OMX Nordic Exchange Copenhagen A/S
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Announcement no 02 / 2008
27 March 2008

Summary: SP Group's 2007 results were as expected. Revenue increased 5.4% to DKKm 869.7. Earnings were burdened by the close down of the production site in Sønderborg and the increasing prices of electricity and raw materials. Profit before tax and minority interests increased to DKKm 21.2. Earnings per share increased by 18.1%. In 2007 we expect a growth in revenue of 3-7% and profit before tax and minority interests of approximately DKKm 30.

Annual report 2007

Today the Supervisory Board of SP Group considered and adopted the Annual Report 2007 which is attached in its entirety. The annual report features the following main items:

2007

- Revenue increased 5.4% to DKKm 869.7. Adjusted for acquisitions and divestments growth was 2% and the growth was declining in the course of the year.
- This growth was primarily generated outside Denmark, where revenue increased 9.8% as a result of the efforts to cultivate new markets and new clients. Revenue in Denmark increased 2.5%.
- Sales to medico customers amounted to DKKm 179.6. Since 2003 sales to this industry has grown 150% and amounts today to 21% of the total sales of the Group.
- The sale of the Group's own brands increased 11.1% to DKKm 140.
- EBITDA was on the whole unchanged DKKm 72.9.
- Profit before tax and minority interests increased to DKKm 21.2.
- Result per share increased 18.1% to DKK 6.33.
- Cash flow from operations increased to DKK m 53.6. A positive change in cash reserve of DKKm 11.1.

2008

- SP Group expects its revenue to increase 3-7% to DKKm 895-930.
- EBITDA margin is expected to grow to 10% which corresponds to an EBITDA result of approx. DKKm 90.
- EBIT is expected to grow to the level of DKKm 50.
- Profit before tax and minority interests is expected to rise to approximately DKKm 30.
- Progress is not expected to be noticeable until the second half of 2008.
- Changes in the Group's activities, commodity and electricity prices, currency conditions and business trends may affect these expectations.

Financial objectives

- Revenue is expected to increase to approx. DKK 1 billion in 2009 and approx. DKK 1.5 billion in 2012.
- The EBITDA-margin is to be increased to over 10%.
- Result before tax and minority interests is expected to increase to approx. DKKm 50 in 2009 and approx. DKKm 100 in 2012.
- The net interest-bearing is expected to correspond to 3-4 times EBITDA in 2009.
- The financial goals are based on the assumption of annual average GNP growth of 3% on the Group's markets and generally successful markets.

Yours faithfully

Niels K. Agner
Chairman of the Supervisory Board

Frank Gad
Chief Executive Officer

In case of any discrepancies the Danish shall prevail.

Annual Report '07

SP Group

Contents

Company information

The Company

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Snavevej 6-10
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Central Business Registration No: 15 70 13 15
Financial year: 1 January – 31 December
Registered in: Nordfyn, Denmark
Website: www.sp-group.dk
Email: info@sp-group.dk

Supervisory Board

Niels Kristian Agner (Chairman)
Erik Preben Holm, (Deputy Chairman)
Hans Wilhelm Schur
Erik Christensen
Poul H. Jørgensen (Employee Representative)
Karen M. Schmidt (Employee Representative)

Executive Board

Frank Gad, CEO
Jørgen Hønnerup Nielsen, CFO

Company Auditor

Deloitte Statsautoriseret Revisionsaktieselskab
Tværkajen 5
DK-5100 Odense C

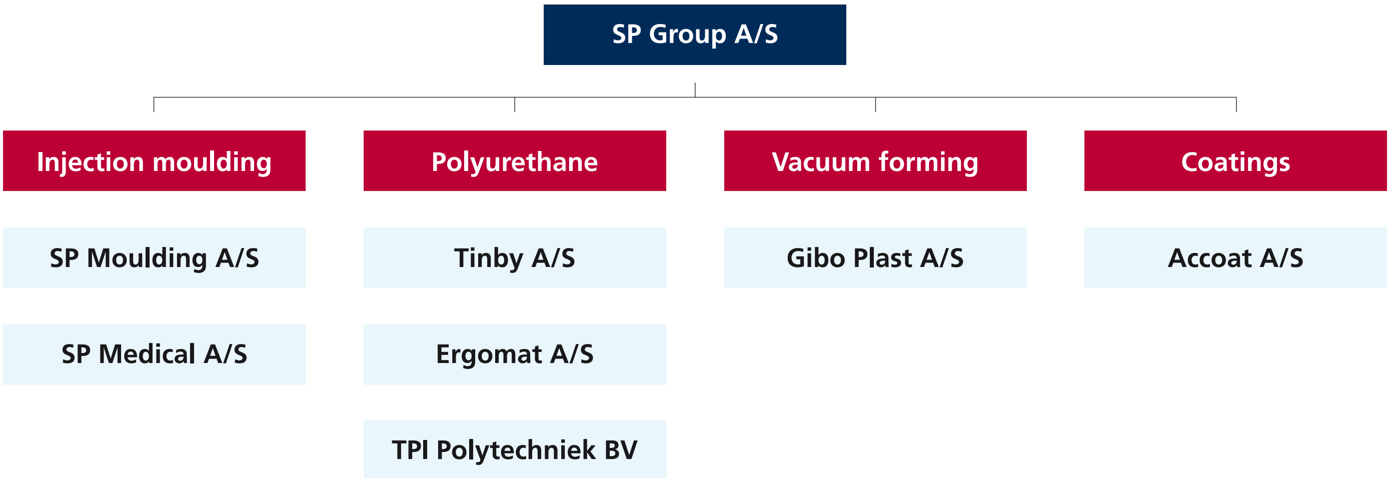
Annual General Meeting

The Annual General Meeting will be held on Tuesday 29 April 2008 at 12.00pm at Hotel Munkebjerg, 7100 Vejle, Denmark

Group chart

Activities

SP Group manufactures moulded plastic components and performs plastic coatings. SP Group is a leading supplier of plastic manufactured products for Danish industry with increasing exports and production growth from own factories in Poland and China. SP Group has subsidiaries in Denmark, Sweden, Germany, Netherlands, Poland, USA, Canada and China. SP Group is listed on the OMX Nordic Exchange Copenhagen and employed an average of 954 people in 2007.



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

Injection moulding manufactures injection-moulded, plastic precision components for a wide range of industries. The business area also has FDA-registered production for medico customers.

Polyurethane manufactures moulded products in solid, foamed, flexible and light-foam PUR for a number of industries. Moreover, it manufactures ventilation equipment, ergonomic mats, striping products and chairs under own brands.

Vacuum forming manufactures thermo-moulded plastic pieces for refrigerators and freezers, cars, buses and other rolling material (automotive), wind turbines and medical appliance industries through traditional vacuum forming and the new High-pressure and Twinsheet moulding methods.

Coatings develops and produces fluorplastic coatings (Teflon®), PTFE and other noble materials for a number of industrial products and production plants.

A Stronger Platform for Future Growth

Dear shareholders and other stakeholders

2007 was a year when we spent many efforts improving our production facilities and production structure. In this way we strengthened the platform which is to serve as the basis for future growth.

We centralised several of the Group's medical competences in the business unit SP Medical, closed down the factory in Elsinore in the spring and moved the labour-intensive production of guide wires and medical disposables to the new medical production facility in Poland. All customers have followed, the factory in Poland has grown rapidly and SP Medical obtained record earnings.

Within Injection moulding we continued the consolidation. In 2005, we centralised our different units in SP Moulding. In 2006, we acquired Danfoss's plastic activities and integrated them. In the autumn of 2007, we took a further step by closing the factory in Sønderborg and transferring orders and machinery to Juelsminde, Stoholm and the new injection-moulding facility in Sieradz (Poland). This relocation was very demanding and expensive. We are pleased to learn that all customers stayed with us.

Gibo Plast also continued the consolidation. A couple of years ago, we centralised all production in Skjern, and at the beginning of 2008 we acquired Denmark's second-largest vacuum moulder, DKI Form, which will be merged with Gibo Plast. The perspective is to create Scandinavia's largest and most competitive vacuum-forming plant to be able to serve our customers better and grow profitably.

In Coatings we have divested peripheral activities over the past years to focus especially on high-build (multiple layers) corrosion-protective coatings and non-stick and low-friction coatings. The facility in Kvistgaard has been expanded and modernised. The result of the increased focusing has already become profitable. We have expanded and modernised the facility in Kvistgaard, and the focusing has really started becoming profitable. Many customers demand Accoat's competences.

In Polyurethane we also create increasingly competitive units. We will build a large factory in Poland in 2008 to handle the growing demand by our own enterprise TPI and by external customers. In this business area we have also bought out minority shareholders in our own enterprises.

So all in all, the business units have been strengthened, enabling more efficient production and increasing earnings. The expansions in Poland and China make us competitive in relation to labour-intensive tasks, and we have also come closer to those of our customers who have moved jobs to Eastern Europe and Asia.

Earnings are not satisfactory

These measures have had their price. After three years of continuous progress the financial statements only show modest growth in earnings. Earnings per share increased by 18.1%, but earnings are still too low.

The most important reason for this is the closing of the factory in Sønderborg, which we had not budgeted for at the beginning of the year and which ended by being quite costly. But the closure is now history, and all expenses were expensed in 2007. Another reason is the unsatisfactory development in Gibo Plast, which we expect to have created a basis for changing with the acquisition of DKI Form. Finally, we also suffered as expected a loss from operations in the new injection- moulding factory in Poland in its first full operating year.

We expect earnings to improve in 2008, when the results of the measures taken last year wil show up. The centralisation of the Danish injection-moulding production should give us advantages through large-scale production, improved efficiency and a stronger offer to our customers. Based on the many inquiries made by customers in Southern and Eastern Europe, the new Polish injection-moulding factory is expected to grow markedly and earn money. And in Poland we also expect to see the new medical appliance factory continue last year's very positive pace and to an even higher extent realise the advantages by SP Medical now also being able to compete on labour-intensive tasks.

We also expect significantly enhanced results in Gibo Plast after the acquisition of DKI Form. And we expect to see the business units Coatings and Polyurethane improve the good results they achieved in 2007.

Challenges

We are still facing big challenges. The biggest challenge is that some customers are sourcing out production to Southern and Eastern Europe or Asia, which specifically affected Gibo Plast in 2007. As there is still excess capacity and a pressure on prices in large parts of the Danish market, and we experience rising costs of electricity, raw materials and payrolls, we need to enhance productivity. Finally, the Group's interest-bearing debt is still high.

In 2007, we got a negative surprise when we lost the tender for the future production of license plates for the Danish government. Subsequently, we have won an appeal to the Public Contracts Appeals Board, according to which the Danish tax authorities must cancel the contract with our competitor because the Danish tax authorities has broken the rules of the public contracts directive governing equal treatment and transparency and had made significant errors when treating the case. Unfortunately, the Danish tax authorities did not abide by the decision and appealed the case to the courts of law. In the meantime production has been left to a German producer. We are awaiting with anxiety the development of the case at the courts of law, but unfortunately it does not create any business for SP Group so far.

New financial goals

When the present management began in late 2004, the task was clear: SP Group were to be restructured. Therefore, we launched the plan "Fit for the future" with a number of operational and strategic initiatives which were to reverse the downward trend and recreate reasonable earnings. The trick was not only to cut down or cut away – but to trim SP Group and make the Group stronger. The principal goal was – and is – to reach a profit before tax and minority interests of 5% of revenue in 2009.

Over the past year, we spent time and efforts to plan further ahead – until 2012. It is our goal to increase revenue and earnings in all four business units in this period. Much can change over the next five years, but we believe that it will be realistic to attain revenue of approx. DKK 1.5 billion and a profit before tax and minority interests of approx. DKK 100 million in 2012. We have taken some decisive steps towards these and other goals in recent years.

We will continue to create an attractive return to the shareholders. The share return was 11.5% last year, which was the third year in a row that the SPG share generated a double-digit return and did better than the All-Share Index on the OMX Nordic Exchange, Copenhagen. We did not issue any new shares in 2007, but it is important for SP Group to be able to use the share market to finance the new growth-stimulating initiatives in future.

I want to thank our many good and loyal customers and other partners. Also thank you to our employees for their committed contribution and readiness to change. We are well on our way, but we still need to put all our creativity into creating even better solutions for the benefit of both our customers and shareholders.

Frank Gad
CEO

Group financial highlights

DKK '000	2007	2006	2005	2004	2003
Revenue	869,687	825,381	742,455	695,702	594,971
Profit/loss before depreciation and amortisation (EBITDA)	72,914	73,424	49,491	30,066	67,088
Depreciation and amortisation	-38,348	-37,439	-30,343	-64,674	-37,659
Profit/loss before financial items (EBIT)	34,566	35,985	19,148	-36,178	29,429
Net financials	-13,365	-15,348	-8,725	-10,870	-9,395
Profit/loss before tax and minority interests	21,201	20,637	10,423	-47,048	14,960
Profit/loss for the year	15,904	12,920	8,640	-32,637	11,110
SP Group A/S's share	12,577	10,254	1,967	-32,333	11,026
Non-current assets	383,064	383,768	368,423	361,850	377,576
Total assets	668,251	670,635	606,634	591,127	582,116
Equity	167,040	154,220	121,525	114,746	149,204
Equity including minority interests	178,949	167,075	134,193	122,739	158,418
Investments in property, plant and equipment, excluding acquisitions	48,893	61,308	31,932	46,513	45,148
Cash flows from operating activities	53,623	37,501	36,624	9,264	12,544
Cash flows from investing activities	-52,198	-67,471	-16,795	-53,151	-80,617
Cash flows from financing activities	9,662	38,573	-31,743	-2,333	5,142
Increase/decrease in cash and cash equivalents	11,087	8,603	-11,914	-46,220	-62,931
Net interest-bearing debt (NIBD)	333,330	337,255	327,864	346,340	298,119
NIBD/EBITDA	4.6	4.6	6.6	11.5	4.4
Operating profit (EBITDA margin)	8.4	8.9	6.7	4.3	11.3
Profit margin % (EBIT margin)	4.0	4.4	2.6	-5.2	4.1
Profit/loss before tax and minority interests in % of revenue	2.4	2.5	1.4	-6.8	2.5
Return on invested capital including goodwill %	6.6	7.2	4.0	-7.1	6.9
Return on invested capital excluding goodwill %	7.9	8.7	4.8	-8.5	8.1
Return on equity % (ROE), excluding minority interests	7.8	7.4	4.0	-25.7	7.6
Equity ratio, excluding minority interests %	25.0	23.0	20.0	19.4	25.6
Equity ratio, including minority interests %	26.8	24.9	22.1	20.8	27.2
Financial gearing	1.9	2.0	2.4	2.8	1.9
Earnings per share, DKK each unit	6.33	5.13	2.69	-19.05	6.20
Total dividends for the year	0	0	0	0	0
Market price, DKK, per share, year-end	175	157	110	85	129
Net asset value per share, DKK each unit, year-end	84	77	68	65	84
Market value/net asset value, year-end	2.10	2.04	1.61	1.32	1.54
Average number of employees	954	891	861	852	733
Average number of shares	1,986,025	1,914,270	1,764,495	1,764,295	1,764,295

The key figures and ratios for 2004-2007 have been prepared in accordance with IFRS. The comparative figures for 2003 have not been restated in accordance with the changed accounting policies due to the transition to IFRS, but have been prepared according to the accounting policies used so far based on the Danish Financial Statements Act and the Danish accounting standards. If the comparative figures for 2003 were to be stated according to IFRS, the most significant adjustment relating to cessation would be amortisation of goodwill. The ratios have been compiled in accordance with "Anbefalinger & Nøgletal 2005" (Recommendations & Ratios 2005) issued by the Danish Society of Financial Analysts. See page 46 for definitions.

Year 2007 in Outline

2007 in outline

Group revenue increased by 5.4% to DKK 869.7 million. The organic growth was 2%, which covers a strong double-digit organic growth rate in the two business areas PUR and Coatings, a modest organic growth rate within Injection moulding and declining revenue in the business area Vacuum forming. Across the business units the sale of products under own brands (+11.1%) and sales to a focus area – Medico (+9.2%) – showed good growth.

This growth was primarily created outside Denmark, where revenue increased by 9.8%, whereas sales in Denmark increased by 2.5%. The international share of revenue was increased by rather more than 1 percentage points to 41.4%.

SP Group works systematically on cultivating new markets to minimise the dependence on the Danish home market, which is characterised by price pressure and excess capacity in some segments. These initiatives paid off especially in Scandinavia, Germany, Eastern Europe (including Poland) and China. Sales in the US, Canada and certain Asian markets, however, were characterised by the declining USD rate, and sales in the US were also affected by local recession due to the financial crisis. The declining USD rate also hit a number of European customers' overseas exports and their demand for services from SP Group.

Throughout the financial year, the Group's contribution margins were under pressure by higher raw material prices, higher oil prices and rising energy expenses (electricity), which can only be added to sales prices with some delay. On the other hand, a number of the Group's activities had the benefit of higher capacity utilisation, improved product mix and more efficient production in the wake of recent years' automation and optimisation of processes. But the result was after all that EBITDA remained largely unchanged at DKK 72.9 million. EBIT fell slightly – from DKK 36.0 million to DKK 34.6 million due to higher depreciation and amortisation.

Earnings from operations were highly affected by the decision to restructure the Danish injection- moulding factories by closing down the factory in Sønderborg and moving production to Stoholm, Juelsminde and Poland, where as expected the new injection-moulding facility had an operating loss during the running-in period. All expenses of the closing down in Sønderborg were paid in 2007. Also the business unit Vacuum forming experienced unsatisfactory earnings. But the business areas PUR and Coatings delivered growing and satisfactory earnings.

The Group's financial expenses (net) dropped from DKK 15.4 million to DKK 13.4 million resulting from active debt management and slightly lower debt. Interest-bearing debt carried interest at the rate of 4.0% including differentials. Profit before tax and minority interests then amounted to DKK 21.2 million – a slight improvement on year before. The profit is in the range of DKK 20-25 million of which SP Group held out prospects in the Q3 report but lower than announced earlier this year.

Earnings per share increased by 18.1% due to slightly higher earnings and the lower tax rate.

Cash flows and balance sheet

Cash flows from operating activities were increased from DKK 37.5 million to DKK 53.6 million. This was partly a result of the Group's focus on increasing cash flows, partly a consequence of the slightly lower activity in the second half of the financial year.

Cash flows from investing activities amounted to DKK 52.2 million, which were spent on productivity promoting equipment and capacity increase in a number of enterprises. The change in cash and cash equivalents amounted to a positive DKK 11.1 million.

The balance sheet decreased slightly due to the lower level of activity at the end of the year. Net interest-bearing debt (NIBD) dropped to DKK 333.3 million and amounted to 4.6 times EBITDA as in the previous year.

Events after the balance sheet date

On 1 January 2008, SP Group increased its ownership interest in the subsidiary TPI Polytechniek BV from 70 to 80%, which is expected to improve Group earnings after minority interests.

With effect from 2 January 2008, Gibo Plast became Scandinavia's largest producer of vacuum-formed plastic parts with the acquisition of DKI Form A/S. The two enterprises will be merged with Gibo Plast as the surviving name. The acquisition is expected to crystallise significant synergies.

At the end of February 2008, SP Group stopped its production of license plates to the Danish government. This was a result of SP Medical losing a EU tender for future production of Danish license plates.

The empty production buildings in Sønderborg and Elsinore were sold, with takeover at 1 April and 1 May 2008 at prices covering the carrying amounts, selling costs and idle costs until the handing-over. After this only the property in Flensburg remains on the sales list.

Otherwise, after the balance sheet date until the publication of this annual report no events have occurred which have not already been incorporated in this annual report and which change the evaluation of the Group and its financial position.

Outlook for 2008

After large restructuring within Injection moulding in 2007 with the closing down of the facility in Sønderborg and the full running-in of the two new Polish factories, the earnings of the business area are expected to improve significantly although a lower revenue is expected due to the absence of the license plate production. Also the business area Vacuum forming expects a significant increase in earnings with the acquisition of DKI Form. The business areas Polyurethane and Coatings are expected to continue the progress from 2007 with enhanced earnings.

All in all, SP Group expects a growth rate in Group revenue of 3-7% to DKK 895-930 million. The EBITDA margin is expected to grow to 10% in 2008, which corresponds to an expected EBITDA of approx. 90 million compared to DKK 72.9 million in 2007.

Depreciation will increase for which reason EBIT is expected to grow slightly less to the level of DKK 50 million.

Higher interest expenses should be expected due to the implemented acquisitions and a higher level of interest. Profit before tax and minority interests is therefore expected to be in the range of DKK 30 million. NIBD/EBITDA is expected to decrease in the course of 2008 from the 4.6 at the end of 2007 so that SP Group will reach its goal in 2009 of being in the range of 3-4.

As a number of the Group's activities had a very strong first half of 2007, and the second half of 2007 was characterised by closing down and relocation, SP Group's progress is not expected to be noticeable until in the second half of 2008.

The expectations are based on SP Group's activities at the beginning of 2008, and the changes in activities, raw material prices, electricity prices, currency rates and market trends may affect expectations.

Strategic Development

New financial goals

In December 2007, the Supervisory Board treated the Group strategy until 2012 and laid down the overall guidelines and financial goals for this five-year plan.

SP Group expects all four business units to create organic growth in the coming years based on the present markets. Moreover, SP Group will be open to acquisitions, which will increase the Group's growth and strengthen the position on the Scandinavian market. This happened recently with Gibo Plast's acquisition of DKI Form. Previously, SP Group took over Danfoss's plastic production in Nordborg and a Swedish producer of ergonomic mats for workplaces.

The factories in China and Poland are expected to grow faster than the Danish factories. After the establishment of a medical appliance factory and an injection-moulding factory in Poland in 2006 as well as the decision to build a large factory for Tinby in Poland in 2008, SP Group does not plan to set up new factories in the five-year period, but the capacity will be currently adjusted to expected growth.

Earnings increases are expected in all four business areas in the period.

The financial goals 2012 are based on the assumption of annual average GNP growth of 3% on the Group's markets and generally successful markets.

With the initiatives in the Group's strategy plan, revenue is expected to remain unchanged in 2009 at approx. DKK 1 billion and to increase to DKK 1.5 billion in 2012.

In 2008, EBITDA is expected to reach the level of 10%, which is to be increased until and including 2012. It is Management's goal that the ratio of interest-bearing debt to EBITDA is to be lowered to 3-4 in 2009 and maintained at this level in future.

As previously stated, SP Group's goal in 2009 is to achieve a profit before tax and minority interests corresponding to 5% of Group revenue. This goal will be maintained. Until 2012 profit before tax and minority interests is expected to gradually grow to around 6-7% of revenue as the share of own products and advanced coating tasks is expected to grow relatively more than rest of the revenue. When it comes to sub-supplier tasks the goal is still to achieve a profit before tax and minority interests equal to 5% of revenue.

SP Group will continue to reduce net interest-bearing debt by strengthening cash flows from operating activities, reducing funds tied-up in inventories and receivables and by selling non-value-creating assets or by entering into sale-lease back agreements to release capital.

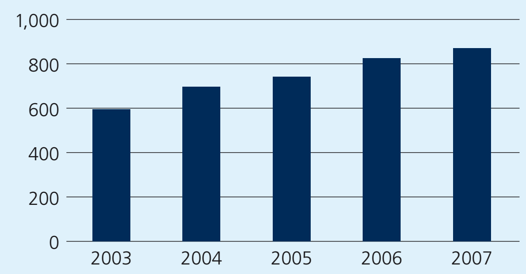
The equity ratio (including minority interests' share of equity) will be maintained at 20-35% in the period. Should the equity ratio be lower due to the expansion of activities, the Company will consider asking the shareholders for additional capital. If, on the other hand, the equity ratio turns out to be higher, the excess capital will be transferred back to the shareholders.

SP Group aims at giving its shareholders a fair return through increases in the share price as the Group does not pay any dividend in the short term. The goal is that earnings per share over the five-year period will increase by at least 20% p.a. on an average. Over the past three years, earnings per share have increased by more than 20% p.a. on average.

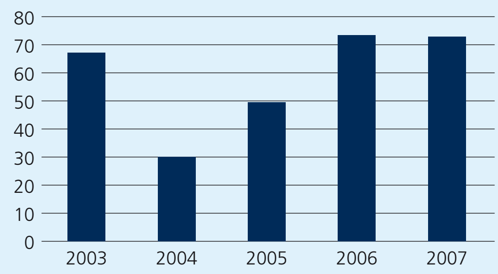
Financial goals until 2012:

Year	2012E	2009E	2008E	2007	2006	2005	2004
Revenue (DKK million)	1,500	1,000	895-930	870	825	742	696
Profit/loss before tax and minority interests	ca. 100	ca. 50	ca. 30	21	21	10	-47
EBITDA margin (%)	>10	>10	10	8.4	8.9	6.7	4.3
NIBD/EBITDA	3-4	3-4	<4,6	4.6	4.6	6.6	11.5
Equity ratio including minority interests (%)	20-35	20-35	20-35	26.8	24.9	22.1	20.8

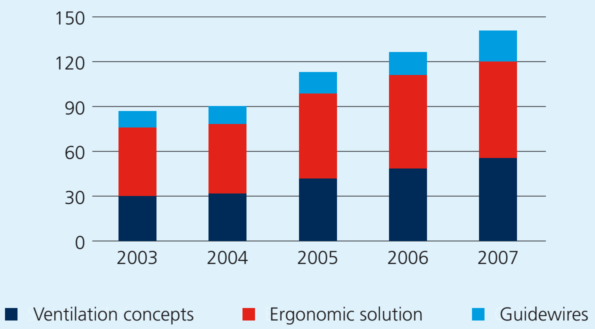
Group revenue 2003-2007 (DKKm)



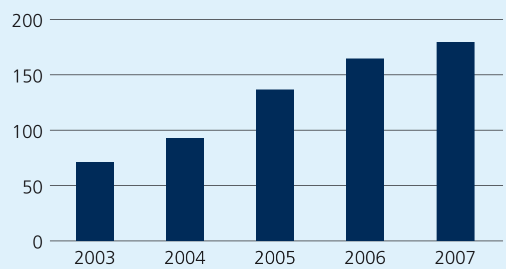
Group operating profit (EBITDA) 2003-2007 (DKKm)



Revenue under own brands 2003-2007 (DKKm)



Revenue to medico customers 2003-2007 (DKKm)



Increased income needed

Customers' requirements and expectations are constantly growing as development offers more and more options, and a number of areas seem to be increasingly complex. Therefore, the customers take advantage of SP Group's competences when making decisions on plastic and surface coatings. SP Group's offer for its customers is based on ambitions of being the best local partner within plastics and coatings – both when it comes to product supply, competitiveness, availability and value creation. Often SP Groups succeeds in solving the customers' global needs through local presence in China and Poland or by creating a global competitive solution from one factory.

SP Group's enterprises must sell more and win market shares through stronger marketing and increased differentiation within process, design and raw materials. Advisory services within plastics and surface treatment are becoming increasingly important, and SP Group must use the Group's competences and technologies to provide additional value to the customers' products.

Sales under own brands must be increased. In a number of global niches SP Group controls a large part of the value chain with own products which have higher margins than many of the products SP Group manufactures as a sub-supplier. The total sale of ventilation equipment from TPI, ergonomic workplace equipment from Ergomat and guide wires under the SP Medical brand has grown from DKK 87 million in 2003 to DKK 140 million in 2007 and increased by 11.1% organically over the past year. Apart from increasing sales of the present products, the Group will develop more new products under its own brands.

Growth must also be created with customers and growth industries. An clear example is the medical appliance industry which buys almost 21% of Group revenue. Sales to this industry have increased by more than 150% since 2003 and amounted to DKK 179.6 million last year. The growth in medical sales must be maintained with the dedicated business unit SP Medical as the primary driver. SP Group is also creating an international position as a supplier of solutions for renewable energy, and this position must be strengthened, and more solutions must be developed for other global growth industries.

The geographic expansion will continue through increased exports from factories in Denmark, China and Poland and special focus on new markets in Southern Europe, Eastern Europe and Asia. International sales have increased over the past three years from approx. 30% to 41.4%, and the share is to be further increased.

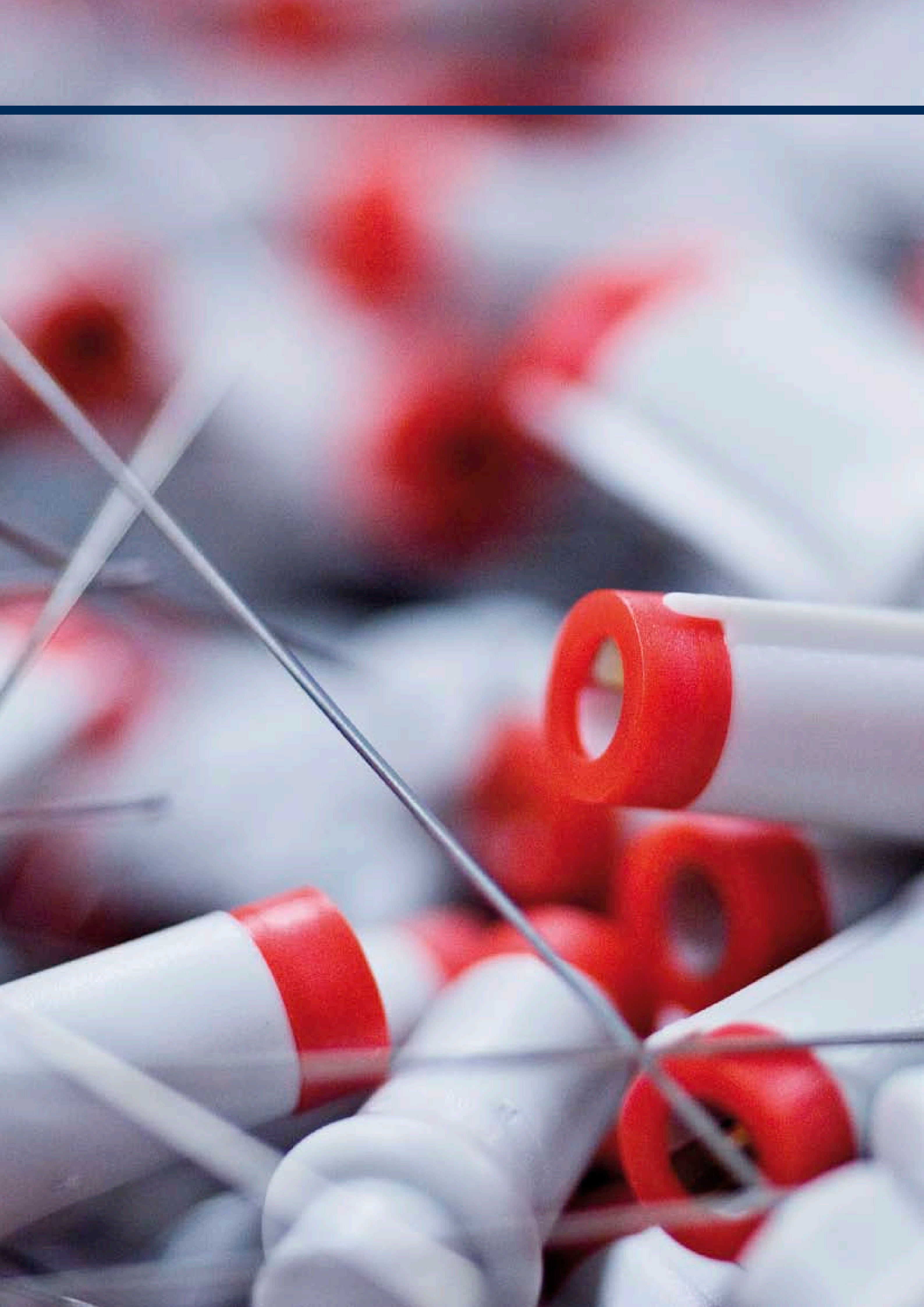
Reduced expenses

Costs will be currently adjusted, and all production facilities should aim at better, cheaper and faster production and delivery. Continuous measures will be taken to reduce the consumption of materials and resources and to limit the running-in and set-up times in production. The roll-out of LEAN will continue to focus on enhancing processes and flows, and the competences of the organisation are to be strengthened. The staff in Poland and China will grow as labour-intensive tasks are being relocated.

SP Group will continue enhancing the efficiency of its purchases and utilising volumes to obtain better terms and conditions of raw materials and services. At the same time work is being done to source more widely in geographical terms with larger customers and to optimise the supply chain by involving the organisations in Poland and China. The IT system and management systems also need to be strengthened.

Finally, SP Group will continuously make a critical analysis of the Group. If activities and enterprises are unable to attain reasonable earnings, they will be closed down or sold.

Rationalization of Danish production



Injection moulding

- The closure of Sønderborg affects earnings significantly
- Reasonable results in continuing activities
- Record earnings in SP Medical
- In 2008: Slightly lower revenue, but significantly higher earnings

2007 in outline

Revenue increased by 12.2% and was slightly higher than expected. Corrected for acquisitions in the last six months of 2006 and the takeover of an activity from a sister subsidiary at the beginning of 2007, the organic growth was 1.3%.

In total the continuing activities had a reasonable year. SP Moulding's largest factory in Juelsminde and the business unit SP Medical obtained results above budget for sales and earnings. Also China was profit-yielding. On the other hand, earnings at the factory in Stoholm was lower than expected because costs in the last six months were too high in the wake of the receipt of equipment and tasks from the factory in Sønderborg. Finally, it took a bit longer than expected to run in the new injection-moulding factory in Poland, which made a loss from operations.

Name:	SP Moulding A/S
Website:	www.sp-moulding.dk and www.sp-medical.dk
Location:	Juelsminde, Stoholm, Karise, Sieradz (Poland) and Suzhou (China)
Executive Board:	Frank Gad, CEO
Activities:	SP Moulding manufactures injection-moulded plastic precision components for a wide range of industries. SP Moulding (Suzhou) Co. Ltd. in China and SP Moulding (Poland) Sp. z.o.o. manufacture technical plastics and perform assembly work. The business unit SP Medical manufactures for medical appliance customers at the factories in Karise and Sieradz (Poland).
Description:	In addition to the actual moulding, which is carried out in modern production facilities, the business area handles all finishing treatment such as ultrasound welding, surface treatment and compression. SP Moulding also is also handling part or full assembly, packaging and consignment for a large number of customers.
Environment/ quality:	The activities have been certified in accordance with ISO 9001, ISO 13485 and ISO 14001. SP Medical has been registered by FDA and authorised to manufacture pharmaceuticals according to the Eudralex Directive 2003/94/EC. Moreover, SP Medical manufactures CE-certified own products. SP Medical's clean rooms are run in accordance with ISO 14644 and ISO 14698.

The earnings of the business area were heavily affected by the closure of the factory in Sønderborg, which was completed in August and affected 55 employees. The reason for the closure was poor profitability and a wish to make production more efficient. 54 machines and many hundreds of items and tools were transferred to Stoholm, Juelsminde and Sieradz up until January 2008. To ensure a smooth and secure process SP Moulding had to maintain double functions in the second half of the year, and the three recipient factories had extra work related to running-in tools as well as supplementary training. The transfer of the mainly new machines from Sønderborg has made it possible to phase out older machines at the three other factories, and it is expected to result in more efficient production with lower maintenance costs, low-cost operation, more stable production and a higher automation level.

The relocation followed the timetable, but was slightly more expensive than expected. All expenses were paid in 2007, and because of the expenses together with the start-up costs in Poland, the entire business area suffered an operating loss (EBIT) of well over DKK 2 million. This is unsatisfactory.

As stated SP Medical delivered good earnings despite the running-in of a new factory in Poland. At the beginning of the year, SP Medical took over the production of guide wires and other disposables from Accoat, and in March all the labour-intensive production of guide wires and other disposables was centralised in Poland. The Polish medical production was profit-yielding from Q3 when it was also decided to increase capacity in Poland. Also the sale of components and medical equipment from SP Medical in Karise developed very satisfactorily, and over the year the plant in Karise was expanded with new clean rooms.

SP Medical's facility in Karise has manufactured license plates to the Danish government for more than 30 years with no problems. After a tender in 2007 the Danish tax authorities, however, decided to place the order with a German producer. SP Group was of the opinion that the Danish tax authorities had made significant errors during the tender, and therefore SP Group brought the case before the Public Contracts Appeals Board. The Public Contracts Appeals Board agreed with SP Group that the contract with the German company was made on an illegal basis and therefore cancelled the tax authorities' contract. But the tax authorities refused to comply with the decision and brought the case to court. The case has not yet been settled by the court. Consequently, the production of license plates stopped on 28 February 2008.

SP Moulding received a cash contribution to equity of DKK 75 million to strengthen the capital base and to finance investments in future growth.

LifeStraw® supplies clean drinking water

For more than two years SP Moulding has cooperated with the Swiss enterprise Vestergaard Frandsen on the development of LifeStraw®, an advanced straw which can purify dirty and bacteria-filled water so it can be drunk directly without boiling, electrical power, high water pressure or other resource-demanding purifying processes. LifeStraw® has a lifetime of 700 litres equal to an adult's consumption of drinking water for two years. The target group is primarily human beings in developing countries and disaster areas. SP Moulding has contributed with completed construction and product ripening in China and in Denmark. LifeStraw® has won several international awards.

Markets and products

With almost 300 injection-moulding machines SP Moulding is the largest independent injection moulder in Denmark and ranks among the largest two in the Nordic countries. The Danish market is estimated at approx. DKK 3-4 billion including large industrial group's own production. The market is still characterised by many small suppliers and excess capacity in certain areas, and a number of customers are moving to low-wage areas. On the other hand, several groups with own production of technical plastics choose to source out to subsuppliers. It will also be possible for SP Moulding to expand market shares by replacing other materials with plastics.

SP Moulding has evident advantages on the Danish market by virtue of its size and competences within design, product development, international sourcing of moulds and raw materials as well as additional services such as full assembly, packaging and dispatch of finished products. Price, however, is still a decisive parameter, and therefore production needs to be made even more efficient. In Poland and China, SP Moulding is a small supplier of technical plastics, but in both countries there is a basis for considerable growth by virtue of the enterprise's total knowhow.

SP Medical addresses a potential market of approx. DKK 15 billion with annual growth of 5-7%. SP Medical ranks as number 3-4 in Scandinavia, and in the niche of PTFE-coated guide wires for urology and radiology, etc, SP Medical is among the three largest suppliers in Europe. SP Medical also manufactures medical components and equipment and surface treats products with function-enhancing coatings. In 2007, SP Medical also opened clean rooms for pilot production of tablets with active pharmaceutical contents. With its competences and quality standards, SP Medical has good opportunities to increase its market shares.

Strategy

SP Moulding will increase exports from the two Danish moulding plants to the close markets, and the Polish factory is to strengthen the sale of technical plastics and assembly on the growth markets in Eastern and Southern Europe. In China production capacity is being doubled, and sales are to be strengthened. SP Moulding will continue moving labour-intensive tasks from Denmark to Poland and China.

On all markets SP Moulding will win market shares by improving customer services, intensified participation in the customer product development and a targeted effort towards growth sectors. Competences should be currently strengthened, so SP Moulding will also differentiate itself in future. In all plants, the production efficiency programme will continue, inter alia through LEAN projects, increased automation and more focus on raw material consumption, disposals as well as switch-over times. SP Moulding will continue participating in the strengthening of the position in the Nordic countries where relevant.

SP Medical will intensify marketing efforts towards new customers and especially take advantage of the fact that the unit with the new Polish factory has become increasingly competitive in relation to labour-intensive tasks. The medical competences must be currently strengthened and the clean room production in Denmark and Poland expanded. Moreover, SP Medical will continue to develop production concepts for injection-moulded pharmaceutical products (tablets), which has the perspective of SP Medical being able to manufacture actual pharmaceuticals.

Outlook for 2008

The business area carefully budgets for losing part of its 2007 revenue because the production of license plates has ceased and because another large customer has changed its global supply chain and is no longer expected to place orders with SP Moulding. The decrease is partly compensated for by growth in sales to other and new customers. Therefore, revenue is expected to decrease. Earnings are expected to be significantly improved but will still not be satisfactory.

Development in Injection moulding 2005-2007

DKK million	2007	2006	2005
Revenue	518.5	462.0	398.6
Profit/loss before financial items, depreciation and amortisation (EBITDA)	22.8	27.2	18.9
Profit/loss before financial items (EBIT)	-2.3	9.0	1.6
Total assets	340.8	313.1	270.5
Average number of employees	599	494	463

Polyurethane

- Organic growth of 15.4%
- Satisfactory profit margin of 15.8%
- Record profit in TPI
- Increase in revenue and earnings in 2008

2007 in outline

Revenue increased by 15.4% in this business area. Growth was organic and accelerated in the second half of the financial year. Both Tinby and TPI had double-digit growth rates whereas Ergomat's revenue increased by a more modest 3.5%.

Ergomat's modest growth is primarily caused by the main market USA, which was characterised by anxiety due to the financial crisis and declining growth although Ergomat had good sales to the pharmaceuticals industry and certain car producers. Moreover, the weakening of USD made Ergomat's solutions more expensive on large dollar-related markets such as USA, Canada and Korea. On the large markets in Europe, including Germany and Sweden, however, growth was reasonable. 93% of revenue was created outside Denmark.

Tinby had a growth rate of 26%, which was higher than expected. Tinby had increasing revenue from new activities, especially from components for wind turbines. The sale of cabinets, cores, moulds and caps also showed progress, and Tinby also had good growth in tasks for a number of other enterprises in the Group, especially ventilation equipment for TPI. 50% of revenue was created outside Denmark.

TPI's sales increased by 14.2%. The growth was driven by increasing demand in Eastern Europe, where the poultry and pig production is increased and centralised on large, modern plants. But TPI also increased sales in countries like Greece, Spain and Portugal where the poultry and pig houses are being closed to an increasing extent to prevent air-borne diseases from penetrating to the livestock, and therefore ventilation equipment needs to be installed. Also new products contributed to the growth. 89% of revenue was created outside Denmark. At the beginning of 2007, SP Group increased the ownership interest in TPI from 60% to 70%, and on 1 January 2008 SP Group purchased another 10% of the shares from Managing Director Jeroen van der Heijden.

Name:	The business area consists of three activities with polyurethane (PUR) as the common denominator: Ergomat A/S, Tinby A/S and its now 80%-owned TPI Polytechniek BV.
Websites:	www.ergomat.dk, www.tinby.dk, www.tpi-polytechniek.com.
Location:	Søndersø (Denmark), Zdunska Wola (Poland), 's-Hertogenbosch (Netherlands), Helsingborg (Sweden), Cleveland (USA), Montreal (Canada) and Zeil am Main (Germany).
Executive Board:	Mogens Kryger, Managing Director in Ergomat A/S. Steen Ole Therkelsen, Managing Director in Tinby A/S. Jeroen van der Heijden, Managing Director in TPI Polytechniek BV.
Activities:	**Ergomat A/S** develops, manufactures and sells ergonomic solutions under own brands: Ergomat® mats, ErgoPerfect® chairs, Synchron® tables and DuraStripe™ striping tape to global enterprise customers. Ergomat has subsidiaries in Western Europe and North America. **Tinby A/S** manufactures moulded products in solid, foamed and flexible PUR for the graphics, medical appliance, furniture, refrigerator, wind turbine and insulation industries. In Poland. Tinby Sp. z o.o. manufactures light-foam products for the sister subsidiary TPI, among others. **TPI Polytechniek BV** develops and sells concepts for ventilation of industrial buildings as well as poultry and pig houses, primarily products under the brands of ReaDan and TPI, which are manufactured by Tinby in Poland. Global sales are handled from the Netherlands. Sales in Scandinavia are handled from Søndersø in Denmark.
Description:	PUR is manufactured by mixing two special liquids and pressing the mixture into a mould forming the required component. Competencies consist in knowing the possibilities of variation and making the best of the material.
Environment/quality:	Tinby works in Denmark and Poland in accordance with the ISO 14001 standard.

The total operating profit of the business area increased by almost 17%, and the profit margin was 15.8%, which is higher than expected. Tinby and TPI contributed to this progress with good results caused by better product mix, higher level of activity, improved efficiency and increased sales under own brands. Ergomat's earnings, however, were lower than expected due to lower growth.

Markets and products

Ergomat is a market leader in Europe and ranks among the three largest suppliers in the world of ergonomic workplace mats, supplemented with the striping product, DuraStripe™, as well as working chairs and tables. Ergomat sells 24 different mats, 50 different chairs and 4 different tables. The demand is driven by a focus on working environment and prevention of work-related injuries as well as a wish to use the properties of the mats, such as antistatic and fire resistant properties. The main markets are the USA, Germany and South Korea, but Ergomat sells well in more than 30 countries through own offices and distributors. On the main markets there is a gradual shift of workplaces from industry towards the commercial sector, the service and health sectors. Moreover, industries are being automated and flag out labour-intensive production. Therefore, Ergomat is increasingly focusing on new markets in Eastern Europe and Asia and on new industries such as the commercial, service, administrative and health sectors.

Tinby is Scandinavia's leading subsupplier of moulded components in solid foamed as well as flexible polyurethane. Tinby's components are used in medical products, instruments, furniture and insulation caps. New focus industries include especially the renewable energy industry with which Tinby has entered into a promising cooperation. In addition to the role as sub-supplier to other industries, Tinby is a world market leader within cylinders for X-ray use and film development in the graphics industry. Sales to the graphics industry are an interesting niche, but sales are declining due to the digitalisation of the industry, whereas sales of cylinders for X-ray use are more stable.

TPI is the leading manufacturer in Europe of light-foamed chimneys, air intake, air gratings and ventilation ducts for the agricultural and industrial sectors. PUR is especially suitable for these purposes as the material is light, well-insulating and weather resistant and does not develop condensed water when temperature changes. The demand is especially driven by the industrialisation of agriculture in Eastern Europe, which is expected to continue for the next 5-10 years, but also Western Europe and Southern Europe are significant markets. In the longer term, the Middle East and overseas markets will become more important. TPI has agents in 40 countries and also obtains an increasing share of revenue as a sub-supplier to turnkey contracts.

Strategy

More direct sales, intensified marketing, more external distributors and conceptual companies on selected markets are to increase Ergomat's sales. Ergomat will increasingly cultivate commercial and service enterprises, the administrative and health sectors and strengthen the efforts in Eastern Europe and Asia.

Plagiarism and increased competition require development of new products and concepts, and Ergomat is to differentiate itself by offering integrated solutions cutting across present products and by offering supplementary services. Up until 2009 the enterprise will invest considerable amounts in automation and new machines in Søndersø, and the Ergo-Lean programme will be rolled out. The goal is to increase production by 50-60% over three years with the same number of employees.

In the spring of 2008, Tinby will initiate the construction of a new factory, which will almost double the production and inventory capacity in the country and make production more rational. The completion of the factory is scheduled for the turn of the year 2008/09, and the increased capacity is to cover TPI's growth and the expected increase in demand from other customers. At the same time, Tinby will continue its production in Denmark and be open to consolidation in the industry. Sales efforts will be increased within back-foamed articles and insulation caps, and Tinby will cultivate new customer segments. The focus will be on renewable energy, equipment for the disabled, building components and the agricultural industry.

TPI will currently expand its product programme within ventilation for agriculture. The company will cultivate new markets in Asia, Middle East and Southern Europe on a direct basis and at the same time enhance the relationship with large turnkey suppliers. TPI will also increasingly focus on industrial ventilation solutions to increase revenue and to reduce the dependency on the agricultural sector. TPI will be open to consolidation internationally. The expected growth in production will be handled by Tinby's Polish factory.

Outlook for 2008

Higher revenue and improved earnings are expected in all activities in the business area. However, growth in TPI may be affected by the very low meat prices and high feed prices affecting the end customers in agriculture.

Development in Polyurethane 2005-2007

DKK million	2007	2006	2005
Revenue	171.6	148.7	156.6
Profit before financial items, depreciation and amortisation (EBITDA)	34.5	30.4	24.7
Profit before financial items (EBIT)	27.1	23.3	17.8
Total assets	174.3	158.6	141.6
Average number of employees	218	193	201

Vacuum forming

- Unsatisfactory results in 2007
- Acquisition of DKI Form at the beginning of 2008
- The acquisition will create considerable synergies
- Significant improvement in earnings in 2008

2007 in outline

Revenue fell by 24.2%. The decrease is due to declining sales to Scandinavian producers of refrigerators and freezers, who move their production to Southern and Eastern Europe. Sales to this group of customers were expected to decrease, but the decrease was higher than expected, and Gibo Plast did not succeed to compensate by increasing sales to other industries although there were bright spots.

In recent years, Gibo Plast has aimed at cultivating new customer segments and increasing sales geographically. The export share has increased to well over 25%, and reasonable sales have been created to the medical appliance industry and producers of wind turbines and caravans, and in 2007 progress was made in the cooperation with lighting and window producers. A promising product is transport boxes for a number of industries.

Due to the decline in revenue the capacity utilisation was too low, and although the staff was adjusted in the financial year to the lower sales, EBIT showed a loss of DKK 3.3 million.

Name:	Gibo Plast A/S
Website:	www.gibo.dk
Location:	Skjern and Spentrup.
Executive Board:	Torben Hald, Managing Director
Activities:	Gibo Plast develops, designs and produces thermoformed plastic products. The products are mainly used in refrigerators and freezers, buses and cars (automotive), medical and lighting equipment as well as in wind turbines. Gibo Plast has specialised in traditional vacuum forming and the new High-pressure and Twinsheet technologies.
Description:	Vacuum forming is a process in which plastic sheets are heated and subsequently moulded under vacuum and/or high pressure. The products are subsequently finished by cutting (CNC cutting) and finally assembled into the finished product.
Environment/ quality:	The plants in Skjern og Spentrup are certified according to ISO 9001:2000, OHSAS 18001:2004 and ISO 14001:2004.

The work on the strategic challenges resulted in the acquisition of Denmark's second largest vacuum moulder, DKI Form A/S, at the beginning of 2008, which has skilfully created a strong position as a supplier to especially the international automotive industry (buses, cars, cabinets, etc). The acquisition price was DKK 20.4 million, and at the same time Gibo Plast took over the interest-bearing debt of approx. DKK 15 million. The two enterprises will be merged and continued under the name Gibo Plast A/S under the management of Managing Director Torben Hald from DKI Form whereas Gibo Plast's former Managing Director, Søren Jensen, has left his position in 2008. Gibo Plast's capital base has been strengthened by DKK 25 million to finance the acquisition and the future growth.

The merger has created the largest vacuum forming facility in Scandinavia with more than 130 employees and competencies to solve very complex tasks. In the longer term, the merger will create considerable synergies. Accordingly, DKI Form faced a costly expansion of the plant in Spentrup to handle the growth whereas Gibo Plast had idle capacity in Skjern. Therefore, a number of tasks were moved from Spentrup to Skjern.

As part of new tasks for the car, electronics and medical appliance industries, Gibo Plast implemented an extensive ISO certification of quality control, environment and working environment in 2007. The former DKI Form's plant in Spentrup has been ISO certified since 2000.

Markets and products

The Scandinavian market for vacuum-formed plastics is valued at DKK 5-600 million. The market is breaking up as a number of traditional users of vacuum-formed plastics are pressed by competitors in low-wage areas and are therefore moving their production to Southern and Eastern Europe or Asia. On the other hand, there are many items made of materials such as wood and metal which might benefit from being replaced by plastics, as plastics are lighter and easier to mould, and consequently there is a basis for a growing demand.

An example is Gibo Plast's transport boxes which are used by automotive, food and electronics enterprises for transportation of particularly sensitive goods or semi-manufactured products over long distances. The boxes are lighter than wooden boxes and designed so that the items do not touch each other and can easily be taken up by industrial robots. Another example is lighting where the cosmetic and design qualities of thermo-moulded plastics are pronounced. Plastic sheets are available in all colours and with a countless number of different surfaces, and the items can be painted, silk screen printed, embossed and glass blasted according to precise specifications. Moreover, the items may be provided with technical properties, e.g. the ability to resist the heat from the light source or coldness, wind, weather and blows in case of outdoor lighting.

Hard-wearing design
The former DKI Form delivers plastic solutions to Toyota, which uses Hard Tonneau Covers in the pick-up model Toyota Hilux. The plastic items are extremely hard-wearing, and modern CAD/CAM systems are used in both the design and the programming phases.

Within traditional vacuum forming Gibo Plast is a market leader in Scandinavia and ranks among the ten largest suppliers in Europe. Within the High-pressure and Twinsheet technologies the position has strengthened. Gibo Plast is able to handle items of many different sizes and masters both large-scale production and quite small series with customised, logo-embossed items. The offer to the customers is supplemented with 3D CAD/CAM design, decoration, surface treatment, assembly and packaging, etc.

Strategy

After the acquisition of DKI Form, Gibo Plast will specialise their production, so the 12,000-square-metre plant in Skjern will focus on batch production with continuous sales to customers with well-known forecasts. The plant in Skjern will be able to fully use its production scale where some almost fully automatic lines with quick tool shifts offer great flexibility. The slightly smaller plant in Spentrup will increasingly be used to run in projects and manufacture prototype tools and fixtures and will also manufacture more complex items and minor batches. The production in both plants will currently be streamlined and made more efficient using Lean, Kaizen and SMED, and just-in-time deliveries will be in focus.

After the acquisition of DKI Form, Gibo Plast has obtained a balanced customer portfolio and a good exposure to a number of industries. The enterprise will make a targeted effort to create new large customers. At the same time, the relationship with the present customers is to be enhanced, and Gibo Plast will contribute to the customers' development phase to a still larger extent so new projects and solutions are designed and implemented in cooperation with the customers. Sales synergies between the two enterprises are to be utilised systematically, and Gibo Plast will also aim at developing more own products like transport boxes.

Gibo Plast will cultivate new markets in Eastern and Central Europe. Focus will be on the marketing on new and existing markets by increasing knowledge of plastics in sectors which have traditionally used metals and wood and especially by marketing the High-pressure and Twinsheet methods allowing greater freedom in design and flexible production of complicated items in large sizes. In the longer term, Gibo Plast will test new plastic technologies.

Outlook for 2008

Revenue and earnings will be highly affected by the acquisition of DKI Form, which had sales of DKK 60 million in 2007 and is growing. On this background, Gibo Plast expects to nearly double revenue and to improve earnings.

Development in Vacuum forming 2005-2007

DKK mio.	2007	2006	2005
Revenue	76.6	101.0	104.2
Profit/loss before financial items, depreciation and amortisation (EBITDA)	-0.6	8.4	8.7
Profit/loss before financial items (EBIT)	-3.3	5.3	6.3
Total assets	81.5	88.6	95.9
Average number of employees	66	76	76

Coatings

- Organic growth of approx. 19%
- Higher operating profit than expected
- Increasing activity with very large items
- Tests with nanocoatings
- 2008 expected to be at the level of 2007

Name:	Accoat A/S
Website:	www.accoat.dk
Location:	Kvistgaard, Nordsjælland
Executive Board:	Niels Uhrbrand, Managing Director
Activities:	Accoat performs coatings for industrial products and production plants. The products coated range from very small needles to large tank facilities.
Description:	Accoat develops and manufactures environment-friendly technical solutions for industrial and medical purposes, including fluorplastics (Teflon®), PTFE and other refined materials.
Environment/ quality:	Accoat is certified in accordance with DS/EN ISO 14001:2004 and DS/EN ISO 9001:2000.

2007 in outline

Revenue fell by 3.3%, but adjusted for the transfer of the former Accoat Medical to SP Medical, Accoat had an organic growth rate of 18.9%. Growth was extraordinarily high in Q1 as a number of large production tasks were advanced to the beginning of the year. In the subsequent quarters, growth stabilised, and revenue for the year was slightly higher than expected.

Accoat made good progress in coatings of small specialty items in very large batches for the medical appliance industry. Moreover, Accoat experienced an increasing demand for coatings of very large items for a number of industries, especially the chemical industry and enterprises in the oil and gas industries.

Operating profit (EBIT) increased from DKK 11.5 million to DKK 18.4 million which is the best profit ever. The progress is attributable to a better product mix, higher utilisation of capacity and continued optimisation of the plant in Kvistgaard. The profit margin is also positively affected by the business area no longer holding the labour-intensive activities in the former Accoat Medical.

After a number of investments the plant in Kvistgaard is able to treat the surfaces of extremely heavy and large items with dimensions of up to 12 x 3 x 3 metres. The plant holds one of the largest furnaces in Europe for sintering Teflon-coated items and is able to manufacture multiple batches in three furnaces at a time. During 2007, a centrifugal cleaner has also been ordered, which enables pre-treatment of items weighing up to two tonnes. With these facilities Accoat is among the most modern and environment-friendly coating enterprises in the EU.

During the year, Accoat has solved tasks for customers in 15 countries. The solutions are competitive, which is emphasised for instance by a large contract for coating of chemical reactors manufactured in China and dispatched to Denmark where they are coated after which the reactors are sailed back to China.

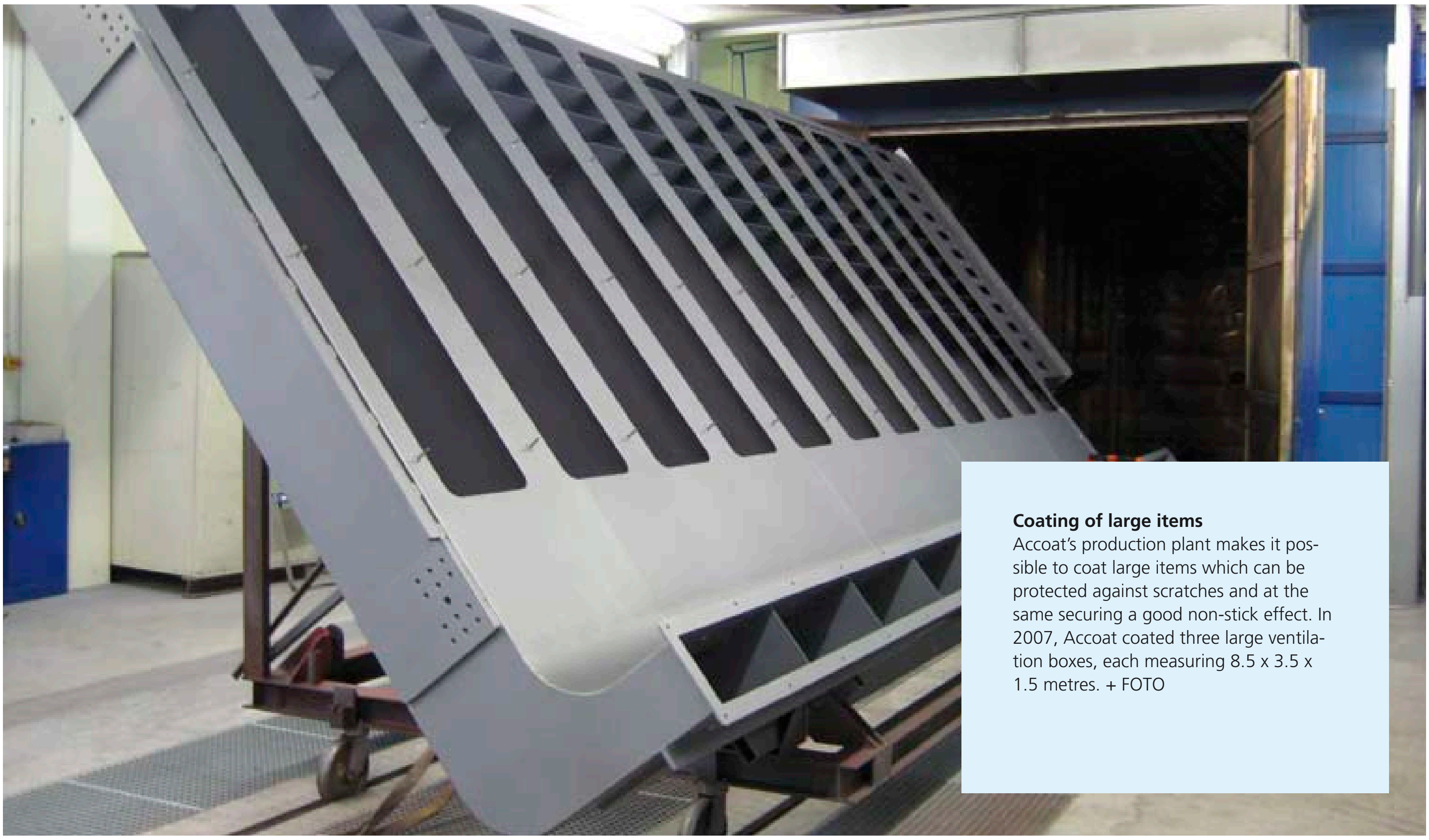
Markets and products

In 2007, Accoat coated a range of different products, such as medical appliance equipment, chemical reactors, tanks, car components, thermocouples, ovens, baking machines, filling machines, engine components, ventilation equipment as well as equipment for the oil and gas industries. In principle, Accoat is able to coat all kinds of items but has decided to focus especially on high-build (multiple layers) corrosion-protective coatings as well as non-stick and low-friction coatings. In these areas, Accoat is a market leader in Scandinavia and ranks among the five largest players in Europe.

The penetration barriers on the coating market are quite high as it requires great expertise to manufacture coatings in environment-friendly synthetic materials. Accoat develops and tests an increasing part of the coatings in own laboratories to be able to document properties and product life. The market is driven by the fact that fluorplastic coatings can improve the application, strength and product life of a number of products. Coatings, for instance, facilitate the cleaning of surfaces, which reduces the use of detergents, water and time but which also results in short production stoppage during cleaning.

Coatings may also make products oil- and waterproof, heat insulating, electrically insulating or resistant to chemicals. In some industries coatings are necessary to comply with safety requirements. For instance in the semi-conductor industry where large requirements are made of clean rooms and ventilation from these rooms. Here ventilation ducts are coated inside with Accotron, which protects against corrosion from the aggressive gases, makes the ducts fireproof and facilitates cleaning.

The customers also experience that they can replace expensive materials such as titanium with other and low-cost surface-treated materials. Consequently, the total demand for coatings, including nanocoatings, is expected to grow significantly over a number of years.



Coating of large items
Accoat's production plant makes it possible to coat large items which can be protected against scratches and at the same securing a good non-stick effect. In 2007, Accoat coated three large ventilation boxes, each measuring 8.5 x 3.5 x 1.5 metres. + FOTO

Strategy

Accoat will continue to strengthen product development, improve the properties of the coatings and develop and test new products and processes together with the customers. In late 2007 for instance, the coating Acconoir was launched, which is very wear-resisting and hard so the coated products get sturdy and scratch-proof at temperatures of up to 250°C. The coating also has good non-stick properties and is resistant to certain aggressive solvents. Acconoir can be used on equipment for plastic welding, in the paint and varnish industries and on items used for manufacture of food. Another new product is Accotron P449, which is chemically resistant, fire-resistant, prevents penetration of liquids and has good thermal properties. This coating is FDA-approved and can be used for manufacturing of pharmaceutical products.

In 2008, Accoat will invest in a new furnace line for items up to 4.2 metres in diameter.

Accoat will also to a greater extent use its special knowhow within ultraviolet curing coatings for the manufacture of reinforced coatings with metallic surfaces. Moreover, the enterprise engages in research-related projects, either directly, for instance by a PhD project on coatings for frying at temperatures above 260°C, or indirectly by cooperation with research institutions on for instance nanotechnology. Accoat has performed nanocoatings on items for selected customers, and tests have shown that functionality is up to expectations.

Marketing is to be strengthened. Accoat will increase the visibility on the largest markets and cultivate prospective customers in the process and food industries, and especially in the offshore industry. Sales are to be strengthened through more systems selling in which Accoat advises the customers on the construction of the items and on the choice of materials before the items are coated. In the bit longer term, Accoat will consider setting up production outside Denmark to get closer to potential customer groups.

Outlook for 2008

Accoat is expected to increase revenue in 2008, but not at the same pace as in 2007. Operating profit (EBIT) is expected to become slightly higher than in 2007.

Development in Coatings 2005-2007

DKK million	2007	2006	2005
Revenue	117.2	121.2	92.0
Profit/loss before financial items, depreciation and amortisation (EBITDA)	22.2	17.8	7.2
Profit/loss before financial items (EBIT)	18.4	11.5	2.3
Total assets	95.0	118.2	100.0
Average number of employees	64	121	114

Risk Management

Identification of business risks and management of such risks are part of the annual strategy plan of the Group and the four business areas approved by the Supervisory Board. Further, the Supervisory Board determines the framework of the management of interest rate, credit and currency risks and addressing of risks related to raw materials and energy prices. The framework is assessed at least once annually.

The following risks have been identified as the key risks for SP Group, but the list is not prioritised nor exhaustive:

Commercial risks

Market and competitor risks

Several segments of the Danish primary market of SP Group have been characterised by excess capacity, numerous small marketers, price pressure and customers requiring still smaller batches and more flexible production. Furthermore, SP Group is experiencing increased competition from the low cost regions in Eastern Europe and Asia. In order to reduce the dependence on the Danish market, SP Group is operating on several fronts:

Firstly, exports are increased on a continuous basis. The Group focuses in particular on other Northern European markets while selected niche products are sold globally. The international share of revenue has increased to 41.4% in 2007.

Secondly, SP Group is continuously transferring production to its plants in Poland and China, and this relocation will continue. In this way, the Group will still be able to provide services to customers outsourcing their production to these areas, and similarly, SP Group will be able to find new customers in Eastern Europe and China.

Thirdly, SP Group's Danish plants are undergoing continuous modernisation and automation in order to become more efficient and flexible. This work will continue. Finally, SP Group is consolidating parts of the Danish industry either by acquisitions or by merging own plants. This process will continue, and SP Group will focus intensely on reducing costs and utilising the size and competencies of the Group to improve competitiveness. As part of the strategy to differentiate itself, the Group is also strengthening its knowledge and competencies in processes, design and material.

Customers

SP Group has about 1,000 active customers. The ten largest customers account for 45% of the Group's revenue, and this share has increased by two percentage points in line with SP Group developing a number of customer relations last year. Apart from one customer, the ten largest customers are consolidated internationally operating industrial groups. The last customer is engaged in the manufacturing of license plates to the Danish State which is expected to lapse in 2008.

The largest individual customer accounts for 9.3% of the Group's revenue. At plant level, the dependence on individual customers is higher as a result of the specialisation and focusing on certain industries of the individual plants.

Almost 21% of the Group's sales relate to the medical appliance sector which is thus the largest individual industry. SP Group has deliberately cultivated this sector because it is a growth sector and because it offers a variety of opportunities for utilising the competencies of SP Group across its business areas. The exposure to the medical appliance sector is therefore desired, and risks are reduced by the Group supplying to a number of different medical appliance enterprises from several segments and countries. At group level, SP Group is not over-exposed to certain lines of businesses. However, Gibo Plast has historically had a strategic role as sub-supplier to Scandinavian manufacturers of freezers/refrigerators, but this industry's share of revenue has decreased significantly and will decrease further by the acquisition of DKI Form.

Declining sales to individual or several customers may have a material impact on the Group's earning capacity. To minimise this risk, the Group seeks also to enter into multi-annual customer and cooperation agreements which stipulate the terms of future orders. Furthermore, SP Group is engaged in tasks of production development in cooperation with the customers in order to stand out as a strategic partner. Finally, the Group works on the development of more niche products and products under own trade marks where the Group is able to control the sales to a higher extent. Products under own trade marks accounted for approx. 16% of the Group's revenue in 2007, including medical appliance products.

Raw material prices and suppliers

The earnings of SP Group depend on the prices of energy, raw materials (plastics) and other production materials. Most of the Group's raw materials are oil-based, and large fluctuations in oil prices may therefore lead to price increases, which SP Group cannot transfer directly to sales prices.

SP Group continues to enter into hedging agreements on electricity, gas and raw materials and has price adjustment agreements with a number of customers because of energy and raw material price increases. The Group

has centralised its purchase of critical raw materials to increase the level of delivery reliability and to achieve a better bargaining position by purchasing larger bulks. At the same time, SP Group is continuously investigating the possibility of sourcing critical raw materials globally. The exposure to oil price-driven increases in raw material prices may be reduced but will fundamentally remain present.

Restructuring the production system

The production system is continuously changed, partly by investing in new production equipment and partly by modifying the systems and distribution of tasks. This means that the Group gradually builds up improved specialisation of the production at each individual plant and that efficiency is increased. There is a risk that the implementation of these changes may cause delays and disruptions and thus inflict extra costs on the Group or affect the business volume. There is also the risk that transferring production equipment and production tasks may cause delays and price increases.

Through careful planning, SP Group aims at minimising costs and time spent by restructuring the production systems. A smooth and swift implementation of these processes is a necessary condition for increasing the profitability of the Group.

Key persons

SP Group is dependent on a number of key persons in the Executive Management and among the Group's specialists. SP Group seeks to retain such key persons by offering them challenging tasks, a basic salary in conformity with applicable market conditions and incentive programmes rewarding special performances.

Environmental issues

The production plants are subject to a number of environmental requirements in all countries, and further, a number of environmental and quality assurance systems have been implemented by the plants on a voluntary basis. SP Group complies with applicable environmental requirements but provides no guarantees that the general as well as the working environment may not be affected by accident.

Financial risks

The Group's cash flows and incurring of debt are controlled centrally. No speculation in financial risks takes place.

Interest rate risks

Interest rate risks primarily derive from the interest-bearing net debt, i.e. mortgage debt and bank debt less negotiable current-asset investments and liquid funds. By the end of the year, the interest-bearing net debt amounted to approx. DKK 333 million. Of this amount, DKK 41 million carried average fixed interest at the rate of 5.2% while the remaining amount carried average floating interest at the rate of 4.5% effective for the next year. An increase in the general interest level of one percentage point would result in an increase of the annual interest costs before tax of approx. DKK 3 million.

SP Group focuses on increasing cash flows from operating activities so that the net interest-bearing debt can be reduced and the Group can finance investments via operating activities. The Group also aims at reducing the debt by selling non-value creating assets and activities and by concluding operational lease agreements on production equipment.

Credit risks

SP Group is systematically and continuously supervising the credit rating of customers and cooperative partners and makes use of credit insurance to hedge the credit risks partially. Trade with blue-chip groups and the Danish State is not subject to credit insurance, however. No individual customers or cooperative partners pose an unusual credit risk to the Group. The customers and cooperative partners are normally well-reputed companies operating in may different business sectors and countries, which reduces the total credit risk.

Currency risks

SP Group concludes currency transactions to hedge commercial agreements. The hedging takes the form of forward exchange contracts and options, and Management is continuously assessing the need for hedging each individual transaction.

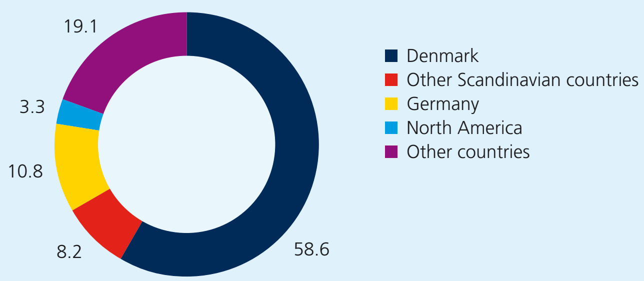
There is a monetary good balance between income and expenses. Approx. 95% of sales are thus recognised in Scandinavian currencies or EUR, and 95% of the Group's fixed costs are incurred in Scandinavian currencies or EUR. The most important currency risk is indirectly and related to the customer's sales outside Europe. Similarly, purchasing is primarily made in DKK and EUR although the prices of the goods depend on the USD on an underlying basis.

45% of the Group's long-term financing has been obtained in CHF, and the remaining debt has been obtained in DKK and EUR. A fluctuation of 1% in CHF towards DKK may affect the result with up to DKKm 1. To reduce the currency risk and match income and expenses even better, debt relating to the Chinese and the Polish enterprises has been refinanced from DKK to USD, PLN and EUR respectively.

Liquidity risks

The Group's objective is to have sufficient liquid assts to make appropiate arrangement in case of unforseen fluctuations in the cash drawings.

Revenue by geographical area in % – 2007



Corporate Governance and Remuneration

Proper and decent management

Proper and decent management is a precondition that SP Group can create long-term value for its shareholders, customers, employees and other stakeholders. Management sets up clear strategic and financial goals and is continuously making appraisal of these goals in order for all stakeholders to be able to evaluate the development and future of the Group. It is essential for the Supervisory Board that SP Group meets its stakeholders at eye level and that the shareholders can exercise their rights freely.

The Supervisory and Executive Boards want their work and attitude to management to be subject to openness. On the website www.sp-group.dk under the section Corporate Governance, Management therefore makes a systematic presentation of the recommendations of the OMX The Nordic Exchange on corporate governance and SP Group's own practice. SP Group complies with the majority of the recommendations but has chosen a different practice for some areas which is more suitable for SP Group. These are the main deviations:

- SP Group has no limitations on the number of offices a member of the Supervisory Board is allowed to have. The Supervisory Board finds that the capacity and contribution of each individual member are more important than the number of offices. In practice, almost all members keep within the recommended limit.
- SP Group has not set up any age limit for the members of the Supervisory Board. SP Group finds that age limits are discriminating and also that the capacity and contribution of each member are more important than their birth certificates.
- There is no annual formalised self-assessment of the Supervisory Board. At each meeting, the Supervisory Board instead has a short discussion behind closed doors about the work and results of the Supervisory Board, the mutual interplay and the interplay with the Executive Board. The Supervisory Board finds that this on-going discussion represents more value for the ability of the Supervisory Board to develop than one annual gathering would have.

In a few areas, SP Group has not formalised the procedures and policies to the same extent as suggested by OMX The Nordic Exchange. SP Group has for instance no actual stakeholder policy (but a clear attitude towards and policy for communication) nor has it any separate engagement description for the chairman (is included in the rules of procedure).

The Supervisory Board has considered appointing committees under the Supervisory Board but found that because of the size of the Group SP Group does not need such committees and that the Supervisory Board is not so large that it would be unnatural or inappropriate for the entire Supervisory Board to discuss subjects such as audit and remuneration. From 2008, companies are required to appoint audit committees under their supervisory boards, and in practice, SP Group will let the entire Supervisory Board constitute the audit committee.

The work of the Supervisory Board

As last year, the Supervisory Board held eight meetings in 2007 of which two of them focused on strategy and budgets respectively. At the strategy meeting in December, the Supervisory Board also discussed business risks and management of such risks at Group level and in the business areas. Once a year, the Supervisory Board further determines the framework of the management of interest rate, credit and currency risks and risks related to raw materials and energy prices, and the Supervisory Board is continuously following up on the implementation of this framework. Discussion and revision of the rules of procedure in June are a routine procedure.

The Supervisory Board is continuously assessing the Group's financial position, goals, dividend policy and share structure. The dividend policy is specified under Shareholder information, and the financial goals are specified in the section Strategic trends. The Supervisory Board assesses that the financial structure is suitable for the present size and challenges of SP Group, and the Supervisory Board is still aiming at a solvency of 20-35% to ensure an efficient capital structure. If solvency increases, the excess capital will be paid to the shareholders.

The Supervisory Board receives a weekly report from the Executive Board on a number of fixed subjects, including cash flow and development of the business areas. Moreover, the Supervisory Board receives an actual monthly report with detailed financial follow-up.

The composition of the Supervisory Board

The shareholder-elected members are up for election each year, whereas the employee directors are elected for a four-year period. During recent years, the Supervisory Board has been reduced from eight to six members – five shareholder-elected and two employee-elected members. This is assessed as an appropriate number because the Supervisory Board can be efficient and gather quickly, while at the same time being diverse enough to represent several different experiences.

The Supervisory Board is composed by persons with relevant insight into the plastics industry and management experience from internationally operating production enterprises. The Supervisory Board Chairman Niels K. Agner has previously represented a large shareholder in the Supervisory Board, and Hans Wilhelm Schur is still connected to a large shareholder of the company, but none of these could have been characterised as principal shareholders. At present, no member of the Supervisory Board has thus any other interest in SP Group than that of a shareholder, and SP Group assesses that the Supervisory Board currently possesses the qualifications and experience necessary to be able to manage the Group and act as an efficient sparring partner to the Executive Board.

The remuneration of the Supervisory Board

The Supervisory Board has no incentive programmes but receives an ordinary remuneration determined by the Annual General Meeting.. The recommended remuneration in 2007 remains unchanged at DKK 250,000 to the chairman, DKK 135,000 to the deputy chairman and DKK 125,000 to other members. The members of the Supervisory Board will not receive any remuneration for any ad hoc tasks but will of course be reimbursed travelling expenses for meetings, etc.

The Supervisory Board suggests that the remuneration in 2008 is increased to DKK 300,000 to the chairman, DKK 175,000 to the deputy chairman and DKK 150,000 to other members.

Remuneration of the Executive Board is negotiated by the chairman and adopted by the Supervisory Board. The remuneration consists of a basic salary and usual allowances such as telephone, company car, etc. free of charge. In 2007, the total remuneration of the Executive Board amounted to DKK 4.3 million against DKK 3.7 million in the previous year. The Executive Board bears the pension contributions itself. The Company's notice of dismissal to CEO Frank Gad is 24 months and 12 months to CFO Jørgen Hønnerup Nielsen. If the Executive Board is dismissed in connection with a take-over of SP Group (including a merger or other acquisition), the Company will not be obliged to pay any further severance pay.

The Executive Board has no short-term incentive programmes such as bonus. SP Group has, however, established long-term incentive programmes for the Executive Board. Frank Gad was granted warrants of 54,000 shares in 2005 and options of 13,975 shares in 2006. In 2007, Frank Gad as well as Jørgen Hønnerup Nielsen were grated warrants of 15,000 and 5,000 shares respectively.

The granting in 2007 was made because the Annual General Meeting in April 2007 gave the Supervisory Board permission to issue up to 80,000 warrants (rights) to the Executive Board and executives of the Group and later increase the share capital by up to DKK 8 million when and if the warrants are exercised. Based on this permission, the Supervisory Board granted warrants to the Executive Board and 20 other executives in July.

The warrants issued can be utilised for buying shares from 1 April 2010 to 31 March 2011. However, the executives can only exercise the warrants during the first two weeks of the open windows when insiders are normally allowed to trade the Company's shares. The exercise price is DKK 160 which was the price when SP Group presented the annual report for 2006 plus an annual interest at the rate of 7.5% until the time when the warrants are exercised. By means of this interest, SP Group ensures that the programme will start carrying value for the executives only when the shareholders have ascertained increasing share prices.

The Supervisory Board believes that share-based arrangements are necessary to ensure that SP Group will be able to attract and retain qualified executives and key persons. The Supervisory Board wishes to tie the executives closer to the Group, reward them for their contribution to the long-term value creation and adopt that executives and shareholders have a common interest in increased shares prices.

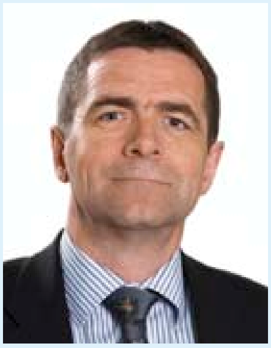
SP Group's programmes so far have all been multi-annual programmes to promote long-term conduct among the executives, and as a result of the annual interest surcharge, the exercise price has been higher that the share price at the granting. These principles will also apply in future.

At the Annual General Meeting in 2008, the Supervisory Board will ask for permission to issue up to another 80,000 warrants to the executives of the Group. This motion will appear from the notice of the Annual General Meeting.

Further information about Corporate Governance is available in the section on Corporate Governance on the SP Group's website www.sp-group.dk.

The Executive Board

Frank Gad, CEO
Born in 1960, Master of Commerce, lives in Frederiksberg.
Salary in 2007: DKK 2.4 million and company car
Share-based salary in 2007: DKK 620,000*
Frank Gad took up his position in November 2004 and is also CEO of SP Moulding A/S.
Previous employment: CEO of FLSmidth A/S (1999-2004), CEO of Mærsk Container Industri A/S (1996-1999) and employment at Odense Staalskibsværft (1985-1999), last as Executive Vice President.
External directorships: Supervisory Board Chairman of Skamol A/S and Skamol Holding A/S, Supervisory Board Member of Danionics A/S and Danionics Asia Ltd. Hong Kong and Plastindustrien i Danmark. Director of Frank Gad ApS and Gadmol ApS.
Shares in SP Group: 32,100 personally owned (unchanged) and 22,550 through his own company (+3,950 in 2007).
* Assessed according to Black Scholes at the time of granting.



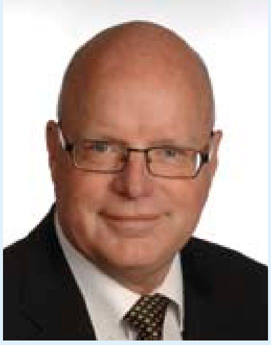
Jørgen Hønnerup Nielsen, CFO
Born in 1956, Graduate Diploma in Business Administration, lives in Odense.
Salary in 2007: DKK 1.0 million (10 month) and company car
Share-based salary in 2007: DKK 70,000*
Jørgen Nielsen was employed in Tinby in 1987 and has been employed in SP Group since 2002. Jørgen Nielsen was admitted as member of the Group Executive Board as of 1 March 2007.
Previous employment: Rasm. Holbeck og Søn A/S 1985-87, Revisionsfirmaet Knud E. Rasmussen 1978-85.
External directorships: None.
Shares in SP Group: 1,100 (+291 in 2007).
* Assessed according to Black Scholes at the time of granting.

The Executive Management

Other executive employees of SP Group are:
Niels Uhrbrand, Managing Director of Accoat
Torben Hald, Managing Director of Gibo Plast (from 2008)
Steen Ole Therkelsen, Managing Director of Tinby
Jeroen van der Heijden, Managing Director, TPI-Polytechniek bv., Holland
Mogens Kryger, Managing Director of Ergomat
Kenny Rosendahl, Director of SP Medical
Jens Hinke, Director of R&D of SP Group
Adam Czyzynski, Managing Director of Tinby Sp. z o.o., Poland
Kevin Wu, Managing Director of SP Moulding (Suzhou) Co., Ltd., China
Ole Larsen, Plant Manager of SP Moulding, Stoholm
John Overby Andersen, Plant Manager of SP Moulding, Juelsminde
Jesper R. Holm, Plant Manager of SP Moulding Sp. z o.o., Poland

Directorship in Danish and foreign companies

Directorship in Danish and foreign companies, etc at 1 March 2008



Niels Kristian Agner,
Director, Værløse, born in 1943.
Supervisory Board Member and Chairman since 1995.
Remuneration: DKK 250,000.
No. of shares: 6,400 shares (unchanged).

Other directorships: Pigro Management ApS (CEO), Dantherm A/S (SBM), Dantherm Fonden (SBM), Aktieselskabet Schouw & Co. (SBM), G.E.C. Gad A/S (SBC), G.E.C. Gads Boghandel A/S (SDC), G.E.C. Gads Forlag Aktieselskab af 1994 (SBM), G. W. Energi A/S (SBM), INCUBA Venture I K/S (SBC), Interket.dk A/S (SBM), NOVI Management A/S (SBC), NOVI Ejendomsfond (SBM), Direktør Hans Hornsyld og Hustru Eva Hornsylds Legat (SBM), Direktør Svend Hornsylds Legat (SBM), D.F. Holding, Skive A/S (SBM), Indeks Retail Invest (SDC), Ejendoms- og Finansieringsfonden for Nordjyllands Videnpark (SBM) and SP Moulding A/S (SBC).

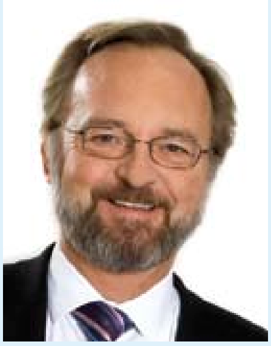
Erik Preben Holm,
CEO, Hellerup, born in 1960.
Supervisory Board Member since 1997, Deputy Chairman.
Remuneration: DKK 135,000.
No. of shares: 0 (unchanged).

Other directorships: Arvid Nilsson A/S (SBM), Arvid Nilssons Fond (SBM), Dyrup A/S (CEO), LD Fond 1, Investeringskomité (SBM) and SP Moulding A/S (SBM).

Erik Christensen,
Director, Værløse, born in 1937.
Supervisory Board Member since 2002.
No. of shares: 3,000 personally owned (+500 in 2007) and 3,700 through the company (+500 in 2007).
Remuneration: DKK 125,000.

Other directorships: A/S af 28/6 1993, Kolding (SBM), Andreas Andresen A/S (SBM), Andresen Services A/S (SBC), B. Christiansen Holding A/S (SBM), B. Import A/S (SBM), British Car Import A/S (SBM), China Car Import A/S (SBM), Ejendomsselskabet af 1. oktober 1999 A/S (SBM), Ejendomsselskabet af 6. april 2001 A/S (SBM), Ejendomsselskabet Petersbjerg Kolding A/S (SBM), Ejendomsselskabet Sjællandsvej A/S (SBM), EKV Transport A/S (SDC), Electronic Solution A/S (SBM), Eltronic A/S (SBC), Handelsselskabet af 01.05.07 A/S (SBM), HKS Kolding A/S (SBM), Hyundai Bil Import A/S (SBM), Johsnic A/S (SBM), K. Christiansen Holding A/S (SBM), K/S af 28/6 1993, Kolding (SBM), KK Transport A/S (SBC), Konsul Axel Schur og Hustrus Fond (SBM), Lada Danmark A/S (SBM), L-Invest A/S (SBM), Luise Andresens Fond (SBC), Morten Rahbek A/S (SBC), Multi Invest A/S (SBM), Nic. Christiansen Holding A/S (SBC), Nic. Christiansen Holding af 1985 ApS (SBC), Nic. Christiansen Holding af 1993 A/S (SBC), Nic. Christiansen Import A/S (SBC), Nic. Christiansen Invest A/S (SBM), Nic. Christiansens Fond (SBC), Olitec A/S (SBM), Sarepta A/S (SBM), Schur Conference Center A/S (SBM), Schur International A/S (SBM), Schur International Holding A/S (SBM), Schur Invest A/S (SBM), SP Moulding A/S (SBM), Terminalen A/S (SBM), Vamdrup Klargøringscentral A/S (SBM)

Hans Wilhelm Schur,
CEO, Horsens, born in 1951.
Supervisory Board Member since 1999.
Remuneration: DKK 125,000.
No. of shares: 0 (unchanged).



Other directorships: Dansk Industri, Horsens (SBM), Glunz & Jensen Fonden (SBM), Industrimuseet i Horsens (SBC), Konsul Axel Schur og Hustrus Fond (SBC), Schur International a/s (CEO and SBM), Schur Invest a/s (CEO and SBM) and SP Moulding A/S (SBM) and member of Nykredits repræsentantskab.

Karen M. Schmidt,
Team Leader, Otterup, born in 1951.
Employee representative since 2002.
Latest election for the Supervisory Board in 2002.
Remuneration: DKK 125,000.
No. of shares: 90 (unchanged).

Poul H. Jørgensen,
Team Leader, Søndersø, born in 1961.
Employee representative since 2002.
Latest election for the Supervisory Board in 2002.
Remuneration: DKK 125,000.
No. of shares: 45 (unchanged).

SBC = Supervisory Board Chairman.
CEO = Chief Executive Officer.
SDC = Supervisory Deputy Chairman.
SMB = Supervisory Board Member.

Shareholder Information

Overall objective

SP Group seeks to communicate the Group's operations, development, strategy and goals openly. The purpose is to ensure the liquidity of the Company's shares and that the pricing reflects the established results as well as future earnings potential. SP Group's goal is to create a positive return for its shareholders through increases in the share price and – in the longer term – also dividends.

Share capital

SP Group's shares are listed on the OMX Nordic Stock Exchange Copenhagen under the short name SPG, the ISIN code is DK0010244771 and ID CSE3358. SP Group is included in the sector Materials in a number of special indexes, including the special Danish SmallCap+ index of the most liquid SmallCap shares.

The share capital of DKK 200 million is distributed on 2,000,000 shares of DKK 100. SP Group only has one class of shares, and all shares are freely negotiable, and the voting and ownership rights are not subject to restrictions. The share capital has not been changed in 2007.

Shareholders' return

The Supervisory Board of SP Group presently intends to apply profits to strengthen the Company's financial position and finance initiatives contributing to profitable growth. The Supervisory Board will not propose any dividend to the shareholders until the Group's equity exceeds the share capital again and SP Group has steadily met its objective of having profit before tax and minorities come to 5% of revenue. Until then, the shareholders' return will be created by increases in the share price.

The share ended the year at a price of DKK 175, which corresponds to a market value of DKK 350 million. The share return was 11.5%, and 2007 was thus the third year in a row with a double-digit return following 42.7% and 29%, respectively, the previous years. The share price peaked in July after which the share decreased due to the profit warning in August and the overall anxiety on the share markets. Despite the decline in prices, the SP Group share outperformed the overall share index at the OMX Nordic Stock Exchange in Copenhagen.

Ownership and liquidity

At the end of February 2008, three shareholders gave notice of holding more than 5% of the shares, that is Schur Invest A/S, Mørksø Invest ApS and Shareholder Invest Growth A/S with a total of 28.5%. The three major shareholders' total ownership interest remains unchanged, except for a few thousand shares, compared to this time the previous year. The number of shareholders registered by name has increased from 673 to 687 in the period, but the registered shareholders' total ownership share has decreased by a little more than four percentage points, which corresponds to a proportional growth in the share capital which is not registered by name.

The known shareholder base outside Denmark is still small but, however, growing. 26 international shareholders with a total of 8.7% of the shares have been registered by name.

The Supervisory and Executive Boards have increased their ownership share from approximately 3.2% to 3.5%. The ownership share has been stated without related parties, particularly Schur Invest A/S which is related to member of the board, Hans Wilhelm Schur. Inclusive of the related parties, the ownership share totals approximately 16.2%.

Previously, the SP Group share was in fact illiquid because a large number of the shares were held by a number of investors. This was changed during 2005-2006, and the Supervisory Board estimates that the spread of the share is large enough to create a reasonable flow of the share.

During the year, 1,349,442 shares were traded corresponding to 67.5% of the share capital. The share price of the traded shares amounted to DKK 243.8 million. Revenue in DKK was a little bit higher that the previous year.

Strengthened information

At the beginning of 2007, SP Group became a part of the SmallCap+ index of the most liquid SmallCap shares, and the membership was confirmed at the end of the year. However, SP Group has decided to act as a MidCap+ company and therefore carries out the necessary information activities required of both SmallCap+ and MidCap+ companies. Measured

Ownership interest at 19 February 2008:

Supervisory and Executive Boards:	Private	Own company	Other related parties
Niels Kristian Agner	6,400		1,000
Erik Preben Holm			
Hans Wilhelm Schur			231,449
Erik Christensen	3,500	4,200	21,800
Poul H. Jørgensen	45		
Karen Schmidt	90		
Frank Gad	32,100	22,550	740
Jørgen Nielsen	1,100		
	43,235	**26,750**	**254,989**
In % of share capital	2.2%	1.3%	12.8%

Shareholder information SP Group A/S

Name	Registered in	Number	Share (%)
Schur Invest A/S	Horsens	231,449	11.6%
Mørksø Invest ApS	Skive	182,828	9.1%
Shareholder Invest Growth A/S	Horsens	155,000	7.8%
		569,277	**28.5%**
Distribution of other shares			
SP Group (treasury shares)		13,975	0.7%
Registered by name less than 5%		831,396	41.6%
Not registered by name		585,352	29.3%
Total		**2,000,000**	**100.0%**

Stock Exchange Announcements published in 2007:

No. 01/2007	Financial Calendar for 2007
No. 02/2007	Ownership share in TPI Polytechniek BV increased
No. 03/2007	Management changes
No. 04/2007	Annual report 2006
No. 05/2007	Insider trading
No. 06/2007	Insider trading
No. 07/2007	Notice of Annual General Meeting
No. 08/2007	Announcement that the chairman's report is available on the website
No. 09/2007	Course of the Annual General Meeting
No. 10/2007	Interim report for Q1 2007
No. 11/2007	Share capital and voting rights
No. 12/2007	Establishment of a warrant plan
No. 13/2007	Interim report for the first six months of 2007
No. 14/2007	Insider trading
No. 15/2007	Interim report for Q3 2007
No. 16/2007	Preliminary negotiations for acquisition of enterprise
No. 17/2007	Acquisition of enterprise
No. 18/2007	Ownership share in TPI Polytechniek BV increased

by the share's day-to-day revenue, the order rate and the average spread, SP Group meets three out of the four criteria for admission to the Mid-Cap+ index. SP Group does not meet the market value criteria.

Generally, SP Group seeks to maintain an ongoing, timely and balanced dialogue with present and potential shareholders, share analysts and other stakeholders. The Company's management continuously participates in meetings with both professional and private investors as well as analysts, and the meeting activity increased again in 2007. Presentations from the meetings are available on the website where other relevant information also can be found and access to news subscriptions is provided. In order to reach as many stakeholders as possible, SP Group also web-casts at least two presentations a year and also seeks to make relevant information available through the website. Finally, SP Group finds it important that all requests and inquiries from shareholders and other stakeholders are handled as quickly as possible.

SP Group has an idle period of three weeks before the publication of the scheduled quarterly and full-year reports in which period the Group does not comment on the financial performance or expectations. Outside these idle periods, the central point of communications to the share market is the well-defined financial goals set by the Group and on which SP Group follows up on an ongoing basis.

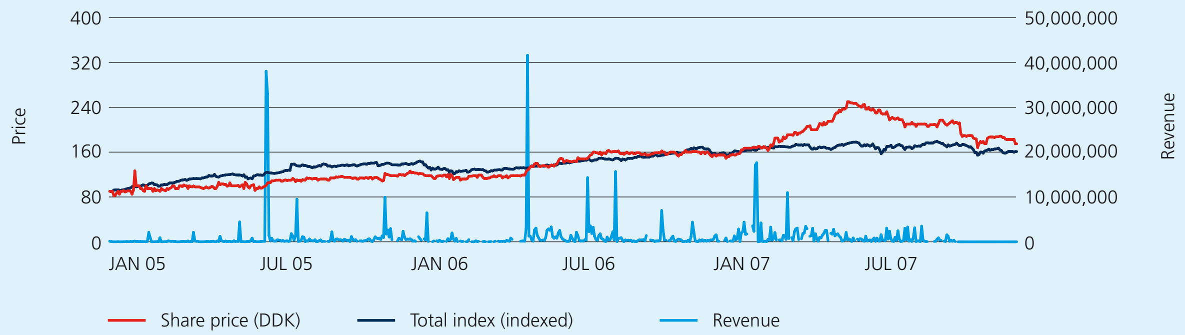
Person responsible for investor relations is Frank Gad, CEO
Telephone: +45 70 23 23 79
E-mail: info@sp-group.dk

Further shareholders' information is available on www.sp-group.dk

Financial Calendar for 2008

27 March	Announcement of financial statements for 2007
29 April	Annual General Meeting and quarterly announcement for the Q1 2008
20 August	Interim announcement for the first six months of 2008
4 November	Quarterly report for Q3 2008

Development in share prices of SP Group 1 January 2005 to 31 December 2007. Index 4.1.2005=90



Supplementary Information

Corporate social responsibility

SP Group acknowledges the Group's responsibility to contribute to a sustainable development, and SP Group does not see any contradiction in acting responsible on one side and striving to increase the Group's earnings and growth on the other side. On the contrary!

The basis of SP Group's position is the UN's Global Compact – the ten principles of human rights, employee rights, environment and anti-corruption according to which the UN has listed guidelines for companies' efforts to create a more sustainable economy.

Environmental issues

In accordance with the UN's Global Compact, SP Group takes initiatives to promote greater environmental responsibility and reduce the Group's impact on the internal and external environment, and SP Group also seeks to promote the use of more environment-friendly technologies and materials.

The strategy is that all production companies must implement a certifiable environment control system which ensures:

- use of environment-friendly products in the production and development processes
- minimisation of waste and refuse as well as resource consumption
- recycling of materials and products to the widest extent possible
- a satisfactory working environment for the employees, prioritising safety and environmental impacts

In 2007, Gibo Plast in Skjern achieved certification according to the ISO 9001, OHSAS 18001 and ISO 14001 standards. As part of this certification, each step of the production processes of the plant in Skjern has been described, and special focus has been placed on the use of energy and raw materials, the handling of emission and waste as well as the planning of business processes to make them more efficient and safer for the employees. Most of the Group's other plants previously had their environmental control systems certified according to the ISO 14001. This applies to Gibo Plast's factory in Spentrup, SP Medical's factory in Karise, SP Moulding's factories in Juelsminde and Stoholm as well as Accoat's plant in Kvistgaard. In practice, Tinby applies ISO 14001 at its factories in Søndersø and Poland but has not yet applied for a certification.

SP Medical and SP Moulding's factories in Poland and China are organised according to current environmental legislation and use ISO 14001 as environmental control system in practice, but they will apply for certification.

With the heavy increase in energy and raw material prices as well as increasing waste disposal expenses, it is financially worthwhile to reduce energy and raw material consumption and reduce the waste percentage, which is why all plants focus on these efforts. In 2007, for example, SP Moulding's factories introduced decentralised grinders on all machines to replace the central grinders. This ensures that the remaining material from the production of each item is grinded immediately and led down a closed system together with the plastic material for the next item. In this way, a larger part of the plastic material is used. Also Tinby has improved the processes in 2007, so materials are now fed more effectively, which increases the rate of use and reduces waste.

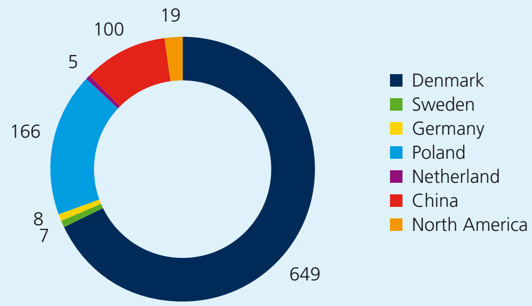
Every month, SP Group measures on a number of key figures for consumption of energy, heating, water and raw materials in all its factories. The results are used for internal benchmarking and to widely implement initiatives which, at some plants, have proved to reduce the resource consumption. If the duty system is changed in Denmark, a greater part of the excess waste heat can be used for heating.

The most considerable impact on environment occurs when SP Group's enterprises consume energy (particularly power) and raw materials during production and divert waste from production. The direct CO2 emission from the companies is limited, but CO2 indirectly impacts the environment when power plants produce the power and when the products of SP Group must be transported. SP Group has no direct influence on the power plants' production, but a substantial part of the power is purchased from Danish plants at which a fourth of the power is produced from renewable energy, primarily wind turbines. Within transportation, SP Group selects partners with modern and environmental friendly materials.

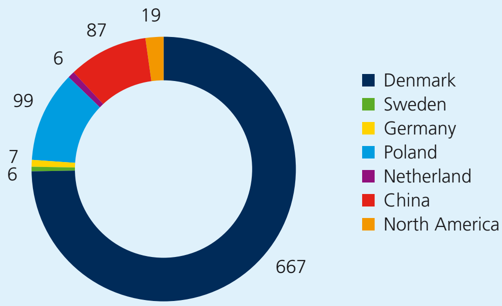
Plastics produced and used with care have a positive impact on environment. In environmental life cycles, plastics are generally superior to most alternative materials. Therefore, an increased use of plastics will reduce the total impact on environment.

Acid gasses, however, are produced during production of fluorplastic coatings, but they are removed in a smoke scrubber before being led out through the chimney and are, thus, not a nuisance to the surroundings. The use of fluorplastic coatings is very beneficiary for the environment in many ways. They are, for example, used as corrosion protection in flue gas purifying plants in coal-fired power plants to avoid acid rainwater. At the same time, the coating of surfaces with fluorplastics creates large savings on cleaning materials and solvents as well as water.

Distribution of employees by geographical area in 2007 (average)



Distribution of employees by geographical area in 2006 (average)



Generally, plastics are lighter than metal and the lower weight can be used to increase the machines' capacity and, thus, reduce their fuel consumption which is good for the environment. Obvious examples are rolling stock like agricultural machines, tractors, combine harvesters, buses and cars in which the outer parts can be manufactured in plastics instead of metal, and the plastics keep well – even when used outdoors – without corroding for many years.

The unique insulation properties of polyurethane are used to reduce waste of heat, for example, and to ensure environment-friendly and efficient district heating systems.

Health and safety have been taken into account in the production processes at the individual plants.

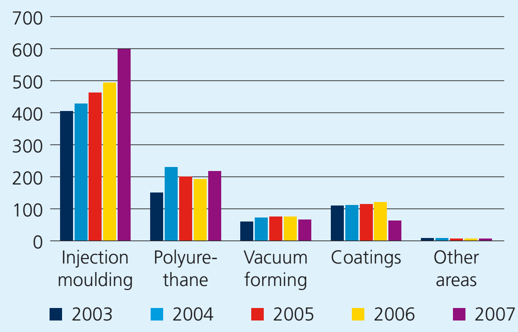
SP Group estimates that it complies with all current environmental regulations and that no enforcement orders remain unsolved anywhere in production. Among the Group's companies, only Tinby and Accoat have to prepare separate green financial statements.

Employees

SP Group's number of employees is growing outside of Denmark. In 2007, the number of employees outside Denmark grew by approximately 36% to 305 people, primarily in Poland and China. The number of employees in Denmark, however, dropped a little. In the future, growth will also primarily take place in Eastern Europe and Asia.

SP Group complies with the principles of the International Labor Organisation's conventions and the UN's Declaration on Human Rights (UNDHR). This means that the Group will not tolerate child labour or forced labour, will not employ minors and that any form of discrimination in working and employment conditions is prohibited. SP Group solely recruits, appoints and promotes employees on the basis of their qualifications and experience. The employees have the right to freely unionise, express their opinion and participate in or appoint people to participate in collective bodies. In Danish companies, the employees appoint representatives for consultation committees and safety committees in which they meet with local management. Furthermore, the employees appoint representatives for the Supervisory Board. At the production units in Poland and China, systems have been established in which the employees appoint spokesmen for negotiations with management.

Distribution of employees (average)



In Denmark, wages and salaries and working conditions are determined through agreements resulting from local negotiations. In Poland and China, the conditions and rights of the employees are widely laid down by law, codes and regulations. As employer SP Group up holds national laws and agreements as well as rules governing working hours, etc as a minimum. Furthermore, SP Group seeks to offer employees extra benefits.

In recent years, SP Group has closed down a number of Danish plants and discharged employees. Such measures are regrettable but necessary to strengthen competitiveness. In connection with large discharges, SP Group, naturally, complies with the rules of notices and negotiations with employees, but SP Group also seeks to ease the consequences for the affected employees by taking extra measures. SP Group estimates that almost all discharged employees who wanted it have found a new occupation.

SP Group also seeks to improve the employees' qualifications through supplementary and continuing education. For example, SP Moulding and SP Medical's operators participate in a three-module programme each of one week's duration at AMU Syd. The goal is to upgrade the employees to enable them to handle several different tasks which increases the production flexibility as well as creates a varied workday for the individual employee. SP Group also applies the systematic roll-out of LEAN processes to the plants to enable the employees to influence their own working situation as well as processes and workflow.

In Denmark, it is a challenge to recruit and hold on to employees because of a low unemployment rate and very strong market conditions. The biggest problem is to fill the vacancies of plastic engineers. The problems will be solved locally either by reappointing former plastic engineers, by setting up more apprenticeships and by stronger involvement of other employees in the planning of the work and processes. Furthermore, SP Group and AMU Syd are cooperating on the education of people with different technical skills through programmes at both AMU Syd and SP Group's factories.

Continued CSR work

SP Group complies with the ten principles of the UN's Global Compact in word and action and will accede to the Global Compact charter in 2008. At the same time, the Group will focus on further promotion of the use of environmental-friendly technologies and materials and seek to disseminate knowledge of the unique qualities of plastics.

At present, SP Group has no plans to check the Group's suppliers as the majority of them are respected international groups which give a detailed account of their efforts within Corporate Social Responsibility in materials made available to the public.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Statement by Management on the annual report

We have today presented the annual report of SP Group A/S for the financial year 1 January to 31 December 2007.

The annual report is prepared in accordance with the International Reporting Standards as adopted by the EU and further Danish disclosure requirements for annual reports of listed companies, among these the requirements of OMX The Nordic Exchange in Copenhagen for financial reporting.

We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent's financial position at 31 December 2006 as well as of the Group's and the Parent's activities and cash flows for the financial year 1 January to 31 December 2007.

We recommend the annual report for adoption at the Annual General Meeting.

Søndersø, 27 March 2008

Executive Board

Frank Gad
Chief Executive Officer

Jørgen Hønnerup Nielsen
Chief Financial Officer

Supervisory Board

Niels K. Agner
Chairman

Erik Preben Holm
Deputy Chairman

Erik Christensen

Hans Wilhelm Schur

Poul Henning Jørgensen
Employee representative

Karen Marie Schmidt
Employee representative

Independent auditor's report

Independent auditor's report

To the shareholders of SP Group A/S

We have audited the annual report of SP Group A/S for the financial year 1 January to 31 December 2007, which comprises the statement by Management on the annual report, income statement, balance sheet, statement of changes in equity, cash flow statement and notes, among these the Management's accounting policies including accounting policies of the Group as well as the Parent. The annual report is prepared in accordance with the International Financial Reporting Standards as adopted by the EU and further Danish disclosure requirements for annual reports of listed companies.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of an annual report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the enterprise's preparation and fair presentation of an annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the enterprise's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent's financial position at 31 December 2007 and of their financial performance and cash flows for the financial year 1 January to 31 December 2007 in accordance with the International Financial Reporting Standards as adopted by the EU and further Danish disclosure requirements for annual reports of listed companies.

Odense, 27 March 2008

Deloitte
Statsautoriseret Revisionsaktieselskab

Henning Jensen State Authorised Public Accountant	Fl. Heden Knudsen State Authorised Public Accountant

Income statement for 2007

PARENT				GROUP	
2006	**2007**	**Note**	DKK'000	**2007**	**2006**
0	0		Revenue	869,687	825,381
0	0	3,6	Production costs	(633,925)	(600,427)
0	**0**		**Contribution margin**	**235,762**	**224,954**
2,862	3,951	4	Other operating income	628	2,057
(3,910)	(3,564)	5	External expenses	(48,509)	(52,395)
(8,034)	(10,637)	5,6,7	Staff costs	(114,967)	(101,192)
(9,082)	**(10,250)**		**Profit/loss before depreciation, amortisation and impairment losses (EBITDA)**	**72,914**	**73,424**
(838)	(1,382)	8	Depreciation, amortisation and impairment losses	(38,348)	(37,439)
(9,920)	**(11,632)**		**Profit/loss before financial items (EBIT)**	**34,566**	**35,985**
0	8,596	9	Income from group enterprises	-	-
4,451	10,250	10	Other financial income	4,705	1,225
(5,797)	(6,970)	11	Financial expenses	(18,070)	(16,573)
(11,266)	**244**		**Profit/loss before tax**	**21,201**	**20,637**
3,015	1,441	12	Tax on profit/loss for the year	(5,297)	(7,717)
(8,251)	**1,685**		**Profit/loss for the year**	**15,904**	**12,920**
			Allocation of profit/loss for the year		
			Parent's shareholders	12,577	10,254
			Minority interests	3,327	2,666
				15,904	**12,920**
			Earnings per share (EPS)		
		13	Earnings per share (DKK)	6,33	5,36
		13	Earnings per share, diluted (DKK)	6,24	5,29
			Proposed distribution of profit/loss		
(8,251)	1,685		Retained earnings		
(8,251)	**1,685**				

Balance sheet at 31 December 2007

PARENT				GROUP	
2006	**2007**	**Note**	DKK'000	**2007**	**2006**
0	0		Completed development projects	581	1,054
399	636		Software	2,663	2,215
0	0		Goodwill	88,211	87,114
	0		Development projects in progress	1,791	0
399	**636**	14	**Intangible assets**	**93,246**	**90,383**
29,135	19,244		Land and buildings	109,344	118,933
0	0		Plant and machinery	136,060	124,537
12	29		Other fixtures and fittings, tools and equipment	13,950	14,778
0	0		Leasehold improvements	8,860	6,987
0	231		Property, plant and equipment in progress	8,931	15,451
29,147	**19,504**	15	**Property, plant and equipment**	**277,145**	**280,686**
155,635	284,184	16	Investments in subsidiaries	-	-
0	0		Deposits	12,662	12,688
0	0	17	Other securities	11	11
155,635	**284,184**		**Financial assets**	**12,673**	**12,699**
577	**3,703**	23	**Deferred tax assets**	**570**	**0**
185,758	**308,027**		**Non-current assets**	**383,634**	**383,768**
0	**0**	18	**Inventories**	**148,622**	**138,737**
850	0	19	Trade receivables	87,213	104,246
6,013	2,302		Receivables from subsidiaries	-	-
0	400		Income taxes	1,162	1,044
0	313	20	Other receivables	10,345	11,603
2,592	2,965		Prepayments and accrued income	3,301	5,321
9,455	**5,980**		**Receivables**	**102,021**	**122,214**
123,540	**13,550**	21	**Cash**	**15,602**	**18,063**
0	**9,618**	22	**Non-current assets held for sale**	**18,372**	**7,853**
132,995	**29,148**		**Current assets**	**284,617**	**286,867**
318,753	**337,175**		**Assets**	**668,251**	**670,635**

PARENT				GROUP	
2006	**2007**	**Note**	DKK'000	**2007**	**2006**
200,000	200,000	23	Share capital	200,000	200,000
403	1,567	24	Other reserves	466	223
(69,182)	(67,497)		Retained earnings	(33,426)	(46,003)
131,221	**134,070**		**Equity attributable to Parent's shareholders**	**167,040**	**154,220**
-	**-**		**Equity attributable to minority interests**	**11,909**	**12,855**
131,221	**134,070**		**Equity**	**178,949**	**167,075**
108,321	100,636	25	Bank debt	108,166	117,386
0	0	25	Lease obligations	0	310
21,771	19,711	25	Financial institutions	109,464	93,829
0	0	26	Deferred tax liabilities	18,508	18,985
130,092	**120,347**		**Non-current liabilities**	**236,138**	**230,510**
2,681	6,421	25	Current portion of non-current liabilities	13,047	9,491
39,536	41,271		Bank debt	130,505	144,053
0	0		Prepayments received from customers	3,068	3,960
0	0	27	Trade payables	54,429	61,277
9,811	27,579		Payables to subsidiaries	-	-
0	0		Income taxes	2,019	3,543
5,412	7,487	28	Other payables	49,494	47,655
0	0		Accruals and deferred income	602	3,071
57,440	**82,758**		**Current liabilities**	**253,164**	**273,050**
187,532	**203,105**		**Liabilities**	**489,302**	**503,560**
318,753	**337,175**		**Equity and liabilities**	**668,251**	**670,635**
		29-31	Assets charged and contingent liabilities, etc		
		35-38	Other notes		

Statement of changes in equity for 2007

						GROUP
DKK'000	**Share capital**	**Other reserves**	**Retained earnings**	**Equity attributable to Parent's shareholders**	**Equity attributable to minority interests**	**Total equity**
Equity at 1 January 2006	177,867	1,293	(57,635)	121,525	12,668	134,193
Exchange adjustment regarding foreign subsidiaries	0	(1,331)	0	(1,331)	(249)	(1,580)
Recognised directly in equity	**0**	**(1,331)**	**0**	**(1,331)**	**(249)**	**(1,580)**
Profit/loss for the year	0	0	10,254	10,254	2,666	12,920
Total income and expenses recognised	**0**	**(1,331)**	**10,254**	**8,923**	**2,417**	**11,340**
Capital increase	22,133	1,378	0	23,511	0	23,511
Change of ownership interest, minority interests	0	0	0	0	(2,376)	(2,376)
Share premium account transferred	0	(1,378)	1,378	0	0	0
Additions relating to acquisition of enterprise	0	0	0	0	146	146
Recognition of share-based remuneration, net	0	261	0	261	0	261
Other transactions	**22,133**	**261**	**1,378**	**23,772**	**(2,230)**	**21,542**
Equity at 31 December 2006	**200,000**	**223**	**(46,003)**	**154,220**	**12,855**	**167,075**
Exchange adjustment regarding foreign subsidiaries	0	(921)	0	(921)	(158)	(1,079)
Recognised directly in equity	**0**	**(921)**	**0**	**(921)**	**(158)**	**(1,079)**
Profit/loss for the year	0	0	12,577	12,577	3,327	15,904
Total income and expenses recognised	**0**	**(921)**	**12,577**	**11,656**	**3,169**	**14,825**
Change of ownership interest, minority interests	0	0	0	0	(4,115)	(4,115)
Recognition of share-based remuneration, net	0	1,164	0	1,164	0	1,164
Other transactions	**0**	**1,164**	**0**	**1,164**	**(4,115)**	**(2,951)**
Equity at 31 December 2007	**200,000**	**466**	**(33,426)**	**167,040**	**11,909**	**178,949**

					PARENT
DKK'000	**Share capital**	**Share premium account**	**Other reserves**	**Retained earnings**	**Total equity**
Equity at 1 January 2006	**177,867**	**0**	**142**	**(62,309)**	**115,700**
Profit/loss for the year	0	0	0	(8,251)	(8,251)
Total income and expenses recognised	**0**	**0**	**0**	**(8,251)**	**(8,251)**
Capital increase	22,133	1,378	0	0	23,511
Share premium account transferred	0	(1,378)	0	1,378	0
Recognition of share-based remuneration, net	0	0	261	0	261
Other transactions	**22,133**	**0**	**261**	**1,378**	**23,772**
Equity at 31 December 2006	**200,000**	**0**	**403**	**(69,182)**	**131,221**
Profit/loss for the year	0	0	0	1,685	1,685
Total income and expenses recognised	**0**	**0**	**0**	**1,685**	**1,685**
Recognition of share-based remuneration, net	0	0	1,164	0	1,164
Other transactions	**0**	**0**	**1,164**	**0**	**1,164**
Equity at 31 December 2007	**200,000**	**0**	**1,567**	**(67,497)**	**134,070**

Cash flow statement for 2007

PARENT				GROUP	
2006	2007	Note	DKK'000	2007	2006
(9,920)	(11,632)		Profit/loss before financial items (EBIT)	34,566	35,985
838	1,382		Depreciation, amortisation and impairment losses	38,348	37,439
417	1,530		Share-based remuneration	1,530	417
0	0		Exchange adjustments, etc	792	(608)
16,318	18,449	32	Net working capital changes	(2,057)	(13,956)
7,653	**9,729**		**Cash flows from primary operating activities**	**73,179**	**59,277**
4,451	10,250		Interest income, etc received	4,705	1,751
(5,797)	(6,970)		Interest expenses, etc paid	(18,070)	(17,099)
0	2,816		Income taxes received/paid	(6,191)	(6,428)
6,307	**15,825**		**Cash flows from operating activities**	**53,623**	**37,501**
0	(28,549)	33	Acquisition of enterprises and activities	(4,936)	(20,307)
0	(100,000)		Capital investment in subsidiaries	-	-
0	8,596		Dividends from subsidiaries	-	-
(10,271)	0		Net asset contribution to subsidiaries	-	-
0	(466)		Acquisition of intangible assets	(3,712)	(1,712)
323	0		Sale of intangible assets	0	0
2,149	(1,127)		Acquisition of property, plant and equipment	(48,893)	(61,308)
1,486	0		Sale of property, plant and equipment	5,343	15,856
(6,313)	**(121,546)**		**Cash flows from investing activities**	**(52,198)**	**(67,471)**
0	0		Payment of deposits	0	(271)
23,511	0		Capital increase	0	23,511
17,250	0		Raising of long-term loans	23,327	35,800
(9,633)	(6,004)		Instalments on non-current liabilities	(13,665)	(20,467)
31,128	**(6,004)**		**Cash flows from financing activities**	**9,662**	**38,573**
31,122	**(111,725)**		**Increase/decrease in cash and cash equivalents**	**11,087**	**8,603**
54,266	84,004		Cash and cash equivalents at 1 January 2007	(125,990)	(134,778)
(1,384)	0		Disposals relating to investment in subsidiary	0	-
0	0		Additions relating to acquisition of enterprise	0	185
84,004	**(27,721)**	34	**Cash and cash equivalents at 31 December 2007**	**(114,903)**	**(125,990)**

Notes

Noteoversigt

1. Accounting policies

The annual report of SP Group A/S for 2007, which includes both the parent financial statements and the consolidated financial statements, is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class D (listed) enterprises, see the Danish Executive Order on IFRS Adoption issued in accordance with the Danish Financial Statements Act. SP Group A/S is a public limited company with registered office in Denmark.

The annual report also complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The annual report is presented in Danish kroner (DKK), which is the primary currency of the Group's activities and the functional currency of the Parent.

Except for certain financial instruments which are measured at fair value, the annual report is presented on a historical cost basis. Otherwise, the accounting policies, which are unchanged from the previous year, are as described below.

Implementation of new and revised standards and interpretations

The annual report for 2007 is presented in accordance with the new and revised standards (IFRS/IAS) and the new financial reporting interpretation contributions (IFRIC), which apply to financial years beginning on or after 1 January 2007.

The following changes and interpretation contributions have been implemented:

- IFRS 7, *Financial Instruments:* Disclosure
- IAS 1, *Presentation of Financial Statements* (revised 2005)
- IAS 32, *Financial instruments:* Presentation (revised 2005)
- IFRIC 8, *Scope of IFRS 2*
- IFRIC 9, *Reassessment of Embedded Derivatives*
- IFRIC 10, *Interim Financial Reporting and Impairment*.

The implementation of the new and revised Standards and Interpretations in the annual report for 2007 has not resulted in any changes to the accounting policies, but has solely affected the scope and the nature of the disclosures in the notes to the annual report.

Standards and Interpretations that have not yet become effective
At the time of publication of this annual report, the following new or revised Standards and Interpretations have not yet become effective, for which reason they have not been incorporated in this annual report:

- IFRS 8, Operating segments. The Standard is effective for financial years beginning on or after 1 January 2009.
- Revised IAS 1, Presentation of Financial Statements. The amended Standard is effective for financial years beginning on or after 1 January 2009. The Standard has not yet been adopted by the EU.
- Revised IAS 23, Borrowing Costs. The revised Standard is effective for financial years beginning on or after 1 January 2009. The Standard has not yet been adopted by the EU.
- IFRIC 11, Group and Treasury Share Transactions. The Interpretation is effective for financial years beginning on or after 1 March 2007.
- IFRIC 13, Customer Loyalty Programmes. The Interpretation is effective for financial years beginning on or after 1 August 2008. The Interpretation has not yet been adopted by the EU.

The above list only includes Standards and Interpretations expected to be relevant for the Group.

Implementation of the IAS 23, Borrowing Costs, will imply that the Group is required to recognise borrowing costs in cost of assets such as intangible assets and property, plant and equipment as well as inventories with long manufacturing periods. Under the existing policies, the Group has not recognised borrowing costs in cost of property, plant and equipment.

Management anticipates that the adoption of these new and revised Standards and Interpretations will have no material impact on the annual reports for the coming financial years other than the additional disclosure requirements for business segments following from the implementation of IFRS 8.

The Group has decided not to pre-implement new and revised Standards and Interpretations which will not take formal effect until subsequent financial years.

Consolidated financial statements

The consolidated financial statements include SP Group A/S (Parent) and the enterprises (subsidiaries) controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of SP Group A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation intra-group income and expenses, intra-group accounts as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata share of profit/loss forms part of the Group's profit/loss and is a separate element of the Group's equity.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Time of acquisition is the date on which control of the enterprise is actually acquired. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up. Time of divestment is the date on which control of the enterprise actually passes to a third party.

The purchase method is applied in the acquisition of new enterprises, under which identifiable assets, liabilities and contingent liabilities of these enterprises are measured at fair value at the acquisition date. Non-current assets acquired for the purpose of resale, however, are measured at fair value less anticipated selling costs. Restructuring costs are only recognised in the pre-acquisition balance sheet if they constitute a liability for the acquired enterprise. Allowance is made for the tax effect of the restatements.

The cost of an enterprise consists of the fair value of the consideration paid plus costs which are directly attributable to the acquisition of enterprise. If the final determination of the consideration is conditional upon one or several future events, adjustments are only included in cost if the relevant event is probable and the effect on cost can be calculated reliably.

Positive differences (goodwill) between cost of the enterprise acquired and the fair value of the assets, liabilities and contingent liabilities acquired are recognised as an asset under intangible assets and are tested for impairment at least once a year. If the asset's carrying amount is higher than its recoverable amount, it is written down to this lower recoverable amount.

For negative differences (negative goodwill), the calculated fair values and the calculated cost of the enterprise are reassessed. If the fair value of the acquired assets, liabilities and contingent liabilities after the reassessment still exceeds cost, the difference is recognised as income in the income statement.

On transition to IFRS, business combinations that occurred before 1 January 2004 have not been restated to reflect the changes in accounting policies. The carrying amount at 1 January 2004 of goodwill relating to business combinations performed before 1 January 2004 is considered to be the cost of goodwill. At 31 December 2007, the carrying amount of goodwill relating to business combinations performed before 1 January 2004 totals DKK 72,377k.

Profits or losses from divestment or winding-up of subsidiaries
Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and carrying amount of the net assets at the time of divestment or winding-up, inclusive of goodwill, accumulated exchange rate adjustments taken directly to equity, and estimated divestment or winding-up expenses. The selling price is measured at fair value of the consideration received.

Foreign currency translation

On initial recognition, transactions in currencies different from the individual enterprise' reporting currency are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated applying the transaction date exchange rate. Non-monetary items that are restated at fair value are translated using the exchange rate at the date of restatement.

When enterprises which present their financial statements in a functional currency different from Danish kroner (DKK) are recognised in the consolidated financial statements, the income statements are translated at the months' average exchange rates unless they vary significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the relevant enterprise acquired and is translated using the exchange rate at the balance sheet date.

Exchange differences arising out of the translation of foreign enterprises' equity at the beginning of the year using the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity. Similarly, exchange differences arising out of changes that have been made directly in the foreign enterprise's equity are taken directly to equity as well.

When foreign subsidiaries which use Danish kroner (DKK) as functional currency, but present their financial statements in a different currency are recognised in the consolidated financial statements, monetary assets and monetary liabilities are translated at the balance sheet date exchange rate. Non-monetary assets and liabilities which are measured based on historical cost are translated at the transaction date exchange rate. Non-monetary items measured at fair value are translated using the exchange rate at the date of the latest fair value adjustment.

The income statement items are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary assets and liabilities.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the date of settlement. Directly attributable expenses related to the purchase or issue of the individual financial instrument (transaction costs) are added to fair value on initial recognition unless the financial asset or the financial liability is measured at fair value with recognition of fair value adjustments in the income statement.

After initial recognition, derivative financial instruments are measured at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for efficiently hedging future transactions are recognised directly in equity. The ineffective part is recognised immediately in the income statement. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant transactions.

Changes in the fair value of derivative financial instruments that are applied for hedging net investments in foreign enterprises are recognised directly in equity if hedging is efficient. The ineffective part is recognised immediately in the income statement. If the relevant foreign enterprise is divested, the accumulated changes in value are taken to profit and loss.

Derivative financial instruments which do not qualify for treatment as hedging instruments are regarded as trading portfolios and measured at fair value with current recognition of fair value adjustments in the income statement under financial items.

Share-based incentive schemes

Share-based incentive programs under which employees may only opt to purchase shares in the Parent (equity arrangements) are measured at the equity instruments' fair value at the time of allotment and are recognised in the income statement under staff costs over the period during which the employees earn a right to purchase shares. The set-off entry is recognised directly in equity.

Share-based incentive arrangements, under which employees can opt to purchase shares at an agreed price or have the difference between the agreed price and the actual share price settled in cash, are measured at fair value at the grant date and recognised in the income statement under staff costs over the vesting period. Subsequently, the incentive arrangements are remeasured at each balance sheet date and upon final payment, and changes in the fair value of the arrangements are recognised in the income statement under staff costs proportionately to the past vesting period. The related set-off entry is recognised under liabilities.

The fair value of the equity instruments is computed by using the Black-Scholes model with the parameters stated in note 7.

Taxation

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/(loss) for the year and classified directly as equity by the portion attributable to entries directly on equity. Exchange adjustments of deferred tax are recognised as part of the year's adjustments of deferred tax.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this period's taxable income, adjusted for prepaid tax.

When calculating the current tax for the year, the tax rates and tax rules in effect at the balance sheet date are used.

Deferred tax is recognised according to the balance-sheet liability method of all temporary differences between carrying amounts and tax base values of assets and liabilities, apart from deferred tax on all temporary differences occurring on initial recognition of goodwill or on initial recognition of a transactions which is not a business combination, and for which the temporary difference found at the time of initial recognition neither affects the profit or loss in terms of accounting or the taxable income.

Deferred tax is recognised on all temporary differences related to investments in subsidiaries, unless the Parent is able to control when the deferred tax is realised, and it is probable that the deferred tax will not be triggered as current tax in the foreseeable future.

Deferred tax is calculated based on the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured by using the tax rates and tax rules in the relevant countries which are based on acts passed or acts passed in reality at the balance sheet date and which are expected to apply when the deferred tax is expected to be triggered as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to items previously recognised directly in equity. If so, such changes are also recognised directly in equity.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. On each balance sheet date, it is assessed whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

The Parent is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income.

Discontinued activities and non-current assets held for sale

Discontinued activities are material business areas or geographical areas sold or held for sale according to an overall plan. Results from discontinued activities are presented in the income statement as a separate item consisting of operating profit/loss after tax of the relevant activity and any gains or losses from fair value adjustments or sale of the assets related to the activity.

Non-current assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly related to the relevant assets are presented as current liabilities in the balance sheet.

Non-current assets held for sale are not depreciated, but are written down to the lower of fair value less estimated selling costs and carrying amount.

Income statement

Revenue
Revenue from the sale of goods for resale and manufactured goods is recognised in the income statement when delivery has taken place and risks have been transferred to the buyer. Revenue is calculated net of VAT, duties, etc collected on behalf of a third party as well as discounts.

Cost of sales
Cost of sales comprises expenses incurred to realise the revenue. Commercial enterprises include cost of sales in production costs, and manufacturing enterprises include costs of raw materials, consumables and production staff as well as maintenance of the property, plant and equipment and intangible assets applied in the manufacturing process.

Other operating income
Other operating income comprises income of a secondary nature to the Group's primary activities.

External expenses
External expenses comprise expenses for sale, advertising, administration, premises, bad debts, etc.

Other external expenses also include costs of development projects which do not meet the criteria for recognition in the balance sheet.

Staff costs
Staff costs comprise salaries and wages, social security costs, pension contributions, etc for the Company's staff.

Public grants
Public grants are recognised when it is considered fairly certain that the grant conditions have been met and the grant will be received.

Grants for cover of costs incurred are recognised in the income statement proportionally over the periods in which the related costs are recognised. The grants are set off against the costs incurred.

Net financials
These items comprise interest income and interest expenses, the interest portion of finance lease payments, realised and unrealised capital gains and

losses on securities, payables and transactions in foreign currencies, mortgage amortisation premium or allowance on mortgage debt, etc as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Interest income and expenses are accrued based on the principal amount and the effective interest rate. The effective interest rate is the discount rate that is used to discount expected future payments related to the financial asset or the financial liability in order for the present value of such asset or liability to match its carrying amount.

Dividends from equity investments are recognised when a final right to these dividends has been obtained. This is typically the date on which the general meeting adopts distribution from the relevant company.

Balance sheet

Goodwill

Goodwill is recognised and measured on initial recognition as the difference between cost of the acquired enterprise and the fair value of the acquired assets, liabilities and contingent liabilities, see the description under consolidated financial statements.

When goodwill is recognised, the goodwill amount is distributed on those of the Group's activities generating separate payments (cash-generating units). Determination of cash-generating units complies with the managerial structure and internal financial management and reporting in the Group.

Goodwill is not amortised, but tested at least once a year for impairment, see below.

Other intangible assets

Development projects on clearly defined and identifiable products and processes are recognised as intangible assets if it is probable that the product or the process will generate future economic benefits for the Group, and the development costs of each asset can be measured reliably. Other development costs are recognised as costs in the income statement as incurred.

On initial recognition, development costs are measured at cost. The cost of development projects comprises costs such as salaries and amortisation that are directly attributable to the development projects and are needed to complete the project, calculated from the time at which the development project first meets the criteria for being recognised as an asset.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is up to five years.

Development projects are written down to any lower recoverable amount, see below. Development projects in progress are tested at least once per year for impairment.

Acquired intellectual property rights in the form of software are measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over 3 years.

Acquired intellectual property rights are written down to any lower recoverable amount, see below.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For own-manufactured assets, cost comprises costs directly attributable to the manufacture of the asset, including materials, components, subsuppliers and payroll. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments. Interest expenses on loans raised to finance the production of tangible assets are not recognised in the cost of such assets.

The basis of depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs if the asset is of an age and a condition that is expected after the end of useful life. Cost of a total asset is divided into small components depreciated individually if the useful life is different.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	40 years
Building installations	10 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	5-10 years
Computer purchase	3 years

Leasehold improvements are depreciated over the rental period, however not more than 10 years.

Depreciation methods, useful lives and residual amounts are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount, see below.

Impairment of property, plant and equipment, intangible assets as well as investments in subsidiaries

The carrying amounts of property, plant and equipment and intangible assets with definite useful lives as well as investments in subsidiaries are tested at the balance sheet date for any indication of impairment. If impaired, the recoverable amount of the asset is estimated to determine the need for any write-down and the extent thereof.

The recoverable amount of development projects and goodwill is estimated annually irrespective of any indications of impairment.

If the asset does not generate cash independently of other assets, the recoverable amount of the smallest cash-generating unit in which the assets is included is estimated.

The recoverable amount is calculated as the highest of the asset's or the cash-generating unit's fair value less selling costs and net present value. When the net present value is determined, estimated future cash flows are discounted at present value using a discount rate that reflects current market estimates of the value of money in terms of time, as well as the particular risks related to the asset and the cash-generating unit, respectively, and for which no adjustment is made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is estimated to be lower than carrying amount, the carrying amount is written down to recoverable amount. For cash-generating units, write-down is distributed in such way that goodwill amounts are written down first and then any remaining need for write-down is distributed on the other assets of the unit, however, the individual asset is not written down to an amount that is a lower than its fair value net of estimated selling costs.

Impairment losses are recognised in the income statement. In case of any subsequent reversals of impairment losses resulting from change in assumptions of the estimated recoverable amount, the carrying amount of the asset and the cash-generating unit, respectively, is increased to the adjusted estimate of the recoverable amount, however, to no more than the carrying amount which the asset or the cash generating unit would have had if the write-down had not been performed. Impairment losses relating to goodwill are not reversed.

Investments in subsidiaries in the Parent's financial statements
Investments in subsidiaries are measured at cost in the Parent's annual report.

If cost exceeds the recoverable amount of the investments, they are written down to such lower amount. Cost is also written down if more dividends are distributed than have in aggregate been earned by the enterprise since the Parent's acquisition of investments.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as allocated fixed and variable indirect production costs.

Variable indirect production costs comprise indirect materials and labour costs, and they are allocated based on pre-calculations of the goods actually manufactured. Fixed indirect production costs comprise costs of maintenance and depreciation of machinery, factory buildings and equipment applied for the manufacturing process as well as general costs relating to factory administration and management. Fixed production costs are allocated on the basis of the normal capacity of production plant.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables comprise trade receivables as well as other receivables. Receivables are categorised as loans and receivables which are financial assets with fixed or determinable payments which are not listed at an active market and which are not derivatives.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost usually equalling nominal value less provisions for bad debts. Write-downs are performed individually.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Dividends
Dividends are recognised as a liability at the time of adoption at the Annual General Meeting.

Treasury shares
Acquisition and selling prices of as well as dividends on treasury shares are classified directly as equity under retained earnings.

Pension commitments, etc
Under defined contribution plans, the Group pays fixed contributions to independent pension providers, etc. on a current basis. The contributions are recognised in the income statement in the period in which the employees have performed the work entitling the pension contribution. Contributions payable are recognised in the balance sheet under liabilities.

In the case of defined benefit plans, the Group is liable to pay a specific benefit when the relevant employees retire. The Group has not entered into any defined benefit plans.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of events in this or previous financial years, and repayment of such liability is likely to result in a drain on the enterprise's financial resources.

Provisions are measured as the best estimate of costs necessary to settle the obligation on the balance sheet date. Provisions that are estimated to mature after more than one year after the balance sheet date are measured at their present value.

In connection with planned restructurings of the Group, provisions are only made for obligations relating to restructurings that were decided at the balance sheet date according to a specific plan, and where the parties involved have been informed about the overall plan.

Mortgage debt
Mortgage debt is measured at cost at the time of borrowing less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the repayable amount is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease commitments
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities, and, at the time of inception of the lease, measured at the lower of the lease asset's fair value and the present value of future lease payments.

Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the leases.

Other financial liabilities
Other financial liabilities comprise bank debt, trade payables and other payables to public authorities, etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs. The liabilities are subsequently measured at amortised cost applying the effective interest method to the effect that the difference between the proceeds and the nominal amount is recognised in the income statement as a financial expense over the term of the loan.

Deferred income
Deferred income is income received for subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from enterprises acquired are recognised in the cash flow statement from the time of their acquisition, and cash flows from enterprises divested are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes as well as financial income, financial expenses and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and financial assets as well as acquisition, development, improvement and sale, etc of intangible assets and property, plant and equipment. Furthermore, cash flows in the form of lease payments made on assets held under finance leases are recognised.

Cash flows from financing activities comprise changes in the Parent's share capital and any related costs as well as the raising and settlement of loans, instalments on interest-bearing debt, purchase of treasury shares and payment of dividends.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement, using the average exchange rates on a monthly basis, unless they vary significantly from the actual exchange rate at the transaction dates. In the latter case, the actual exchange rates of the individual dates are used.

Cash and cash equivalents are cash and marketable securities with an insignificant price exposure less any overdraft facilities forming an integral part of cash management.

Segment information

Segment information is provided for business segments (primary basis of segmentation) and geographical markets (secondary basis of segmentation). The segment information follows the Group's risks, the Group's accounting policies and internal financial management.

Segment income and segment expenses as well as segment assets and segment liabilities consist of the financial statement items directly attributable to each segment and the financial statement items that can be allocated to each segment on a reliable basis. The non-allocated financial statement items primarily relate to assets and liabilities as well as income and expenses involved in the Group's administrative functions, investment activities, income taxes, etc.

Non-current assets in the segments are those used directly in the operation of the segment, including intangible assets and property, plant and equipment.

Current assets in the segments are those involved directly in the operation of the segment, including inventories, trade receivables, other receivables, prepayments and accrued income as well as cash.

Liabilities related to the segments comprise liabilities derived from the activities of the segment, including trade payables, provisions and other payables.

Transactions between the segments are priced at estimated market values.

Financial highlights

Financial highlights have been defined and calculated in accordance with "Recommendations & Financial Ratios 2005" issued by the Danish Society of Financial Analysts.

Key figures
The calculation of earnings per share and diluted earnings per share is specified in note 13.

Net working capital (NWC) is defined as the value of inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Cash and receivables and income tax payable are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

Ratios	Calculation formula	Ratios reflect
Operating profit/loss, EBITDA margin (%) =	Profit/loss before depreciation, amortisation, and impairment losses (EBITDA) x 100 / Revenue	The enterprise's operating profitability expressed as the enterprise's ability to generate profits on operating activities.
Profit margin, EBIT margin (%) =	Profit/loss before financial items (EBIT) x 100 / Revenue	The enterprise's operating profitability expressed as the enterprise's ability to generate profits on operating activities before financial items.
Return on invested capital including goodwill =	Profit/loss before financial items (EBIT) x 100 / Average invested capital invluding goodwill	The return generated by the enterprise on investors' funds through the operating activities.
Return on invested capital excluding goodwill (%) =	Profit/loss before financial items (EBIT) x 100 / Average invested capital excluding goodwill	The return generated by the enterprise on invested capital through the operating activities.
Return on equity (%) =	Profit/loss for the year x 100 / Average equity	The enterprise's ability to generate return to the Parent's shareholders when considering the enterprise's capital base.
Financial gearing =	Net interest-bearing debt / Equity	The enterprise's financial gearing expressed as the enterprise's sensitivity to changes in the level of activity, etc.

2. Material accounting estimates, assumptions and uncertainties

Several financial statement items cannot be measured reliably, but only be estimated. Such estimates comprise assessments made on the basis of the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the conditions on which the estimate was based or due to additional information, further experience or subsequent events.

Material accounting estimates

In connection with the accounting policies applied as described above, Management has made accounting estimates: For instance relating to the valuation of subsidiaries, the useful lives of property, plant and equipment, the valuation of receivables and the valuation of goodwill.

Assumptions and uncertainties of the valuation of goodwill are described below. Furthermore, it is assessed that Management has not made accounting estimates that materially affect the annual report, and the accounting estimates made are not considered to be subject to material uncertainty.

Changes in accounting estimates

No changes have been made in accounting estimates in the financial year.

Significant assumptions and uncertainties

Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In this connection it is necessary to assume a course of events, etc reflecting Management's assessment of the most likely course of events. In the annual report for 2007, the following assumptions and uncertainties should especially be noted as they have had considerable impact on the assets and liabilities recognised in the annual report and may require corrections in subsequent financial years if the courses of events assumed are not realised as expected:

Recoverable amount of goodwill

A review for impairment of recognised amounts of goodwill requires a calculation of the values in use of the cash-generating units to which the amounts of goodwill are allocated. The determination of the value in use requires an estimate of the expected future cash flows in each cash-generating unit as well as determination of a fair discount rate. The carrying amount of goodwill amounts to DKK 88,211k at 31 December 2007. For a further description of the discount rates, etc applied, see note 14.

PARENT			GROUP	
2006	2007	DKK'000	2007	2006
		3. Production costs		
0	0	Cost of sales	469,150	435,969
0	0	Impairment of inventories	1,274	2,201
0	0	Staff costs	163,501	162,257
0	**0**		**633,925**	**600,427**

4. Other operating income

Group

In 2007, other operating income includes rental income.

In 2006, other operating income included rental and lease income as well as income from sale of activity.

Parent

Both in 2006 and 2007, other operating income includes rental income and services to other group enterprises.

PARENT			GROUP	
2006	2007	DKK'000	2007	2006
		5. Development costs		
		The following has been expensed:		
1,288	2,361	Development costs incurred	2,361	1,288
1,288	**2,361**		**2,361**	**1,288**
		6. Staff costs		
6,826	8,424	Wages and salaries	246,730	236,526
252	229	Pension contribution, defined contribution plan	13,281	12,567
56	93	Other social security costs	10,039	7,593
483	487	Other staff costs	13,234	10,914
417	1,530	Share-based remuneration	1,530	417
0	(126)	Refund from public authorities	(6,346)	(4,568)
8,034	**10,637**		**278,468**	**263,449**
		The staff costs are broken down as follows:		
0	0	Production costs	163,501	162,257
8,034	10,637	Staff costs	114,967	101,192
8,034	**10,637**		**278,468**	**263,449**
7	7	Average number of employees	954	891

6. Staff costs (continued)

Remuneration for Management

Members of the Parent's Executive Board and Supervisory Board as well as other executives are remunerated as follows:

	GROUP			
	Supervisory Board		Executive Board	
DKK'000	**2007**	**2006**	**2007**	**2006**
Fees for the Supervisory Board	926	1,051	-	-
Wages and salaries	0	0	3,659	3,233
Share-based remuneration	0	0	690	417
	926	**1,051**	**4,349**	**3,650**

	PARENT			
	Supervisory Board		Executive Board	
DKK'000	**2007**	**2006**	**2007**	**2006**
Fees for the Supervisory Board	926	1,051	-	-
Wages and salaries	0	0	3,345	2,134
Share-based remuneration	0	0	690	417
	926	**1,051**	**4,035**	**2,551**

The Company has entered into defined contribution plans for the majority of its employees. Under the agreements made, the Company pays a monthly contribution to independent pension providers.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
252	**229**	**Contributions to defined pension plans taken to the income statement**	**13,281**	**12,567**

7. Share-based remuneration

Equity-settled share option plans, Parent and Group

To tie the Executive Board and other executives more closely to the Group, SP Group A/S has set up the following share-based remuneration plans:

Warrant plan 2007

In 2007, the Group set up an incentive scheme for the Company's Executive Board and 20 executives. The scheme is based on warrants. A total of 80,000 warrants are issued of which the Executive Board is granted 20,000, and the rest is granted to executives.

The exercise price is fixed at 160 per share of nominally DKK 100 plus 7.5% p.a. calculated from 1 May 2007 and until the warrants are exercised. The exercise price is fixed based on the listed price immediately before and after the publication of the annual report on 29 March 2007. The issued warrants will expire without net settlement, if the warrants are not exercised.

The warrants issued can be used to buy shares in the Company in the period 1 April 2010 to 31 March 2011.

The estimated fair value of the warrants issued is calculated at approx. DKK 4,900k on the assumption that the granted warrants are exercised in March 2010. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Estimated volatility	31%
Risk-free interest rate	4.25%
Share price	215
Estimated dividend rate	0%

The estimated volatility is determined on the basis of a 12 months' historic volatility based on daily observations of the Company's share price.

Option plan 2006

In 2006, the Company set up an option program for the Parent's CEO.

The share option plan, which can only be exercised on the purchase of the shares in question (equity-settled share option plan), entitles the CEO to buy up to 13,975 shares in the Parent at a price of 109 per share of nominally DKK 100 plus 7.5% p.a. calculated from 1 January 2006 and until the options are exercised. The exercise price is equal to the listed price at the beginning of 2006. The options issued can be used to buy shares in the Company in 2009 and until 31 March 2010. If the options are not exercised within this period of time, the option will lapse.

The estimated fair value of the option is calculated at approx. DKK 199k on the assumption that the option is exercised in March 2009. The options are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Estimated volatility	28%
Risk-free interest rate	3%
Share price	110
Estimated dividend rate	0%

The estimated volatility is determined on the basis of a six months' historic volatility based on daily observations.

Warrant plan 2005

The Parent's CEO was granted 54,000 warrants (share options) in 2005. The warrants issued can be used for subscription of shares in the Company in the period 15 November 2007 to 15 November 2008. The exercise price is fixed at 81 per share of nominally DKK 100 plus 7.5% p.a. The warrants cannot be exercised at a price below 100 at the exercise date. If the exercise price is below 100 at the exercise date, the warrants issued will expire against payment of a cash payment equal to net settlement.

The estimated fair value of the warrants is calculated at approx. DKK 850k on the assumption that the warrants are exercised as early as possible. The warrants are valued using the Black-Scholes pricing model. The valuation is based on the following assumptions:

Estimated volatility	23%
Risk-free interest rate	2.5%
Share price	95
Estimated dividend rate	0%

The estimated volatility is determined on the basis of a six months' historic volatility based on daily observations.

7. Share-based remuneration (continued)

Equity-settled share option plans, Parent and Group

Development in the financial year

The development in outstanding options and warrants can be specified as follows:

	Number of share options	Number of share options	Number of warrants	Number of warrants
	2007	**2006**	**2007**	**2006**
Options/warrants outstanding at 1 January	13,975	0	54,000	54,000
Granted in the financial year	0	13,975	80,000	0
Exercised in the financial year	0	0	0	0
	13,975	**13,975**	**134,000**	**54,000**
Number to exercise 31.12.	0	0	54.000	0

The fair values of the warrants and options issued calculated on the date of grant are recognised proportionally in the income statement as staff costs over the period until the exercise date.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
417	**1,530**	Share-based remuneration recognised in income statement, equity-settled share option plan	**1,530**	**417**
		8. Depreciation, amortisation and impairment losses		
0	0	Impairment of goodwill	291	0
126	229	Amortisation of other intangible assets	1,991	1,334
980	1,153	Amortisation and depreciation of property, plant and equipment	36,437	36,266
(268)	0	Profit/loss on sale of assets	(371)	(161)
838	**1,382**		**38,348**	**37,439**
		9. Income from group enterprises		
0	8,596	Dividends	-	-
0	**8,596**		**-**	**-**

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		10. Other financial income		
3,830	6,656	Interest, etc	899	875
412	247	Interest from group enterprises	-	-
4,242	**6,903**	**Interest income from financial assets not measured at fair value**	**899**	**875**
0	544	Fair value adjustment of derivative financial instruments used to hedge the fair value of financial instruments	544	0
0	0	Other financial income	1,140	350
209	2,803	Exchange adjustments	2,122	0
4,451	**10,250**		**4,705**	**1,225**
		11. Financial expenses		
3,366	6,797	Interest, etc	18,070	13,433
531	173	Interest to group enterprises	-	-
3,897	**6,970**	**Interest expenses on financial liabilities not measured at fair value**	**18,070**	**13,433**
1,900	0	Fair value adjustment of derivative financial instruments used to hedge the fair value of financial instruments	0	1,900
0	0	Exchange adjustments	0	1,240
5,797	**6,970**		**18,070**	**16,573**
		12. Tax on profit/loss for the year		
(2,219)	0	Current tax	5,451	6,295
(796)	(2,396)	Change in deferred tax	778	1,364
0	62	Adjustment of deferred tax as a result of change in the Danish tax rate	(1,825)	0
0	893	Adjustment concerning previous years	893	58
(3,015)	**(1,441)**		**5,297**	**7,717**

The current income tax for the financial year is calculated on the basis of a tax rate of 25% for Danish enterprises (2006: 28%). For foreign enterprises the current tax rate in the country in question is used.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**

12. Tax on profit/loss for the year (continued)

Tax on profit/loss for the year can be specified as follows:

PARENT 2006	PARENT 2007	DKK'000	GROUP 2007	GROUP 2006
		Reconciliation of tax rate:		
(28)	(25)	Danish tax rate	25	28
-	(25)	Effect of changed tax rate	(9)	-
0	0	Effect of differences in tax rates for foreign enterprises	3	0
0	(881)	Income/expenses from group enterprises	-	-
1	(25)	Other non-taxable and non-deductible costs	2	9
0	366	Other, including adjustment related to previous years	4	0
(27)	**(590)**	**Effective tax rate for the year**	**25**	**37**

The Parent's tax rate in 2007 is materially affected by tax-exempt dividends from subsidiaries.

DKK'000	**2007**	**2006**

13. Earnings per share

The calculation of earnings per share is based on the following:

DKK'000	2007	2006
Profit/loss to Parent's shareholders	**12,577**	**10,254**

Number	**2007**	**2006**
Average number of shares issued	2,000,000	1,928,245
Average number of treasury shares issued	(13,975)	(13,975)
Number of shares used to calculate earnings per share	**1,986,025**	**1,914,270**
Average dilution effect of warrants outstanding	**28,388**	**24,055**
Number of shares used to calculate diluted earnings per share	**2,014,413**	**1,938,325**

DKK'000	Completed development projects	Software	Goodwill	Development projects in progress
				GROUP
14. Intangible assets				
Cost at 1 January 2007	2,870	7,519	88,684	0
Value adjustment	0	9	(1,223)	0
Additions	0	1,921	2,611	1,791
Disposals	0	0	0	0
Cost at 31 December 2007	**2,870**	**9,449**	**90,072**	**1,791**
Amortisation and impairment losses at 1 January 2007	1,816	5,304	1,570	0
Value adjustment, etc	0	(36)	0	0
Amortisation for the year	473	1,518	0	0
Impairment losses for the year	0	0	291	0
Reversal relating to disposals	0	0	0	0
Amortisation and impairment losses at 31 December 2007	**2,289**	**6,786**	**1,861**	**0**
Carrying amount at 31 December 2007	**581**	**2,663**	**88,211**	**1,791**
Cost at 1 January 2006	2,690	0	84,183	0
Value adjustment	0	0	(1,055)	0
Reclassification from property, plant and equipment	0	5,987	0	0
Additions	180	1,532	5,556	0
Disposals	0	0	0	0
Cost at 31 December 2006	**2,870**	**7,519**	**88,684**	**0**
Amortisation and impairment losses at 1 January 2006	1,102	0	1,570	0
Reclassification from property, plant and equipment	0	4,684	0	0
Amortisation and impairment losses for the year	714	620	0	0
Reversal relating to disposals	0	0	0	0
Amortisation and impairment losses at 31 December 2006	**1,816**	**5,304**	**1,570**	**0**
Carrying amount at 31 December 2006	**1,054**	**2,215**	**87,114**	**0**

		PARENT
DKK'000	**Software**	**Completed development projects**

14. Intangible assets (continued)

Cost at 1 January 2007	701	0
Additions	466	0
Disposals	0	0
Cost at 31 December 2007	**1,167**	**0**
Amortisation and impairment losses at 1 January 2007	302	0
Amortisation and impairment losses for the year	229	0
Reversal relating to disposals	0	0
Amortisation and impairment losses at 31 December 2007	**531**	**0**
Carrying amount at 31 December 2007	**636**	**0**
Cost at 1 January 2006	0	889
Asset contribution to subsidiaries	0	(889)
Reclassification from property, plant and equipment	378	0
Additions	323	0
Disposals	0	0
Cost at 31 December 2006	**701**	**0**
Amortisation and impairment losses at 1 January 2006	0	703
Asset contribution to subsidiaries	0	(703)
Reclassification from property, plant and equipment	176	0
Amortisation and impairment losses for the year	126	0
Reversal relating to disposals	0	0
Amortisation and impairment losses at 31 December 2006	**302**	**0**
Carrying amount at 31 December 2006	**399**	**0**

14. Intangible assets (continued)

Goodwill

Goodwill arising on business acquisitions, etc is distributed at the time of acquisition to the cash-generating units, which are expected to achieve financial benefits from the business combination.

The carrying amount of goodwill after impairment is distributed as follows by cash-generating unit:

		GROUP
DKK'000	**2007**	**2006**
Coatings (independent cash-generating unit)	9,823	9,823
Vacuum forming (independent cash-generating unit)	34,289	34,289
Injection moulding (several cash-generating units)	22,968	22,968
Polyurethane (the Ergomat Group) (several cash-generating units)	10,463	11,487
Polyurethane (the TPI Group) (several cash-generating units)	10,668	8,547
	88,211	**87,114**

Goodwill is tested at least once a year for impairment and more frequently in the event of indications of impairment. The annual impairment test is usually made at 31 December.

Impairment of goodwill has been made in the year under review as follows:

Ergomat-Nederland B.V.	291	0
Polyurethane (the Ergomat Group)	**291**	**0**

The reason for the impairment is cessation of activity in the Dutch company.

The recoverable amount of the cash-generating units to which the goodwill amounts relate is calculated on the basis of a calculation of net present value. The most significant uncertainties are connected with the determination of the discount rates and growth rates as well as expected changes in sales prices and production costs in the budget and terminal periods.

The discount factors determined reflect the market assessments of the time value of money expressed as a risk-free interest rate and the specific risks attached to the cash-generating unit.

14. Intangible assets (continued)

Goodwill

The fixed sales prices, production costs and growth rates are based on historical experience as well as expectations for future market changes.

The calculation of the net present value is based on the cash flows stated in the most recent management-approved forecasts for the coming five financial years. For financial years after the forecast period, cash flows have been extrapolated for the most recent forecast periods adjusted for an expected growth rate.

The most significant parameters for calculating recoverable amounts are as follows:

	2007	2006
Discount rate after tax	7,5%	7,2%
Discount rate before tax	10%	10%
Growth rate in the terminal period	3%	3%
Inflation in the terminal period	0%	0%

The above parameters have been used for all cash-generating units as it is assessed that there are no material differences in the parameters affecting the net present value in the individual cash-generating units.

Other intangible assets

Apart from goodwill, all intangible assets are regarded as having determinable useful lives over which the assets are amortised, see accounting policies.

					GROUP
DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc	Leasehold improve-ments	Property, plant and equipment in progress
15. Property, plant and equipment					
Cost at 1 January 2007	171,569	429,946	48,227	9,299	15,451
Value adjustment	0	15	0	281	183
Reclassification of non-current assets held for sale	(10,498)	0	0	0	0
Additions	5,907	41,091	5,167	3,431	14,202
Disposals	(31)	(24,844)	(3,580)	(1)	(20,905)
Cost at 31 December 2007	**166,947**	**446,208**	**49,814**	**13,010**	**8,931**

DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc	Leasehold improve-ments	Property, plant and equipment in progress
					GROUP

15. Property, plant and equipment (continued)

Depreciation and impairment losses at 1 January 2007	52,636	305,409	33,449	2,312	0
Value adjustment	(1)	(15)	34	103	0
Reclassification of non-current assets held for sale	(880)	0	0	0	0
Transfer	900	0	0	0	0
Depreciation for the year	4,953	22,619	5,296	1,735	0
Impairment losses for the year	0	2,699	0	0	0
Reversal relating to disposals	(5)	(20,564)	(2,915)	0	0
Depreciation and impairment losses at 31 December 2007	**57,603**	**310,148**	**35,864**	**4,150**	**0**
Carrying amount at 31 December 2007	**109,344**	**136,060**	**13,950**	**8,860**	**8,931**
Cost at 1 January 2006	201,690	405,954	49,623	5,210	6,298
Value adjustment	(9)	(969)	(259)	(201)	2
Reclassification of non-current assets held for sale	(20,186)	0	0	0	0
Reclassification to intangible assets	0	0	(5,987)	0	0
Transfer	1,181	3,333	1,110	0	0
Additions	8,133	31,541	7,954	4,529	20,830
Additions relating to acquisition of enterprise	0	9,529	128	0	0
Disposals	(19,240)	(19,442)	(4,342)	(239)	(11,679)
Cost at 31 December 2006	**171,569**	**429,946**	**48,227**	**9,299**	**15,451**
Revaluation at 1 January 2006	4,217	3,850	1,126	0	0
Reclassification to non-current assets held for sale	(957)	0	0	0	0
Transfer	(1,181)	(3,333)	(1,110)	0	0
Additions	0	0	0	0	0
Disposals	(2,079)	(517)	(16)	0	0
Revaluation at 31 December 2006	**0**	**0**	**0**	**0**	**0**

DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc	Leasehold improve-ments	Property, plant and equipment in progress
					GROUP
15. Property, plant and equipment (continued)					
Depreciation and impairment losses at 1 January 2006	68,536	300,157	36,870	1,153	0
Value adjustment	(4)	(676)	(150)	(21)	0
Reclassification of non-current assets held for sale	(13,290)	0	0	0	0
Reclassification to intangible assets	0	0	(4,684)	1,353	0
Depreciation for the year	4,598	25,253	4,889	0	0
Reversal relating to disposals	(7,204)	(19,325)	(3,476)	(173)	0
Depreciation and impairment losses at 31 December 2006	**52,636**	**305,409**	**33,449**	**2,312**	**0**
Carrying amount at 31 December 2006	**118,933**	**124,537**	**14,778**	**6,987**	**15,451**
Carrying amount includes recognised leased assets at 31 December 2006	0	527	0	0	0

DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc	Property, plant and equipment in progress
				PARENT
Cost at 1 January 2007	32,050	0	70	0
Reclassification of non-current assets held for sale	(10,497)	0	0	0
Additions	863	0	33	231
Disposals	0	0	0	0
Cost at 31 December 2007	**22,416**	**0**	**103**	**231**
Depreciation and impairment losses at 1 January 2007	2,915	0	58	0
Reclassification of non-current assets held for sale	(880)	0	0	0
Depreciation for the year	1,137	0	16	0
Reversal relating to disposals	0	0	0	0
Depreciation and impairment losses at 31 December 2007	**3,172**	**0**	**74**	**0**
Carrying amount at 31 December 2007	**19,244**	**0**	**29**	**231**

DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc	Property, plant and equipment in progress
				PARENT
15. Property, plant and equipment (continued)				
Cost at 1 January 2006	61,371	36,488	5,119	3,153
Asset contribution to subsidiaries	(30,370)	(36,488)	(4,591)	(3,153)
Additions	2,149	0	0	0
Disposals	(1,100)	0	(458)	0
Cost at 31 December 2006	**32,050**	**0**	**70**	**0**
Depreciation and impairment losses at 1 January 2006	9,843	29,233	4,136	0
Asset contribution to subsidiaries	(7,820)	(29,233)	(3,826)	0
Depreciation for the year	958	0	22	0
Reversal relating to disposals	(66)	0	(274)	0
Depreciation and impairment losses at 31 December 2006	**2,915**	**0**	**58**	**0**
Carrying amount at 31 December 2006	**29,135**	**0**	**12**	**0**

16. Investments in subsidiaries

PARENT 2006	PARENT 2007	DKK'000
356,130	396,470	Cost at 1 January
0	28,549	Additions related to acquisition of enterprises
40,340	0	Additions relating to establishment of subsidiaries
0	100,000	Capital increase in subsidiaries
396,470	**525,019**	**Cost at 31 December**
(240,835)	(240,835)	Impairment losses at 1 January
0	0	Impairment losses for the year
(240,835)	**(240,835)**	**Impairment losses at 31 December**
155,635	**284,184**	**Carrying amount at 31 December**

16. Investments in subsidiaries (continued)

Investments in subsidiaries comprise:

	Registered office	Ownership interest		Share of voting rights		Activity
		2007	2006	2007	2006	
SP Moulding A/S	Denmark	100%	100%	100%	100%	Production and sale of injection-moulded items
Accoat A/S	Denmark	100%	100%	100%	100%	Production and sale of coatings
Gibo Plast A/S	Denmark	100%	100%	100%	100%	Production and sale of vacuum-formed items
Tinby A/S	Denmark	100%	100%	100%	100%	Production and sale of polyurethane products
Ergomat A/S	Denmark	100%	100%	100%	100%	Production and sale of polyurethane products
Tinby GmbH	Germany	100%	100%	100%	100%	Lease of property
TPI Polytechniek B.V.	Netherlands	70%	60%	70%	60%	Sale of polyurethane products

In 2007, there have been the following changes in ownership interest:
Ergomat-Nederland BV, acquisition, 40% (owned by Ergomat A/S)
TPI Polytechniek B.V., 10%
TPI Polyteckniek B.V., 60%, intra-group acquisition from Tinby A/S

In 2006, there have been the following changes in ownership interest:
Ergomat Sweden AB, acquisition, 60% (owned by Ergomat Danmark A/S)
Ergomat LLC, acquisition, 22.58% (owned by Tinby USA Inc.)

PARENT			GROUP	
2006	2007	DKK'000	2007	2006
		17. Other securities		
11	0	Cost at 1 January	11	11
(11)	0	Disposals relating to establishment of subsidiaries	0	0
0	**0**	**Cost at 31 December**	**11**	**11**
0	**0**	**Carrying amount at 31 December**	**11**	**11**
		18. Inventories		
0	0	Raw materials and consumables	60,824	58,968
0	0	Work in progress	8,612	12,020
0	0	Manufactured goods and goods for resale	79,186	67,749
0	**0**		**148,622**	**138,737**
		19. Trade receivables		
0	**0**	Impairment losses for the year are recognised in the income statement.	**486**	**2,201**
		Trade receivables are written down directly if, based on an individual assessment of the debtors' ability to pay, the value has depreciated, e.g. in case of suspension of payments, bankruptcy, etc. Trade receivables are written down to net realisable value.		
		The carrying amount of receivables written down to net realisable value based on an individual assessment amounts to DKK 0 (2006: DKK 0).		
		Due receivables not written down:		
0	0	Due by up to one month	10,260	16,176
0	0	Due between one and three months	5,156	3,415
0	0	Due by more than three months	2,411	809
0	**0**		**17,827**	**20,400**

20. Other receivables

Receivables are not subject to any special credit risks, and as in the previous year writedown of these is not recognised. None of the receivables have fallen due.

21. Cash

The Group's and the Parent's cash primarily consists of bank deposits. Consequently, cash is not considered to be subject to any special credit risk. Bank deposits and bank debt carry a floating interest rate. The carrying amounts are equal to the fair values of the assets. The Group has undrawn credit facilities totalling DKK 74 million (at 31 December 2006: DKK 55 million).

22. Non-current assets held for sale

In 2006 and 2007, Management has decided to sell some of the Group's properties which are not expected to be used for the Group's operating activities. The properties are expected to be sold within 12 months. The properties are classified as non-current assets held for sale in the balance sheet.

Two of the three properties have been sold after closing of accounts.

23. Share capital

Share capital consists of 2,000,000 shares at DKK 100. The shares are fully paid. The shares have not been divided into classes. The shares do not carry any special rights.

PARENT		
2006	2007	
1,778,670	2,000,000	Number of treasury shares at 1 January
177,800	0	Capital increase by cash payment on 4 April 2006
43,530	0	Capital increase by cash payment on 11 August 2006
2,000,000	**2,000,000**	

						PARENT
	Number		Nominal value		% of share capital	
	2007	2006	2007	2006	2007	2006
Treasury shares						
Treasury shares at 1 January	13,975	13,975	1,398	1,398	0,70	0,79
Change resulting from the capital increase	-	-	-	-	-	(0,09)
Treasury shares at 31 December	**13,975**	**13,975**	**1,398**	**1,398**	**0,70**	**0,70**

23. Share capital (continued)

In 2006 and 2007, the Company did not carry out trade in treasury shares. Treasury shares have been acquired to cover incentive programmes.

				GROUP
DKK'000	**Share premium account**	**Reserve for exchange adjustments**	**Reserve for share-based remuneration**	**Total**

24. Other reserves

Reserve at 1 January 2006	0	1,151	142	1,293
Share premium account	1,378	0	0	1,378
Share premium transferred to distributable reserves	(1,378)	0	0	(1,378)
Exchange adjustment relating to foreign enterprises	0	(1,331)	0	(1,331)
Recognition of share-based remuneration, net	0	0	261	261
Reserve at 31 December 2006	**0**	**(180)**	**403**	**223**
Exchange adjustment relating to foreign enterprises	0	(921)	0	(921)
Recognition of share-based remuneration, net	0	0	1,164	1,164
Reserve at 31 December 2007	**0**	**(1,101)**	**1,567**	**466**

			PARENT
DKK'000	**Share premium account**	**Reserve for share-based remuneration**	**Total**
Reserve at 1 January 2006	0	142	142
Share premium account	1,378	0	1,378
Share premium transferred to distributable reserves	(1,378)	0	(1,378)
Recognition of share-based remuneration, net	0	261	261
Reserve at 31 December 2006	**0**	**403**	**403**
Recognition of share-based remuneration, net	0	1,164	1,164
Reserve at 31 December 2007	**0**	**1,567**	**1,567**

24. Other reserves (continued)

The reserve for exchange adjustments comprises all exchange adjustments arising from the translation of financial statements of entities with a different functional currency than Danish kroner.

The reserve for share-based remuneration comprises the accumulated value of the earned right to share option plans and warrants (equity-settled share option plans) measured at the fair value of the equity instruments at the date of grant and recognised over the vesting period. The reserve is dissolved as the employees exercise the earned right to acquire share options/warrants.

						GROUP
DKK'000	**Bank debt**		**Finance lease obligations (minimum lease payments)**		**Financial institutions**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
25. Non-current liabilities						
Non-current liabilities are due as follows:						
Within one year from the balance sheet date	5,842	1,474	0	217	7,205	7,800
Between one and two years from the balance sheet date	101,624	109,813	0	310	6,728	6,847
Between two and three years from the balance sheet date	798	1,313	0	0	6,574	6,333
Between three and four years from the balance sheet date	798	1,079	0	0	6,321	6,129
Between four and five years from the balance sheet date	798	1,079	0	0	6,508	5,846
After five years from the balance sheet date	4,148	4,102	0	0	83,333	68,674
	114,008	**118,860**	**0**	**527**	**116,669**	**101,629**
Liabilities are recognised in the balance sheet as follows:						
Current liabilities	5,842	1,474	0	217	7,205	7,800
Non-current liabilities	108,166	117,386	0	310	109,464	93,829
	114,008	**118,860**	**0**	**527**	**116,669**	**101,629**

DKK'000	GROUP Present value of minimum lease payments 2007	2006
25. Non-current liabilities (continued)		
Due within one year from the balance sheet date	0	205
Due between one and five years from the balance sheet date	0	276
Due between two and three years from the balance sheet date	0	0
	0	**481**

DKK'000	PARENT Bank debt 2007	2006	Financial institutions 2007	2006
Non-current liabilities are due as follows:				
Within one year from the balance sheet date	4,400	400	2,021	2,281
Between one and two years from the balance sheet date	100,636	108,321	1,390	2,109
Between two and three years from the balance sheet date	0	0	1,084	1,483
Between three and four years from the balance sheet date	0	0	695	1,175
Between four and five years from the balance sheet date	0	0	729	785
After 5 years from the balance sheet date	0	0	15,813	16,219
	105,036	**108,721**	**21,732**	**24,052**
Liabilities are recognised in the balance sheet as follows:				
Current liabilities	4,400	400	2,021	2,281
Non-current liabilities	100,636	108,321	19,711	21,771
	105,036	**108,721**	**21,732**	**24,052**

PARENT			GROUP	
Deferred tax assets	Deferred tax liabilities	DKK'000	Deferred tax assets	Deferred tax liabilities
		26. Deferred tax		
0	4,263	Deferred tax at 1 January 2006	0	17,460
0	0	Exchange rate adjustment	0	5
0	(4,200)	Transfer by contribution to subsidiaries	-	-
0	(796)	Change in deferred tax recognised in the income statement	0	1,364
(577)	577	Transfer to tax asset	-	-
0	156	Change in deferred tax recognised in equity	-	156
(577)	**0**	**Deferred tax at 31 December 2006**	**0**	**18,985**
(792)	0	Transfer, subsidiaries	-	-
(2,334)	0	Change in deferred tax recognised in the income statement	570	(477)
(3,703)	**0**	**Deferred tax at 31 December 2007**	**570**	**18,508**

PARENT			GROUP	
2006	2007	DKK'000	2007	2006
		Deferred tax is recognised in the balance sheet as follows:		
577	3,703	Deferred tax assets	570	0
0	0	Deferred tax liabilities	(18,508)	(18,985)
577	**3,703**		**(17,938)**	**(18,985)**
0	0	Tax loss carryforwards	396	396
0	**0**	**Non-recognised deferred tax assets:**	**396**	**396**

26. Deferred tax (continued)

GROUP				
DKK'000	1 January	Recognised in income statement	Recognised in equity	31 December
2007				
Intangible assets	8,404	(47)	0	8,357
Property, plant and equipment	15,536	1,701	0	17,237
Inventories	3,361	29	0	3,390
Receivables	(577)	51	0	(526)
Liabilities	(1,309)	1,062	0	(247)
Share-based remuneration	156	366	0	522
Tax loss carryforwards	(6,586)	(4,209)	0	(10,795)
	18,985	**(1,047)**	**0**	**17,938**
2006				
Intangible assets	6,601	1,803	0	8,404
Property, plant and equipment	16,868	(1,332)	0	15,536
Inventories	2,693	668	0	3,361
Receivables	(1,130)	553	0	(577)
Liabilities	(2,122)	813	0	(1,309)
Share-based remuneration	0	0	156	156
Tax loss carryforwards	(5,450)	(1,136)	0	(6,586)
	17,460	**1,369**	**156**	**18,985**

PARENT					
DKK'000	1 January	Transfer, subsi-diaries	Recognised in income statement	Recognised in equity	31 December
2007					
Intangible assets	0	0	158	0	158
Property, plant and equipment	1,739	0	(2,655)	0	(916)
Liabilities	(34)	0	(116)	0	(150)
Share-based remuneration	156	0	366	0	522
Tax loss carryforwards	(2,438)	(792)	(87)	0	(3,317)
	(577)	**(792)**	**(2,334)**	**0**	**(3,703)**

					PARENT
DKK'000	1 January	Transfer, subsi-diaries	Recognised in income statement	Recognised in equity	31 December

26. Deferred tax (continued)

2006					
Intangible assets	(311)	(52)	363	0	0
Property, plant and equipment	5,506	(4,563)	796	0	1,739
Inventories	195	(195)	0	0	0
Receivables	(189)	189	0	0	0
Liabilities	(678)	421	223	0	(34)
Share-based remuneration	0	0	0	156	156
Tax loss carryforwards	(260)	0	(2,178)	0	(2,438)
	4,263	**(4,200)**	**(796)**	**156**	**(577)**

PARENT			GROUP	
2006	2007	DKK'000	2007	2006
		27. Trade payables		
0	0	Trade payables	54,429	61,277

The carrying amount is equal to the fair value of the liabilities.

28. Other payables

Other payables comprise items payable relating to payroll, withholding taxes, social contributions, holiday pay, derivatives, VAT and duties as well as other expenses payable. Carrying amount is equivalent to the fair value of the liabilities.

The holiday pay obligation represents the Group's obligation to pay salaries in the employees' holidays for which the employees have qualified at the balance sheet date to take in the subsequent financial year.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		29. Assets charged		
		Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the properties.		
28,792	**28,518**	Carrying amount of mortgaged properties	**118,618**	**117,690**
		Loans with credit institutions are secured by way of a letter of indemnity on real property and mortgages registered to the mortgagor with secondary liability.		
28,792	**28,518**	Carrying amount of mortgaged properties	**56,761**	**57,650**
		Loans with credit institutions are secured by way of a letter of indemnity and mortgages on movable property registered to the mortgagor secured upon operating equipment and fixtures and fittings, tools and equipment.		
0	**0**	Carrying amount of mortgaged operating equipment	**9,336**	**12,088**
		30. Rental and lease obligations		
		For the years 2008 – 2020, the Group has entered into operating leases on buildings. The leases have fixed lease payments which are indexed annually. Future minimum lease payments in accordance with interminable leases fall due as follows:		
0	0	Within one year from the balance sheet date	2,744	2,677
0	0	Between one and five years from the balance sheet date	11,681	11,396
0	0	After 5 years from the balance sheet date	26,818	30,155
0	**0**		**41,243**	**44,228**

The leases include options to purchase in 2013.
If the option is not exercised, the leases will continue until 2020.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		30. Rental and lease obligations (continued)		
		For the years 2008 to 2010, the Group has entered in operating leases on operating equipment and cars. Future minimum lease payments in accordance with interminable leases fall due as follows:		
135	135	Within one year from the balance sheet date	2,322	2,616
359	239	Between one and five years from the balance sheet date	3,744	5,470
0	0	After 5 years from the balance sheet date	0	0
494	**374**		**6,066**	**8,086**
		For the years 2008 – 2013, the Group has entered into operating leases on production machines. Future minimum lease payments in accordance with interminable leases fall due as follows:		
0	0	Within one year from the balance sheet date	6,404	5,261
0	0	Between one and five years from the balance sheet date	22,549	19,951
0	0	After 5 years from the balance sheet date	2,924	5,245
0	**0**		**31,877**	**30,457**
		Two leases on production machines have been terminated after the balance sheet date. Future minimum lease payments of these leases amount to DKK 13,234k.		
217	**135**	Minimum lease payments recognised in the income statement	**8,950**	**8,952**
		The Group has entered into rental contracts on office and production facilities. Rental obligation in the period of interminability amounts to:		
0	0	Within one year from the balance sheet date	4,619	5,845
0	0	Between one and five years from the balance sheet date	6,137	11,922
0	0	After five years from the balance sheet date	1,968	0
0	**0**		**12,724**	**17,767**

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		31. Recourse guarantee commitments and contingent liabilities		
		Together with its subsidiaries, the Parent has entered into commitments with banks in which the Parent is liable for the total bank overdraft withdrawal.		
60,836	**99,201**	Subsidiaries' bank debt		
		The Parent has guaranteed the subsidiaries' debt to financial institutions or has joint and several liability.		
68,535	**89,457**	Surety, guarantee and liability		
		The Parent is jointly and severally liable for the subsidiaries' lease obligations.		
66,602	**73,120**	Minimum lease payments		
		The Parent is liable jointly and severally with the other Danish jointly taxed companies for the entire corporate tax under the joint taxation existing up to and including 2004.		
		32. Net working capital changes		
0	0	Change in inventories	9,885	(21,652)
6,845	3,874	Change in receivables	(20,311)	(6,268)
9,473	14,575	Change in trade payables, etc	8,369	13,964
16,318	**18,449**		**(2,057)**	**(13,956)**

33. Acquisition of enterprises and activities

The Group acquired the following enterprises and activities in 2007:

				GROUP
	Primary activity	Date of acquisition	Ownership interest acquired	Voting share acquired
TPI Polytechniek B.V.	Sale of polyurethane products	1 January 2007	10%	10%
Ergomat-Nederland B.V.	Sale of polyurethane products	17 December 2007	40%	40%

				PARENT
	Primary activity	Date of acquisition	Ownership interest acquired	Voting share acquired
TPI Polytechniek B.V.	Sale of polyurethane products	1 January 2007	10%	10%
TPI Polytechniek B.V.	Sale of polyurethane products	31 December 2007	60%	60%

Goodwill acquired from acquisition of minority shares is calculated as the difference between cost and equity value at the time of acquisition.

The Parent's acquisition of 60% of the share capital in the Dutch company, TPI Polytechniek B.V., is made through an intra-group transfer from Tinby A/S.

Both TPI Polytechniek B.V. and Ergomat-Nederland B.V. were already included in the consolidation as the Group's ownership interest also exceeded 50% before the acquisition.

The Group acquired the following enterprises and activities in 2006:

				GROUP
	Primary activity	Date of acquisition	Ownership interest acquired	Voting share acquired
Ergomat Sweden AB	Sale of polyurethane products	1 January 2006	60%	60%
Activity, injection moulding	Production and sale of plastic items	1 July 2006	-	-
Ergomat LLC	Sale of polyurethane products	1 January 2006	22,58%	22,58%

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		33. Acquisition of enterprises and activities (continued)		
0	0	Property, plant and equipment	0	(9,657)
0	(10,613)	Acquisition of shares in subsidiaries	0	0
0	0	Inventories	0	(3,715)
0	0	Receivables	0	(1,064)
0	0	Cash	0	(185)
0	0	Minority interests	(2,325)	(2,039)
0	0	Interest-bearing debt	0	1,183
0	0	Non-interest bearing debt	0	726
0	(10,613)		(2,325)	(14,751)
0	(17,936)	Calculated goodwill	(2,611)	(5,556)
0	**(28,549)**	**Cost to be paid in cash**	**(4,936)**	**(20,307)**

The carrying amount of the above assets and liabilities calculated in accordance with IFRS immediately before the uniting of interests is in all materiality assessed to be identical with the stated fair value.

Cost is paid in cash.

For both acquisitions the Group paid a cost price which exceeds the fair value of the acquired identifiable assets, liabilities and contingent liabilities. This positive difference is primarily attributable to expected synergies between the activities in the acquired enterprises and the Group's existing activities and future growth potential.

The Group's result is not affected by the acquisition of further shares in the two companies, as these companies already were subsidiaries in the Group. If the acquisition had not taken place the minorities had increased their part of the result with 944 kDKK.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		34. Cash and cash equivalents		
123,540	13,550	Cash	15,602	18,063
(39,536)	(41,271)	Short-term bank debt	(130,505)	(144,053)
84,004	**(27,721)**		**(114,903)**	**(125,990)**
		35. Fees to the Parent's auditor appointed by the general meeting		
		External expenses include fees to the Parent's appointed auditors as follows:		
		Deloitte		
200	205	Audit	994	935
181	96	Non-audit services	425	549
381	**301**		**1,419**	**1,484**

36. Related parties

Controlling related parties

There are no related parties with controlling influence on SP Group A/S.

For an outline of subsidiaries, see group chart.

Related party transactions

SP Group A/S had the following transactions with related parties in the financial year:

DKK'000	Rental income	Sale of services	Interest income	Interest expenses	Receivables	Payables
From subsidiaries	3,263	658	247	172	4,902	25,054
2007	**3,263**	**658**	**247**	**172**	**4,902**	**25,054**
From subsidiaries	2,328	503	412	0	6,013	9,811
2006	**2,328**	**503**	**412**	**0**	**6,013**	**9,811**

Furthermore, the Parent acquired 60% of the share capital in TPI Polytechniek B.V. from a subsidiary in 2007. The purchase price amounts to DKK 32.2 million.

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies.

The Group has not had any transactions with related parties in 2006 and 2007 apart from remuneration to the Supervisory Board and the Executive Board.

36. Related parties (continued)

Related party transactions

Rental income relates to the Parent's renting of properties to subsidiaries. The rent is fixed on a cost basis.

Sale of services relates to assistance provided to subsidiaries.

No security or guarantees have been provided for intercompany accounts at the balance sheet apart from what is stated in note 31. Receivables as well as payables will be settled by cash payment. The Group has not realised any bad debt from related parties or made writedown for such likely bad debts.

Remuneration to the Supervisory Board and Executive Board

For disclosure on the remuneration paid to the Group's Supervisory Board and Executive Board, see note 6.

PARENT			GROUP	
2006	**2007**	DKK'000	**2007**	**2006**
		37. Financial risks and financial instruments		
		Classes of financial instruments		
850	0	Trade receivables	87,213	104,246
6,013	2,302	Receivables from subsidiaries	0	0
0	713	Other receivables	11,507	12,647
123,540	13,550	Cash	15,602	18,063
130,403	**16,565**	**Loans and receivables**	**114,322**	**134,956**
2,000	0	Derivative financial instruments used to hedge future cash flows	0	2,000
2,000	**0**	**Financial liabilities used as hedging instruments**	**0**	**2,000**

PARENT			GROUP	
2006	2007	DKK'000	2007	2006
		37. Financial risks and financial instruments (continued)		
		Classes of financial instruments		
24,052	116,669	Financial institutions	116,669	101,629
148,257	155,279	Bank debt	244,513	262,913
0	0	Finance lease obligations	0	527
0	0	Trade payables	54,429	61,277
9,811	27,579	Payables to subsidiaries	-	-
0	0	Income taxes	2,019	3,543
5,412	7,487	Other payables	49,494	47,655
187,532	**307,014**	**Financial liabilities measured at amortised cost**	**467,124**	**477,544**

The Parent's and the Group's exchange risks and interest risks are shown below. The individual risks, including the Group's policy for control of financial risks and sensitivity calculations, are further described in the management's review.

Currency exposure – recognised assets and liabilities

The Group uses hedging instruments such as forward contracts and options to hedge recognised transactions. Hedging of recognised assets and liabilities primarily includes receivables as well as financial liabilities. End 2007 the Group had not entered any forward exchange transactions.

					GROUP
DKK'000	**Cash**	**Receivables**	**Liabilities**	**Of this hedged**	**Net position**
EUR	10,687	31,272	41,164	0	795
PLN	1,290	5,135	34,382	0	(27,957)
USD	3,182	4,034	10,657	0	(3,441)
CAD	197	1,709	472	0	1,434
SEK	1,287	1,471	1,537	0	1,221
JPY	159	0	0	0	159
RMB	0	7,804	4,866	0	2,938
CHF	0	0	98,995	0	(98,995)
31 December 2007	**16,802**	**51,425**	**192,073**	**0**	**(123,846)**

37. Financial risks and financial instruments (continued)

Currency exposure – recognised assets and liabilities

					GROUP
DKK'000	**Cash**	**Receivables**	**Liabilities**	**Of this hedged**	**Net position**
EUR	14,488	27,358	65,705	0	(23,859)
PLN	3,301	5,476	8,707	0	70
USD	2,188	10,786	7,893	0	5,081
SEK	501	1,813	1,993	0	321
NOK	0	0	31	0	(31)
JPY	37	0	29	0	8
RMB	2,785	9,193	6,795	0	5,183
CHF	0	0	102,164	71,594	(30,570)
31 December 2006	**23,300**	**54,626**	**193,317**	**71,594**	**(43,797)**

At 31 December 2007, the fair value of derivative financial instruments used to hedge recognised financial assets and liabilities totals DKK 0 (2006: DKK -2,000k). The fair value of the derivative financial instruments is recognised under other payables and set off in the income statement against exchange adjustments of the assets and liabilities hedged. Only the Parent has derivative financial instruments.

					PARENT
DKK'000	**Cash**	**Receivables**	**Liabilities**	**Of this hedged**	**Net position**
EUR	516	0	1,756	0	(1,240)
USD	663	0	0	0	663
CHF	0	0	98,880	0	(98,880)
31 December 2007	**1,179**	**0**	**100,636**	**0**	**(99,457)**
EUR	0	0	2,742	0	(2,742)
USD	0	6,013	0	0	6,013
CHF	0	0	102,164	71,594	(30,570)
31 December 2006	**0**	**6,013**	**104,906**	**71,594**	**(27,299)**

37. Financial risks and financial instruments (continued)

Interest rate exposure

The interest rate exposure from financial assets and liabilities can be described as follows with disclosure of date of interest adjustment or maturity, whichever occurs first, and effective interest rates:

						GROUP
		Reassessment and maturity time				
DKK'000	Within 1 year	Between 1 and 5 years	After 5 years	Total	Of this fixed interest	Effective interest
Bank deposit	15,602	0	0	15,602	0	5,0%
Deposit	12,250	0	0	12,250	0	6,3%
Financial institutions	(85,242)	(14,480)	(16,948)	(116,670)	(35,741)	5,1%
Bank debt	(244,322)	(190)	0	(244,512)	(4,953)	4,5%
31 December 2007	**(301,712)**	**(14,670)**	**(16,948)**	**(333,330)**	**(40,694)**	
Bank deposit	18,063	0	0	18,063	0	4,5%
Deposit	12,250	0	0	12,250	0	6,0%
Financial institutions	(65,488)	(15,152)	(20,589)	(101,229)	(34,905)	4,4%
Lease obligation	(217)	(310)	0	(527)	0	5,0%
Bank debt	(258,359)	(4,953)	0	(263,312)	(11,459)	4,0%
31 December 2006	**(293,751)**	**(20,415)**	**(20,589)**	**(334,755)**	**(46,364)**	

						PARENT
		Reassessment and maturity time				
DKK'000	Within 1 year	Between 1 and 5 years	After 5 years	Total	Of this fixed interest	Effective interest
Bank deposit	13,550	0	0	13,550	0	5,0%
Financial institutions	(21,535)	(197)	0	(21,732)	(1,050)	4,8%
Bank debt	(146,306)	0	0	(146,306)	(4,400)	4,1%
31 December 2007	**(154,291)**	**(197)**	**0**	**(154,488)**	**(5,450)**	
Bank deposit	123,540	0	0	123,540	0	4,5%
Financial institutions	(23,002)	(1,050)	0	(24,052)	(2,082)	3,5%
Bank debt	(143,857)	(4,400)	0	(148,257)	(4,800)	3,5%
31 December 2006	**(43,319)**	**(5,450)**	**0**	**(48,769)**	**(6,882)**	

38. Segment information of the Group

Business segments

For management and reporting purposes, the Group is organised into four business segments which are regarded as the Group's primary basis of segmentation.

The activity in the four segments is described from page 10-19.

Transfers of sale of goods, etc among the segments are calculated using actual transfer prices corresponding to estimated market prices of the goods, services, etc in question.

	Polyu-rethane	**Injection moulding**	**Vacuum forming**	**Coatings**	**Other*)**	**Group**
DKK'000	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**
Revenue, external customers	170,563	511,234	76,366	111,524	0	869,687
Revenue among segments	1,025	7,284	213	5,638	(14,160)	0
Revenue	**171,588**	**518,518**	**76,579**	**117,162**	**(14,160)**	**869,687**
Profit/loss before amortisation, depreciation and impairment losses (EBITDA)	**34,549**	**22,767**	**(605)**	**22,189**	**(5,986)**	**72,914**
Depreciation, amortisation and impairment losses	(7,490)	(25,024)	(2,666)	(3,794)	626	(38,348)
Profit/loss before financial items (EBIT)	**27,059**	**(2,257)**	**(3,271)**	**18,395**	**(5,360)**	**34,566**
Net financials						(13,365)
Profit/loss before tax						**21,201**
Tax on profit/loss for the year						(5,297)
Profit/loss for the year						**15,904**
Additions of non-current property, plant and equipment and intangible assets	5,892	35,160	305	8,692	2,556	52,606
Segment assets	154,410	332,647	81,477	86,298	3,075	657,907
Segment liabilities, noninterest bearing	23,365	70,052	9,087	10,786	1,305	114,595
Non-allocated liabilities						374,707
						489,302

* Comprises eliminations and non-allocated overhead costs.

38. Segment information of the Group (continued)

Business segments

	Polyu-rethane	Injection moulding	Vacuum forming	Coatings	Other*)	Group
DKK'000	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**
Revenue, external customers	148,572	455,129	100,524	121,156	0	825,381
Revenue among segments	88	6,837	438	0	(7,363)	0
Revenue	**148,660**	**461,966**	**100,962**	**121,156**	**(7,363)**	**825,381**
Profit/loss before amortisation, depreciation and impairment losses (EBITDA)	30,388	27,150	8,416	17,768	(10,298)	73,424
Depreciation, amortisation and impairment losses	(7,108)	(18,118)	(3,103)	(6,229)	(2,881)	(37,439)
Profit/loss before financial items (EBIT)	**23,280**	**9,032**	**5,313**	**11,539**	**(13,179)**	**35,985**
Net financials						(15,348)
Profit/loss before tax						**20,637**
Tax on profit/loss for the year						(7,717)
Profit/loss for the year						**12,920**
Additions of non-current property, plant and equipment and intangible assets	17,065	29,670	1,558	17,812	2,471	68,576
Segment assets	142,052	305,299	87,768	109,585	6,813	651,517
Segment liabilities, noninterest bearing	27,737	72,352	9,803	15,969	(9,898)	115,963
Non-allocated liabilities						387,597
						503,560

* Comprises eliminations and non-allocated overhead costs.

38. Segment information of the Group (continued)

Geographical segments

The Group's activities are primarily located in Denmark, the other EU countries, China and USA. The following table shows the Group's cost of goods sold by geographical market based on the customers' domicile.

DKK'000	2007	2006
Denmark	509,802	494,523
Other Scandinavian countries	71,521	68,158
Germany	94,013	81,515
North America	28,636	29,578
Other countries	165,715	151,607
	869,687	**825,381**

The below table specifies the carrying amounts and additions for the year of non-current intangible assets and property, plant and equipment by geographical area on the basis of the physical location of the assets.

	Segment assets		Additions of non-current intangible assets and property, plant and equipment	
DKK'000	2007	2006	2007	2006
Denmark	549,184	562,624	43,652	48,889
Other Scandinavian countries	1,634	1,979	64	53
Germany	8,128	7,138	48	145
North America	22,557	20,968	69	3,441
Other countries	76,402	58,808	8,772	16,048
	657,905	**651,517**	**52,605**	**68,576**

Companies in SP Group 1 March 2008

			Nominal share capital ('000)	Ownership
SP Group A/S	**Denmark**	**DKK**	**200.000**	
SP Moulding A/S	Denmark	DKK	50.000	100%
SP Medical Poland Sp. z o.o.	Poland	PLN	1.000	100%
SP Moulding Poland Sp. z o.o.	Poland	PLN	1.100	100%
SP International A/S	Denmark	DKK	5.600	75%
SP Moulding (Suzhou) Co., Ltd.	China	RMB	28.045	100%
Tech-Plast ApS	Denmark	DKK	200	100%
Gibo Plast A/S	Denmark	DKK	25.000	100%
Accoat A/S	Denmark	DKK	10.000	100%
Ergomat A/S	Denmark	DKK	10.000	100%
Ergomat-Nederland B.V.	Netherlands	EUR	75	100%
Ergomat Deutschland GmbH	Germany	EUR	50	60%
Ergomat Sweden AB	Sweden	SEK	100	60%
Tinby USA, Inc.	USA	USD	360	100%
Ergomat LLC	USA	USD	582	100%
Ergomat Canada Inc.	Canada	CAD	0	100%
Tinby A/S	Denmark	DKK	10.000	100%
Tinby Sp. z o.o.	Poland	PLN	50	100%
TPI Polytechniek B.V.	Netherlands	EUR	113	*80%
TPI Polytechniek ApS	Denmark	DKK	125	100%
Tinby GmbH	Germany	EUR	154	100%

* At the beginning of 2008 the share ownership increased from 70% to 80%.

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