.

Cash flows
Cash flows from operating activities amounted to DKK 16.3m in the H1 period, of which DKK 14.7m related to the second quarter.

The Group spent a total of DKK 18.1m on investments and acquisitions and DKK 12.2m on reducing non-current liabilities.

Accordingly, the net change in cash and cash equivalents in the first half year was an outflow of DKK 14.0m, of which the second quarter accounted for an outflow of DKK 2.2m.

Management believes that the company continues to have an adequate level of capital resources relative to its operations and sufficient cash resources to meets its current and future liabilities. The company has good, long-standing and constructive relationships with its financial business partners. These relationships are expected to continue.

Equity
Changes in equity since 1 January 2009:

Q2 2009 accumulated	**Equity attributable to parent company shareholders**		**Equity including minority interests**	
DKKm	**2009**	**2008**	**2009**	**2008**
Equity at beginning of period (after tax)	159,547	167,040	170,471	178,949
Share issue	0	2,400	0	2,400
Share premium account	0	84	0	84
Company acquisition	0	0	0	0
Change in ownership, minority interests	0	0	-745	-2,729
Recognition of share-based payment	630	882	630	882
Exchange rate adjustments	579	-286	581	-593
Profit/(loss) for the period (after tax)	-14,796	-2,541	-14,599	-1,516
Equity at end of period (after tax)	145,960	167,579	156,338	177,477

The shareholders attending the annual general meeting in April 2009 resolved to reduce the share capital. Following the expiry of the three-month statutory notice period, the company has lowered its share capital by 90% by reducing the nominal value of its shares from DKK 100 to DKK 10 each. No dividends have been distributed to shareholders and the number of shares is unchanged at 2,024,000. See Announcement No. 13/2009

The change to the equity structure were made for the purposes of

- having a nominal amount lower than the share price, and
- having a nominal amount for the company's shares that is lower than the net asset value

in order that the company may in the future use its listing in an active manner, including for capital procurement purposes.

Statement of comprehensive income

Q2 2009 accumulated DKKm	Statement of comprehensive income 2009	 2008
Profit for the period	(14,599)	(1,516)
Foreign exchange adjustment relating to foreign companies	581	(593)
Recognition of share-based payment	630	882
Other comprehensive income	1,211	289
Comprehensive income	(13,388)	(1,227)
Allocation of comprehensive income for the period		
Parent company shareholders	(13,587)	(1,945)
Minority shareholders	199	718
	(13,388)	(1,227)

OUTLOOK FOR THE REST OF 2009

In a number of countries, the combination of the recession and financial turbulence makes for difficult earnings conditions.

We continue to expect that 2009 will be an extremely challenging year for the manufacturing industries in general.

However, we expect that a number of new products and solutions for our customers, especially in the health care, energy, environmental and food industries, will generate revenue growth and earnings that to some extent may offset the revenue decline experienced in other industries.

In the first half year, we implemented a major adjustment of our human resources, and many of the employees affected are due to leave the Group later in 2009.

We have sharply reduced SP Group's capital expenditure, and we expect to make substantially fewer investments in 2009 than we did last year. The largest single investment will be made in Accoat and will be for new equipment to be used for coating of equipment for the energy and environmental industries. We will also be making investments in our medical devices business in 2009, albeit to a limited extent.

Amortisation and depreciation charges are expected to be slightly lower than in 2008 due to the lower level of capital expenditure.

Our financial expenses are set to fall due to the lower level of interest rates, our slightly lower debt and greater risk aversion.

Combining these factors with tight cost management and the capacity adjustments we have made and with a continued strong focus on risk, liquidity and capital management, our Group has a strong base from which to take on what the future may bring.

Earnings are expected to be higher in the second half year than in the first half, and we expect to record a full-year loss after tax and minorities.

Following the adjustments made and considering the expected future market conditions, we expect to be back in the black from 2010 onwards.

BUSINESS AREAS

INJECTION MOULDING
(SP Moulding and SP Medical)

	Q2 2009	Q2 2008	H1 2009	H1 2008
Revenue	83,441	117,706	174,931	256,301
EBITDA	2,319	5,464	3,941	19,502
EBIT	-3,241	-515	-6,944	7,600
Average no. of employees			567	636

H1 highlights
Revenue fell by 31.8% to DKK 174.9m from DKK 256.3m in H1 2008. License plate production was a part of operations in H1 2008, which explains part of the H1 2009 revenue decline.

A number of customers have seen their sales severely impacted by the global recession, and this is having an adverse impact on sales. There is a continued inflow of new medical devices customers as well as new customers in other industries. The two Polish factories continue their strong performances and are generating positive earnings and producing more jobs.

Due to weaker business activity, EBITDA fell by DKK 3.9m in H1 2009.

SP Medical's guidewire sales are still burdened by the fire in Poland in September of last year. The damage resulting from the fire has been repaired and production is up and running again, albeit at a reduced pace and with lower efficiency.

SP Medical continues to step up marketing efforts towards new customer leads. The stronger marketing effort in a number of markets has produced several new, stable customers. The factory in Poland has become much more competitive on wage-intensive assignments.

All installations are continuing to implement production efficiency improvements, such as our LEAN projects, more automation, focus on raw materials consumption, scrappings and restructuring times.

The Danish factories continue to adapt their capacity and to relocate wage-intensive assignments to the factories in China and Poland.

The 2009 revenue and operating profit in this business area are expected to decline relative to 2008 due to the economic crisis. However, sales and earnings in Poland are expected to continue to grow.

POLYURETHANE
(Tinby, Ergomat, TPI Polytechniek)

DKK '000	Q2 2009	Q2 2008	H1 2009	H1 2008
Revenue	29,879	42,079	53,944	77,703
EBITDA	2,426	7,913	1,796	12,131
EBIT	886	6,182	-1,356	8,529
Average no. of employees			177	193

H1 highlights
H1 revenue fell by 30.6% to DKK 53.9m from DKK 77.7m in H1 2008.

The recession had a negative impact on sales in virtually all markets, but least of all in North America.

EBITDA was DKK 1.8m due to the lower business activity and a poorer product mix, compared with DKK 12.1m in H1 2008. The Q2 EBITDA was a profit.

Intensified marketing efforts combined with new products and concepts launched are expected partly to offset the current market setback.

During the half year, Tinby inaugurated a new production facility in Poland to serve customers in the energy industry.

TPI's sales were impacted by a lack of access to credit insurance, especially in respect of customers in eastern Europe.

Revenue and operating profit in this business area are expected to fall in 2009.

VACUUM FORMING (Gibo Plast)

	Q2		H1	
DKK '000	**2009**	**2008**	**2009**	**2008**
Revenue	24,177	38,140	49,936	70,587
EBITDA	492	1,920	-673	1,647
EBIT	-762	725	-3,005	-777
Average no. of employees			97	130

H1
H1 2009 revenue fell by 29.3% to DKK 49.9m from DKK 70.6m in H1 2008.

EBITDA was a DKK 0.7m loss against a DKK 1.6m profit in H1 2008.

The Q2 EBITDA was a profit.

Gibo sells a large part of its production to customers in the automotive industry (cars, buses, lorries, contractors' equipment and agricultural vehicles) and has built a strong position in this market. This business area has also been affected by the financial crisis, as customers are selling fewer of their products.

Gibo Plast has developed new projects and solutions for customers in the energy industry, which the company expects will contribute to sales and earnings in 2009 and onwards.

Gibo Plast will continue to work new markets in eastern and central Europe, partly by increasing the awareness of plastics in industries that traditionally use fibre glass, metals or wood.

The company continues its capacity adjustment efforts, focusing on serial production at the facility in Skjern, Denmark in order to achieve economies of scale. Also in this area, LEAN principles will be applied to achieve efficiency improvements.

A lower level of activity is expected in 2009 due to customers' falling sales, and although Gibo has adjusted its output capacity, the company does not expect to report satisfactory financial results.

COATINGS
(Accoat)

	Q2		H1	
DKK '000	**2009**	**2008**	**2009**	**2008**
Revenue	33,164	29,063	63,902	52,323
EBITDA	3,322	3,902	7,570	6,166
EBIT	1,570	3,270	4,443	4,295
Average no. of employees			67	68

H1 highlights
H1 revenue rose by 22.1% relative to the year-earlier period.

EBITDA also improved relative to the first half of last year, from DKK 6.2m to DKK 7.6m.

Accoat continues its marketing efforts towards customers in the oil and gas industry in the USA, Brazil, Russia and Europe, and has won new orders for future delivery.

In the first half year, Accoat supplied coated drill pipes to two international oil companies. Sales to the medical devices industry also improved.

A number of customers in the medical devices and chemical industries are increasingly demanding Accoat's services for friction reduction and corrosion protection.

The company continues to expect substantial growth in the next few years. For that purpose, the company has approved plans to further increase its oven capacity and to acquire a phosphatising plant that will be used for coating jobs for customers in the energy and environmental industry. As it is not possible to accommodate such expansion of the physical facilities at Kvistgaard, Denmark, the company intends to build the new coating facility at premises in Stoholm, Denmark where SP Moulding has reduced its space requirements.

The phosphatising plant began operations and additional medical devices output capacity was brought in to use in the first half of 2009.

Accoat's major investments will burden this year's financial results but are expected to contribute to earnings from 2010 onwards.

Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and approved the interim report of SP Group A/S for the three months ended 30 June 2009.

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies applied to be appropriate to the effect that the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2009 and of the results of the Group's operations and cash flow for the six months ended 30 June 2009.

In our opinion, the management's report gives a true and fair view of developments in the activities and financial position of the Group, the results for the period and of the Group's financial position in general and gives a fair description of significant risk and uncertainty factors that may affect the Group. The interim report is unaudited.

Søndersø, 19 August 2009

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

Forward looking statements

This interim report contains forward-looking statements reflecting management's current perception of future trends and financial performance. Statements relating to 2009 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, foreign exchange and economic conditions. This interim report does not constitute an invitation to buy or sell shares in SP Group A/S.

About SP Group

SP Group manufactures moulded plastic components as well as coatings.

SP Group is a leading supplier of plastic manufactured products for the manufacturing industries in Denmark and has increasing exports and growing production from own factories in China and Poland. SP Group has subsidiaries in Denmark, Sweden, Germany, the Netherlands, Poland, the USA, Canada and China. SP Group is listed on NASDAQ OMX Copenhagen and had some 870 employees at 30 June 2009.

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

- *Injection Moulding*
- *Polyurethane*
- *Vacuum Forming*
- *Coatings*