



First quarter of 2010

Presentation by Frank Gad, CEO
May 2010

AGENDA



- SP Group – an overview
- Results first quarter of 2010
- Strategic focus areas
- Financial objectives and outlook



Frank Gad (born 1960, M. Sc.)

Career:

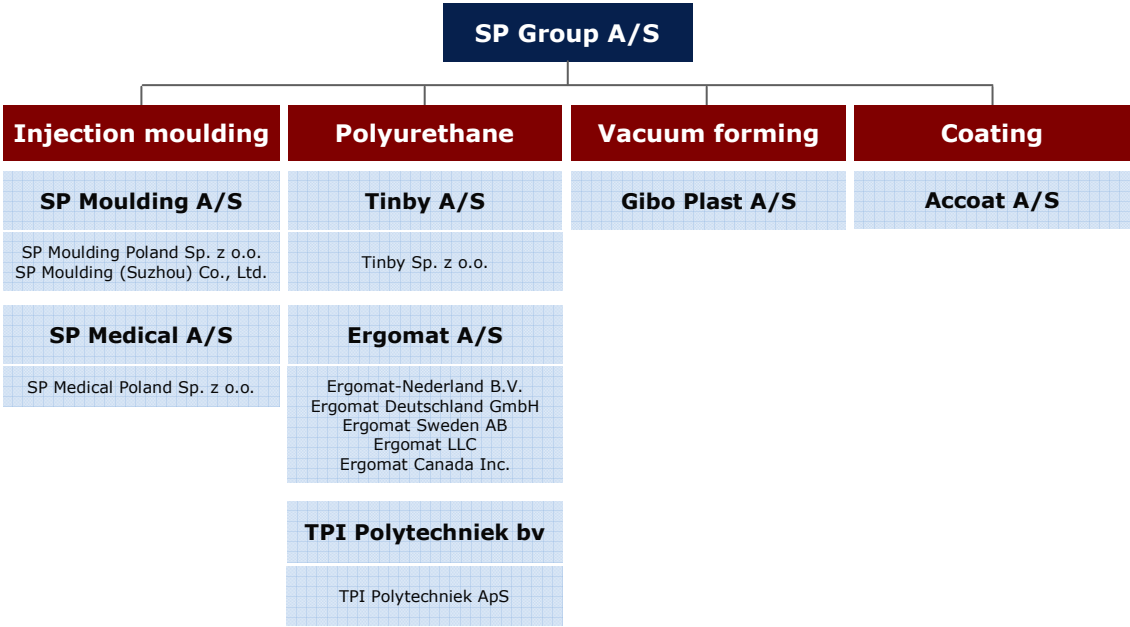
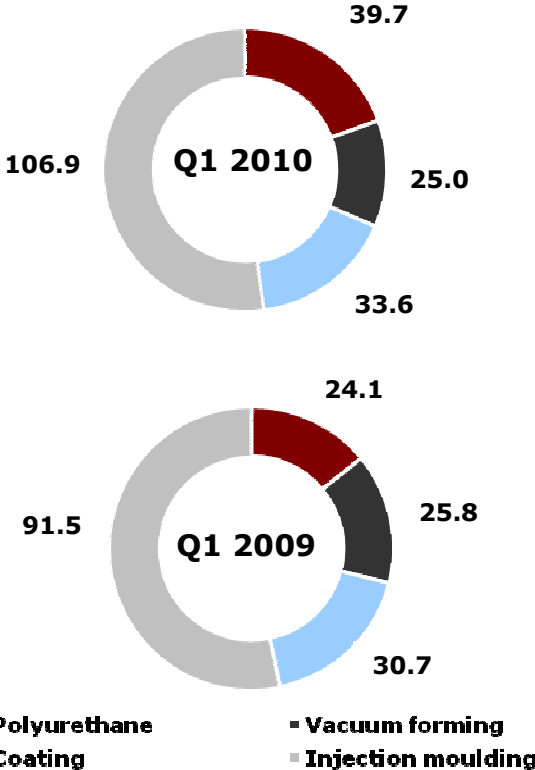
- Nov. 2004: CEO, SP Group A/S
- 1999-2004: CEO, FLSmidth A/S
- 1996-1999: CEO, Mærsk Container Industri A/S
- 1985-1999: Odense Steel Shipyard A/S – most recent title: EVP

SP GROUP – AN OVERVIEW



- Manufacturer of moulded plastic components and coatings
- Supplier of customer-specific solutions for a wide range of industries
- Strong international niche positions – also for our own brands
- Increased exports from Denmark and increasing production in China and Poland

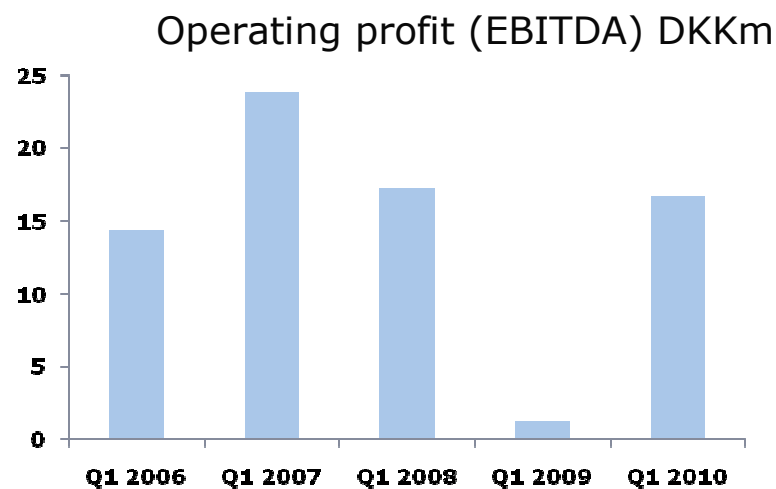
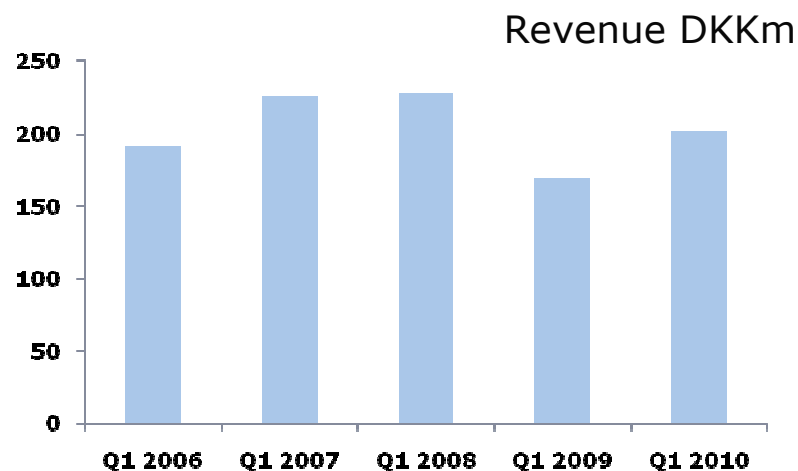
Revenue split by the Group’s business units;
Q1 2010 and Q1 2009 (DKKkm):



GROUP HIGHLIGHTS Q1 2010



- Revenue improved by 19.3% to DKK 202.2m
- Sales to our export markets grew by more than 30%
- Sales to our Danish customers were up by more than 11%
- Sales to the medical devices industry rose by 36.4% - now accounts for 35.6% of consolidated revenue
- Continued intensified marketing efforts towards both existing and potential customers
- Active approach to developing and marketing a number of new solutions to the cleantech, the medical devices and other industries
- Optimise production more efficiently, aligning capacity and tight cost management
- Ongoing reduction of general costs
- EBITDA margin improved to 8.3% from 0.7% in Q1 2009
- Strongly focused on reducing the interest-bearing debt, increasing cash flows from operating activities and selling an additional two properties



GROUP FINANCIAL HIGHLIGHTS Q1 2010

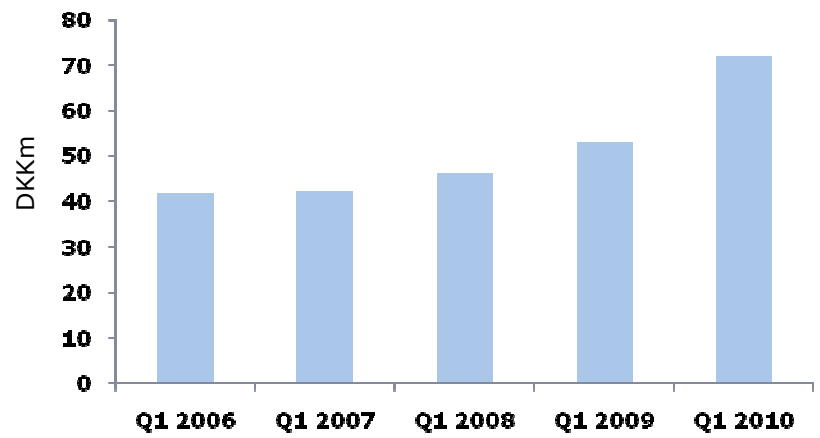


DKKm	Q1 2010	Q1 2009	FY 2009
Revenue	202.2	169.6	681.9
EBITDA	16.8	1.2	40.2
EBIT	7.0	-8.5	-1.0
Profit before tax and minority interests	4.5	-12.7	-14.5
Equity incl. minorities	166.6	163.3	159.7
Cash flows from operations	10.7	1.6	45.3
Cash flows from investments	-14.2	-6.7	-35.8
Cash flows from financing	4.6	-6.7	-16.3
Change in cash and cash equivalents	1.2	-11.7	-6.8
NIBD	380.3	398.5	376.9

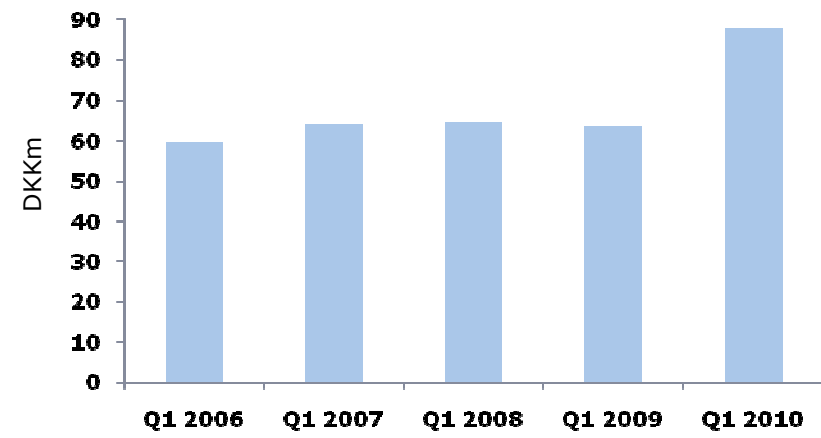


REVENUE SPLIT BY PRODUCT AREA

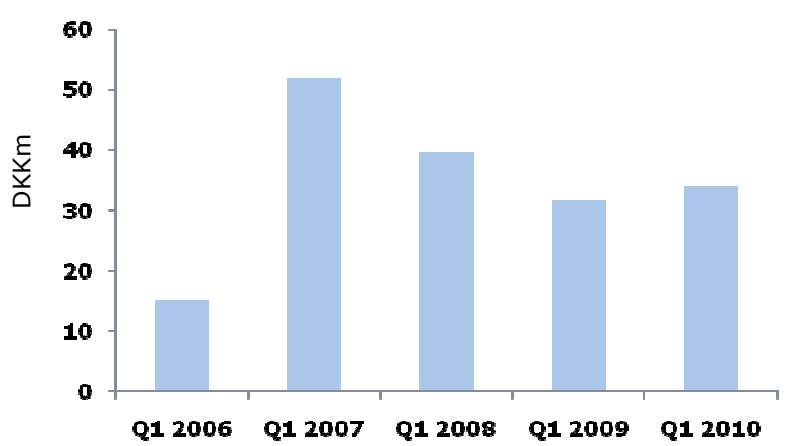
Revenue medical devices industry



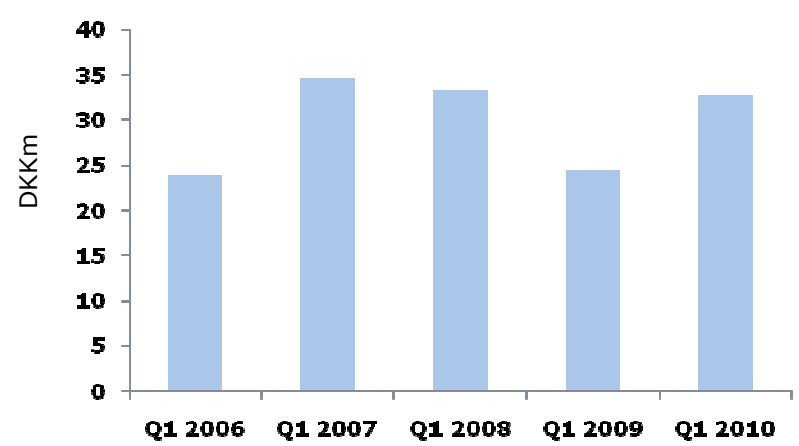
Revenue healthcare products



Revenue cleantech industries



Revenue food-related industries





BUSINESS UNITS

INJECTION MOULDING (1)



SP Moulding A/S manufactures advanced plastic precision components for a wide range of industries.

SP Moulding is a producer of technical plastic devices and performs assembly work. SP Moulding is a market leader and among the largest injection moulders in the Nordic region.

SP Medical A/S manufactures products for customers in the medical devices industry, including finished products such as guidewires. Production takes place in clean rooms. SP Medical is among the 3-4 largest players in the Nordic region.

Locations: Juelsminde (DK), Stoholm (DK), Karise (DK), Sieradz and Zdunska Wola (PL) and Suzhou (China)



Medical devices



Technical plastic devices



Medical devices



Medical devices



2K and 3K moulding

INJECTION MOULDING (2)



Q1 2010:

- Revenue grew 16.8% to DKK 106.9m
- Continued inflow of new medical devices customers as well as of new customers in other industries
- EBITDA improved strongly to DKK 10.1m from DKK 1.6m in Q1 2009
- Fully restored production and sales of guide-wires following the fire at the Polish factory – revenue improved by 80% over Q1 09
- SP Medical continues marketing efforts towards new customers – several new, stable customers
- The factories in Poland much more competitive on wage-intensive assignments
- Continued production efficiency improvements

Outlook for 2010:

- Revenue and operating profit improving
- Medical devices operations being expanded in Denmark and in Poland

DKKm	Q1 2010	Q1 2009
Revenue	106.9	91.5
EBITDA	10.1	1.6
EBIT	4.7	-3.7
Employees (average)	567	595



DKKm	2009	2008
Revenue	346.0	470.6
EBITDA	19.3	29.1
EBIT	-1.9	4.5
Employees (average)	518	630

POLYURETHANE (1)



Three business activities: Ergomat A/S, Tinby A/S and TPI Polytechniek BV

Locations: Sønderød (DK), Zdunska Wola (POL), 's-Hertogenbosch (NL), Helsingborg (SE), Cleveland (US), Montreal (CAN) and Zeil am Main (DE)

Ergomat develops, manufactures and sells ergonomic solutions under own brands, especially Ergomat® mats, ErgoPerfect® chairs, Synchron® tables and DuraStripe™ striping tape for corporate customers worldwide. Market leader in the EU.



Mats



DuraStripe

Tinby manufactures moulded products in solid, foamed and flexible PUR for the cleantech and insulation industries, the medical devices, furniture, refrigerator and graphics and other industries. Global leader in market for hard rollers.



Cleantech



Solid, foamed PUR

TPI Polytechniek develops and sells concepts for ventilation of industrial buildings as well as poultry and pig houses, primarily products under its own brand, TPI. Market leader in the EU.



POLYURETHANE (2)



Q1 2010:

- Revenue grew 65% to DKK 39.7m
- EBITDA improved strongly to DKK 6.7m from DKK -0.6m in Q1 09
- Revenue improved on the back of intensified marketing efforts combined with new products and concepts launched and a general market improvement
- Tinby: surging growth from customers in the graphics and cleantech industries
- Ergomat: strong growth in sales of ergonomic mats and of DuraStripe ® striping in North America
- TPI: improved sales of stable ventilation equipment, especially to customers in eastern and central Europe
- Launch of a number of new PUR products in Q1 – several product launches planned for 2010

Outlook for 2010:

- Revenue and operating profit improving

DKKm	Q1 2010	Q1 2009
Revenue	39.7	24.1
EBITDA	6.7	-0.6
EBIT	5.4	-2.2
Employees (average)	161	182



DKKm	2009	2008
Revenue	119.3	170.4
EBITDA	10.4	27.4
EBIT	4.2	20.9
Employees (average)	168	198



VACUUM FORMING (1)

Gibo Plast develops, designs and manufactures thermoformed plastic products. The products are mainly used in refrigerators and freezers, buses and cars (automotive), medical devices and lighting equipment as well as in the cleantech industry.

Gibo Plast specialises in traditional vacuum forming as well as the new high-pressure and twin-sheet technologies.

Market leader in Scandinavia.

Locations: Skjern and Spentrup (DK)



Vacuum forming



CNC milling



Automotive



Automotive

VACUUM FORMING (2)



Q1 2010:

- Drop in revenue to DKK 25.0m (DKK 25.8m in Q1 09)
- EBITDA improved, but still a loss of DKK 0.8m (loss of DKK 1.2m in Q1 09)
- Strong position in the automotive industry – customers severely affected by the financial crisis
- Developing new projects and solutions for the cleantech industries
- Orders won for a number of prototypes for the cleantech industry; replacing existing metal and fibre glass solutions
- Capacity adjustments
- Consolidating production at Skjern, Denmark

Outlook for 2010:

- Level of activity higher than in 2009
- Operating profit not satisfactory

DKKm	Q1 2010	Q1 2009
Revenue	25.0	25.8
EBITDA	-0.8	-1.2
EBIT	-2.1	-2.2
Employees (average)	92	99



DKKm	2009	2008
Revenue	93.1	121.7
EBITDA	6.1	-0.5
EBIT	0.2	-6.0
Employees (average)	93	122

COATING (1)



Accoat develops and applies non-stick, low-friction and high-build corrosion protection coatings in Teflon, PTFE and other refined materials for a wide range of industries. The coated products range from very small needles to large tank facilities.

Accoat is among the five largest suppliers of industrial Teflon coating in the EU.

Location: Kvistgård (DK)



Coating



Coating



Medical devices

COATING (2)



Q1 2010:

- 9.4% revenue improvement to DKK 33.6m
- New factory opened in Brazil
- EBITDA dropped slightly due to preparations for starting up a new factory in Brazil
- Sustained marketing efforts towards customers in the oil and gas industry in the USA, Brazil, Russia and Europe
- Sales to the medical devices industry also improved
- New coating solutions for the oil and gas industry
- Establishing new coating facilities at Stoholm, Denmark, is progressing to plan

Outlook for 2010:

- Increasing demand for services for friction reduction and corrosion protection
- Continued increase in revenue and operating profit

DKKm	Q1 2010	Q1 2009
Revenue	33.6	30.7
EBITDA	3.9	4.2
EBIT	2.3	2.9
Employees (average)	64	66

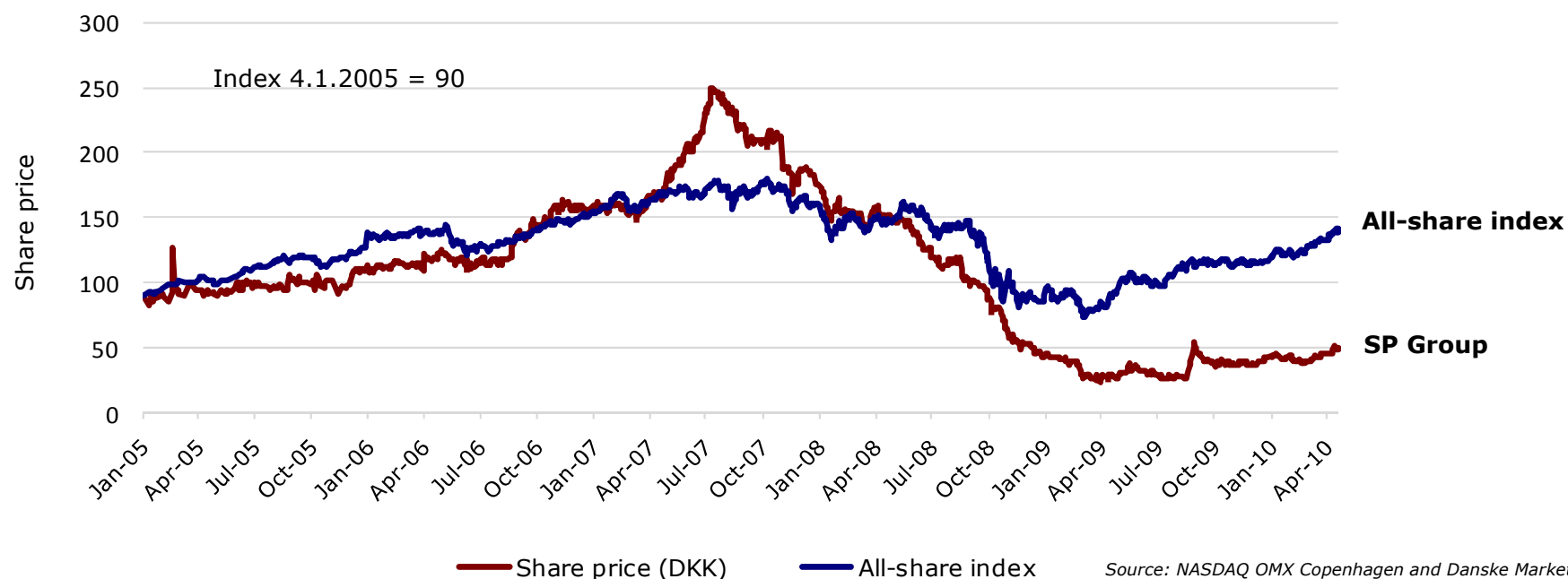


DKKm	2009	2008
Revenue	134.1	113.8
EBITDA	16.2	16.1
EBIT	9.6	10.7
Employees (average)	63	63

SHARE PRICE PERFORMANCE



Share price performance from 1 January 2005 to 22 April 2010



- Share capital DKK 20.24 million
- All shares have equal rights
- Reduction of share capital completed in August 2009
- 9.99% capital increase in 2010, if possible



STRATEGY

STRATEGY ADJUSTMENT



- Difficult earnings conditions due to recession and financial turmoil
- Focus on sales particularly in the health care, cleantech and food industries
- Focus on sales of own brands
- Increased efforts towards existing and potential customers
- Relocating more of production from Denmark to Poland
- Factory opened in Brazil in 2010

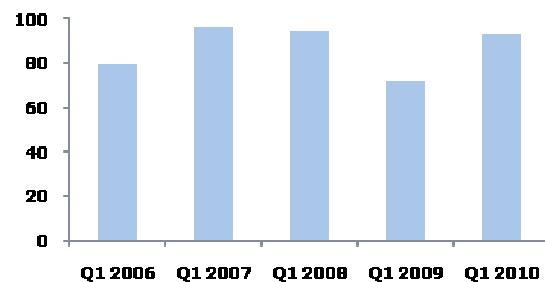


INCREASED SALES AND INTERNATIONAL PRESENCE

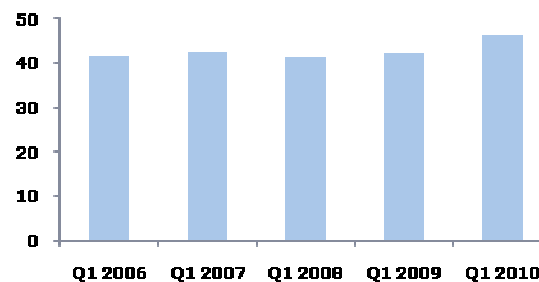


- Strengthened sales and marketing efforts in all units
- Consultancy within plastics and coatings
- Differentiation on processes, design and knowledge of raw materials
- Focus on both existing and new customers
- Increased exports from production sites in Denmark, China and Poland focusing on America, Eastern Europe and Asia

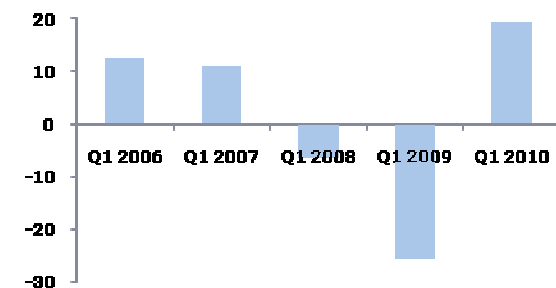
International sales, DKKm



International sales, %



Organic growth, %, Group revenue

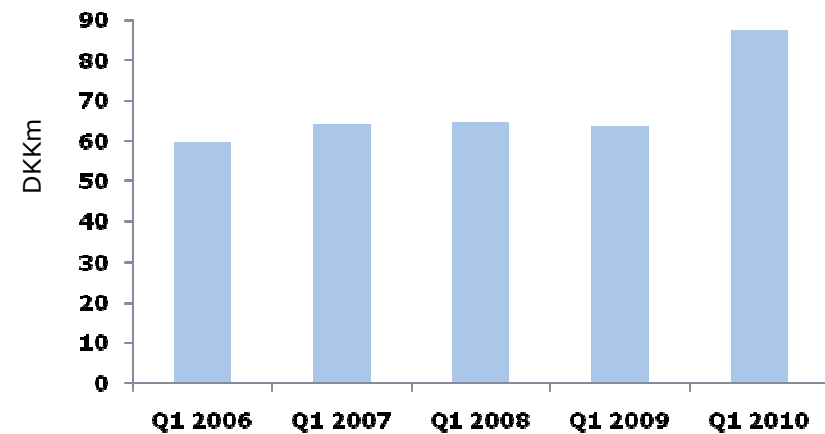


GROWTH INDUSTRIES AND OWN BRANDS

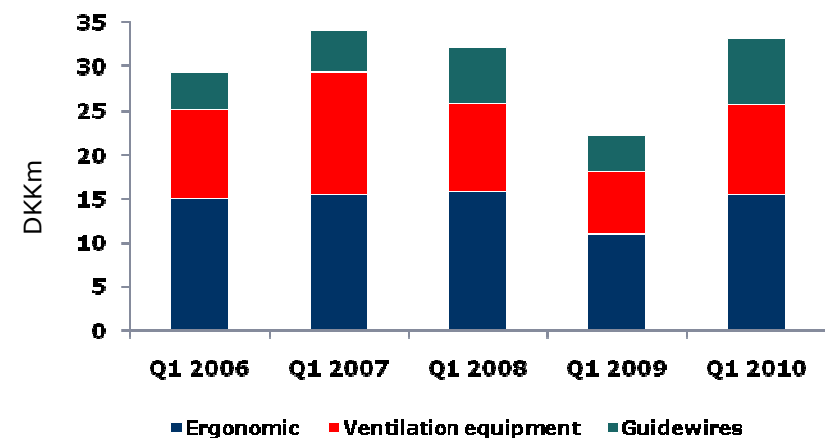


- Committed efforts to working growth industries and new segments, e.g. health care and cleantech
- Sustain growth in sales to the medical devices industry
- Enhance sales and earnings growth from own brands, i.e. ventilation equipment (TPI), guidewires (SP Medical) and ergonomic solutions and DuraStripe® striping tape (Ergomat)
- Strengthen the international position (Brazil)
- Exploit the potential in other product niches

Revenue from healthcare products



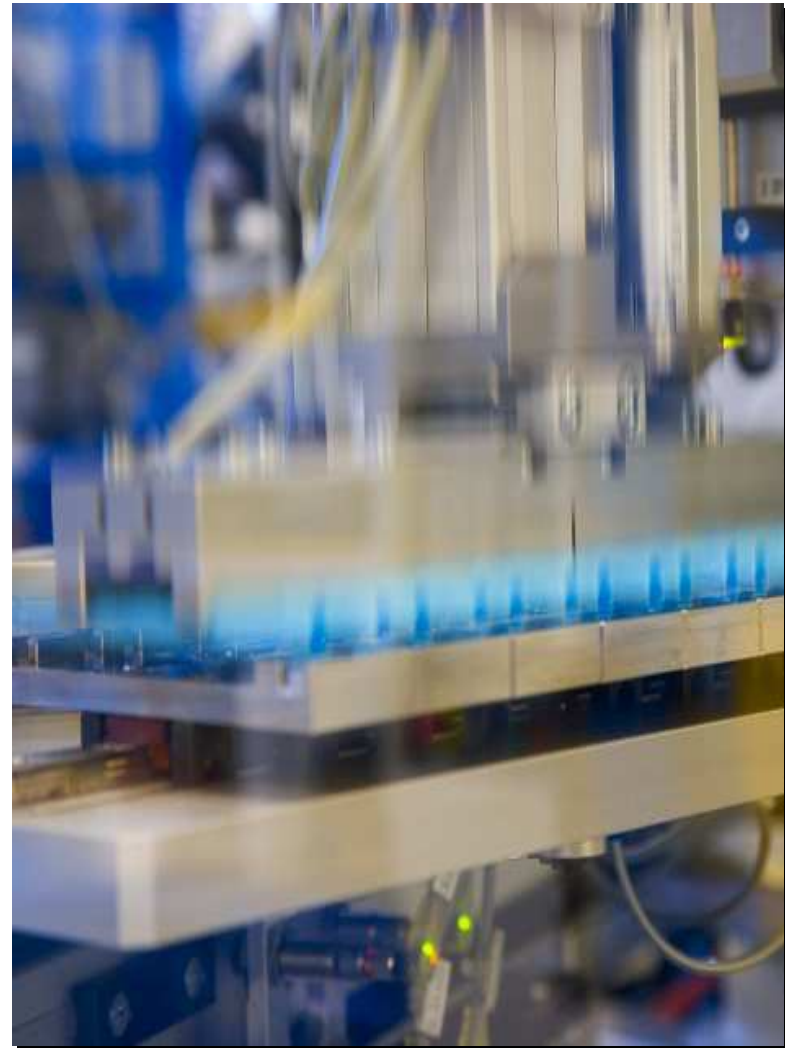
Revenue from own brands



EFFICIENCY ENHANCEMENT AND RATIONALISATION



- Capacity adjustments
- Each production site will seek to produce and deliver better, cheaper and faster
- Reduction in the consumption of materials and resources
- Limit of running-in and set-up times in production
- Roll-out of LEAN continues
- Continue to enhance efficiency of purchasing and supply chain and strengthen IT systems and management systems
- Broader geographical sourcing
- Ongoing critical review





FINANCIAL GOALS AND OUTLOOK

OUTLOOK FOR 2010



- Moderate growth expected to follow recession
- Moderate revenue growth
- Prospects of a challenging year in 2010; abundant capacity
- New products and solutions expected to contribute to growth and earnings in the SP Group
- Fewer investments than in 2009
- Depreciation/Amortisation charges at 2009 level
- Financial expenses at 2009 level
- Tight cost management, capacity adjustments and focus on risk, liquidity and capital management provides a strong base for the future
- Slight profit and a small improvement in the level of activity



REVISED LONG-TERM FINANCIAL OBJECTIVES



- Initiatives in the current strategy plan could lift revenue to DKK 1.5 billion
- Enhancing EBITDA margin during period to 2012
- Long term target for profit before tax and minorities of around 6-7% of revenue expected to materialise
- Continuing reduction of NIBD—goal is to lower NIBD/EBITDA ratio to 3-4 and to maintain this level
- Equity ratio (incl. equity attributable to minorities) in the range of 20-35%
- Fair return to shareholders through share price appreciation



FORWARD-LOOKING STATEMENTS



This presentation contains forward-looking statements reflecting management's expectations for future events and financial results.

Statements relating to 2010 and the following years are inherently subject to uncertainty and SP Group's actual results may thus differ from expectations and targets. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in raw materials and energy prices, changes in foreign exchange rates, changes in macroeconomic and political settings, changes in the demand and production patterns of key customer groups and other external factors.

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



For further information:

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