



FIRST HALF YEAR OF 2011

Presentation by CEO Frank Gad
August 2011

AGENDA



- SP Group – an overview
- Results H1 2011
- Strategic focus areas
- Financial objectives and outlook



Frank Gad
(born 1960, M. Sc.)

Career:

Nov. 2004-:
CEO, SP Group A/S

1999-2004:
CEO, FLSmidth A/S

1996-1999:
President,
Mærsk Container Industri A/S

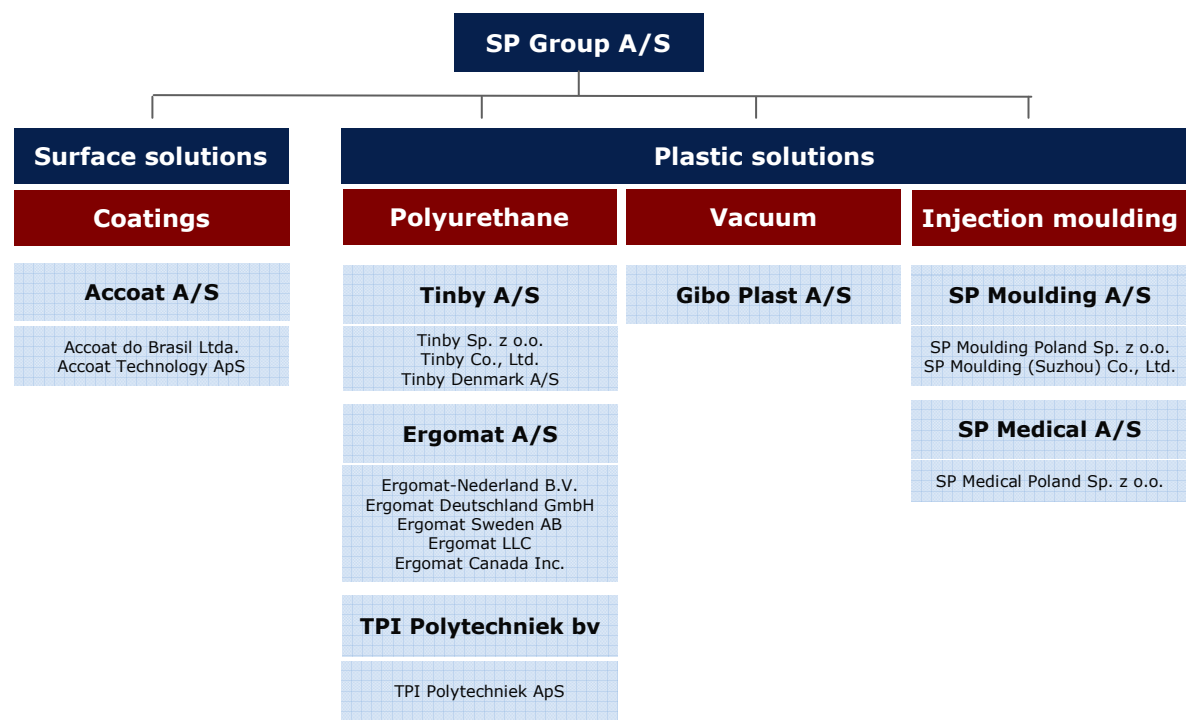
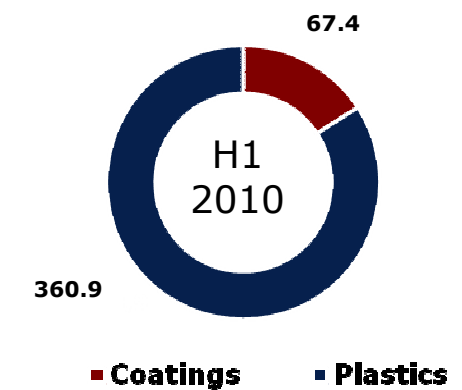
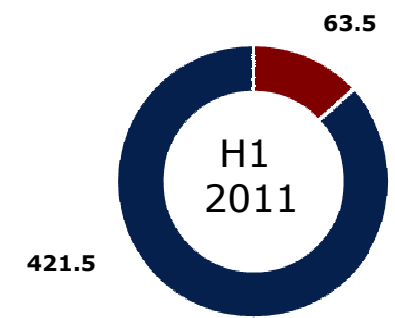
1985-1999:
Odense Steel Shipyard A/S
– most recent title: EVP



SP GROUP – AN OVERVIEW

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

Revenue split by the Group's business units (DKKkm):



GROUP FINANCIAL HIGHLIGHTS H1 2011



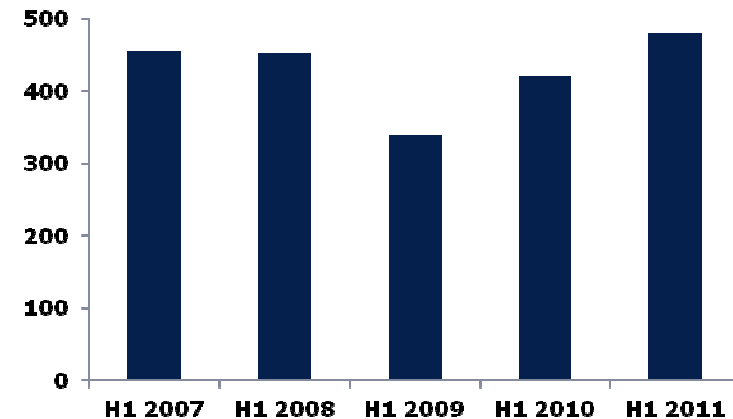
DKKm	Q2 2011	Q2 2010	H1 2011	H1 2010	FY 2010
Revenue	229.5	218.8	478.7	421.0	851.9
EBITDA	20.0	26.0	45.7	42.8	83.0
EBIT	9.4	13.7	24.2	20.7	41.7
Profit before tax and minority interests	5.6	8.5	15.7	13.0	28.8
Equity incl. minorities			194.7	177.2	190.7
Cash flows from operations	-1.1	11.3	-14.0	22.0	57.8
Cash flows from investments	-12.0	-9.0	-23.6	-23.1	-46.9
Cash flows from financing	-5.6	27.0	-9.3	31.6	47.3
Change in cash and cash equivalents	-18.7	29.3	-46.9	30.5	58.2
NIBD			405.0	378.0	367.4

GROUP HIGHLIGHTS

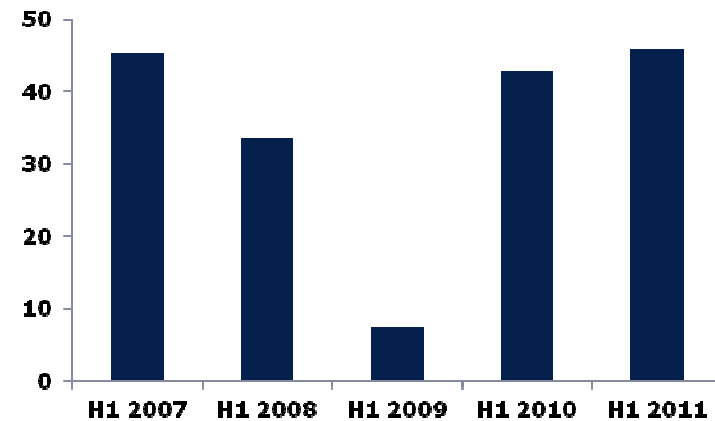


- H1 2011 was a good and exciting half year
- Revenue was up by 13.7% to DKK 478.7m – higher than anticipated
- Sales to the health care industry now account for 37.3% of our consolidated revenue
- International sales up by 17% and accounts for 48.8% of revenue
- Sales in Denmark up by 10%
- EBITDA improved from DKK 42.8m in H1 2010 to DKK 45.7m in H1 2011
- EBIT was DKK 24.2m; equal to 5.1% of revenue
- Cash outflow from operations of DKK 14m (H1 2010: inflow of DKK 22m)
- NIBD increased to DKK 405m (H1 2010: DKK 378m) – equal to 4.7x EBITDA
- Signed five major multi-year contracts with medical devices customers who have outsourced injection moulding operations
 - Production taking place in Denmark, Poland and China
 - Expected to contribute DKK 75m in annual revenue from 2015

Revenue DKKm



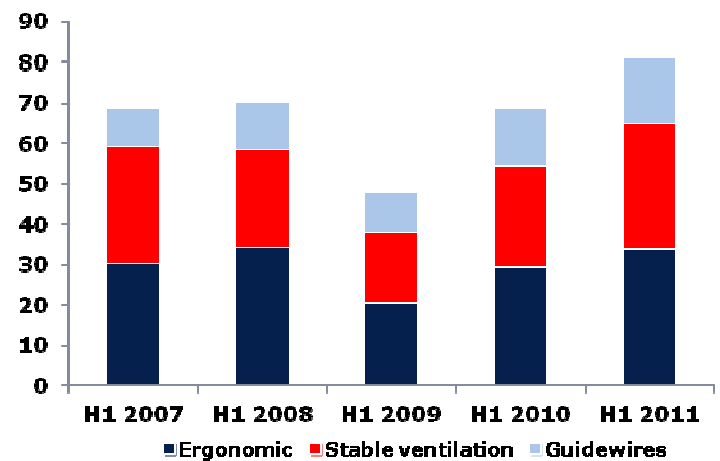
Operating profit (EBITDA) DKKm



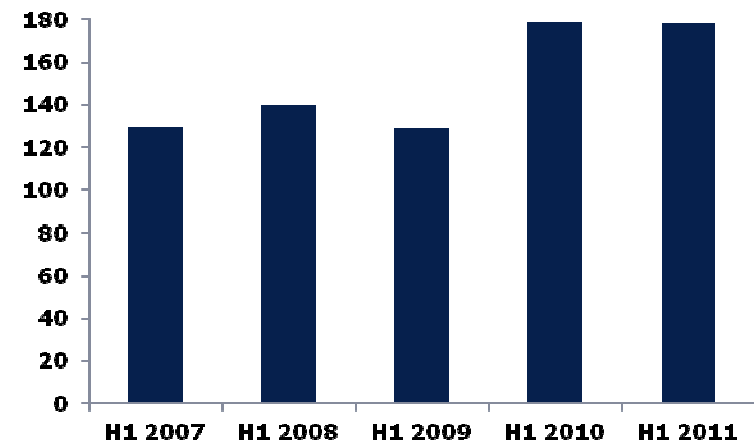


REVENUE SPLIT BY PRODUCT AREA

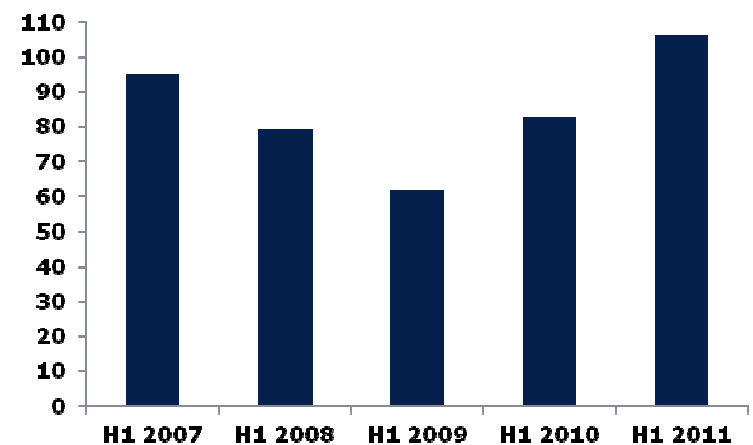
Revenue from own brands DKKm



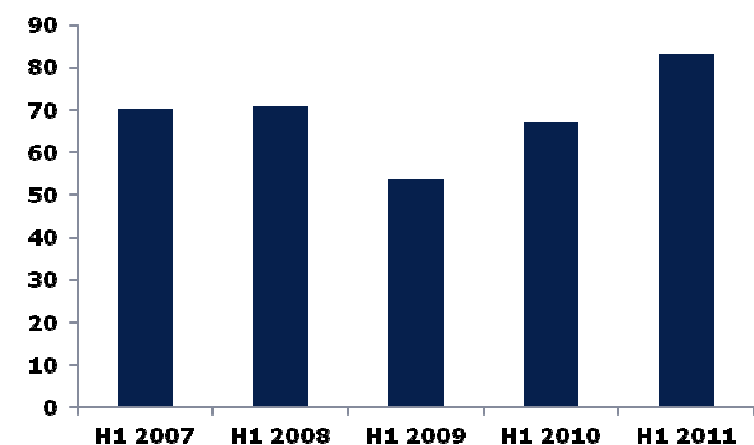
Revenue health care products DKKm



Revenue cleantech industries DKKm

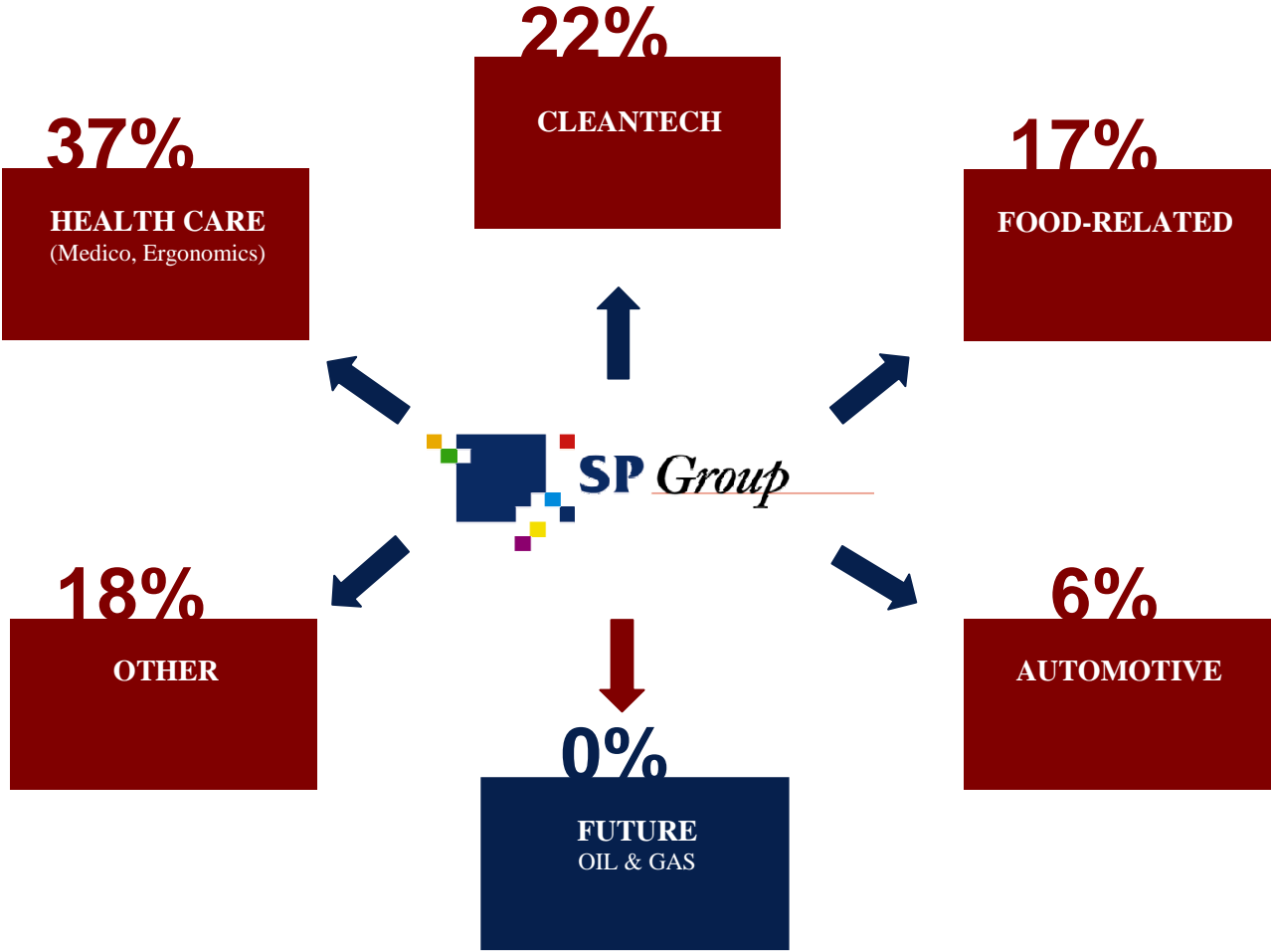


Revenue food-related industries DKKm



First half year of 2011 - august 2011 / SP Group

REVENUE BY INDUSTRIAL SEGMENT





BUSINESS UNITS

SURFACE SOLUTIONS



Accoat develops and produces environmentally-friendly technical solutions involving fluoroplast (Teflon®), PTFE and other pure materials for industrial and medical purposes.

Accoat applies plastic coatings on products and production plants in a number of industries. Articles being coated range from very small syringes to large tank facilities.

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

Locations: Kvistgård (DK), Stoholm (DK) and São Paulo (Brazil)



COATINGS – KEY FIGURES AND OUTLOOK



H1 2011 highlights:

- Revenue fell to DKK 63.5m
 - Lower than expected – projects postponed
- EBITDA fell from DKK 8.1m to DKK 4.0m
- Poorer product mix and new plants
- Enhanced marketing efforts towards oil and gas industry customers in the USA, Brazil, Russia and Europe
- Starting up additional production capacity based on long-term growth forecasts
 - New plant in São Paolo
 - New plant in Stoholm (oil pipes) will hamper earnings

Outlook for 2011:

- Revenue improvement
- EBITDA expected to improve slightly on 2010

DKKm	Q2		H1	
	2011	2010	2011	2010
Revenue	30.5	33.8	63.5	67.4
EBITDA	1.8	4.2	4.0	8.1
EBIT	-0.6	2.6	-0.9	4.9
Employees (average)			65	63



PLASTIC SOLUTIONS



Plastic businesses include:

- SP Moulding and SP Medical (Injection Moulding)
- Gibo Plast (Vacuum forming)
- Ergomat, Tinby and TPI Polytechniek (PUR)

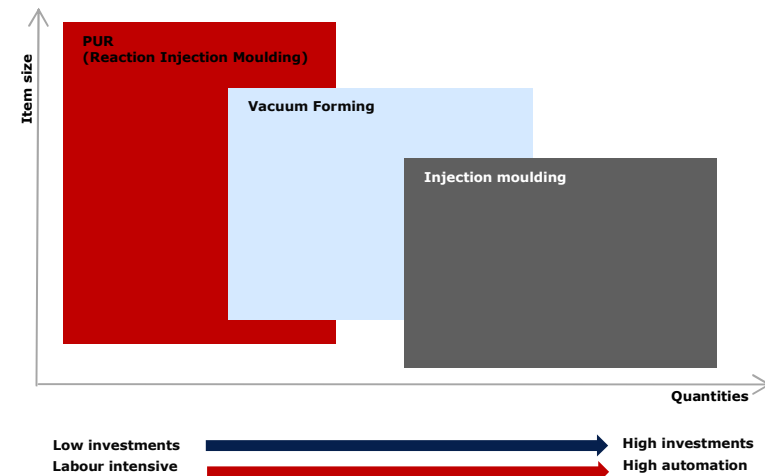
H1 2011 highlights:

- Revenue was up by 16.8% to DKK 421.5m – substantially higher than anticipated at the beginning of the year
- Sales improving to all customer groups and in all three technologies (injection moulding, vacuum forming and PUR)
- EBITDA was DKK 48.3m – an 18.8% improvement

Outlook for 2011:

- Growth in both revenue and earnings
- Expecting to expand activities and skill sets in Poland, China, the US and Denmark

DKKm	Q2		H1	
	2011	2010	2011	2010
Revenue	202.1	189.3	421.5	360.9
EBITDA	20.2	24.9	48.3	40.9
EBIT	12.1	14.6	32.3	22.6
Employees (average)			940	839



PLASTIC SOLUTIONS: INJECTION MOULDING (1)



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

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

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

SP Moulding and SP Medical have more than 300 injection moulding machines at their disposal with a clamping force ranging from 25 tonnes to 1250 tonnes.

SP Moulding and SP Medical also provide two- and three-component plastic solutions. Locations: Juelsminde (DK), Stoholm (DK), Karise (DK), Sieradz (PL) and Suzhou (China)



Medico



Technical plastic devices



Medico



Medico



2K and 3K moulding

PLASTIC SOLUTIONS: INJECTION MOULDING (2)



H1 2011 highlights:

- Increase in business activity due to better economic conditions and a number of new solutions
- Cost base trimmed
- Inflow of new customers in Europe and Asia
- Signed five major multi-year contracts with medical devices customers who have outsourced injection moulding operations
 - Production taking place in Denmark, Poland and China
 - Expected to contribute DKK 75m in annual revenue from 2015
- Establishing white rooms in China and Poland



PLASTIC SOLUTIONS: POLYURETHANE (1)



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

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

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



Mats



DuraStripe

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



Cleantech



Solid, foamed PUR

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



PLASTIC SOLUTIONS: POLYURETHANE (2)



H1 2011 highlights:

Ergomat:

- Strong growth in sales of ergonomic mats and DuraStripe® in virtually all markets globally
 - Strong improvements in North America and southern Europe
 - Fair improvement in Asia and the near markets in northern Europe

Tinby:

- Strong growth in business activity globally
 - Commissioning new 2,400 m² factory in China
 - Commissioning new 6,500 m² factory in Poland
- Establishing production activities in the US in 2011

TPI:

- Strong growth in business activity globally
- Agricultural industry (outside Scandinavia) again investing in new, large stable facilities



PLASTIC SOLUTIONS: VACUUM FORMING (1)



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

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

Market leader in Scandinavia.

Location: Skjern (DK)



Vacuum forming



CNC milling



Automotive



Automotive

PLASTIC SOLUTIONS: VACUUM FORMING (2)



H1 2011 highlights:

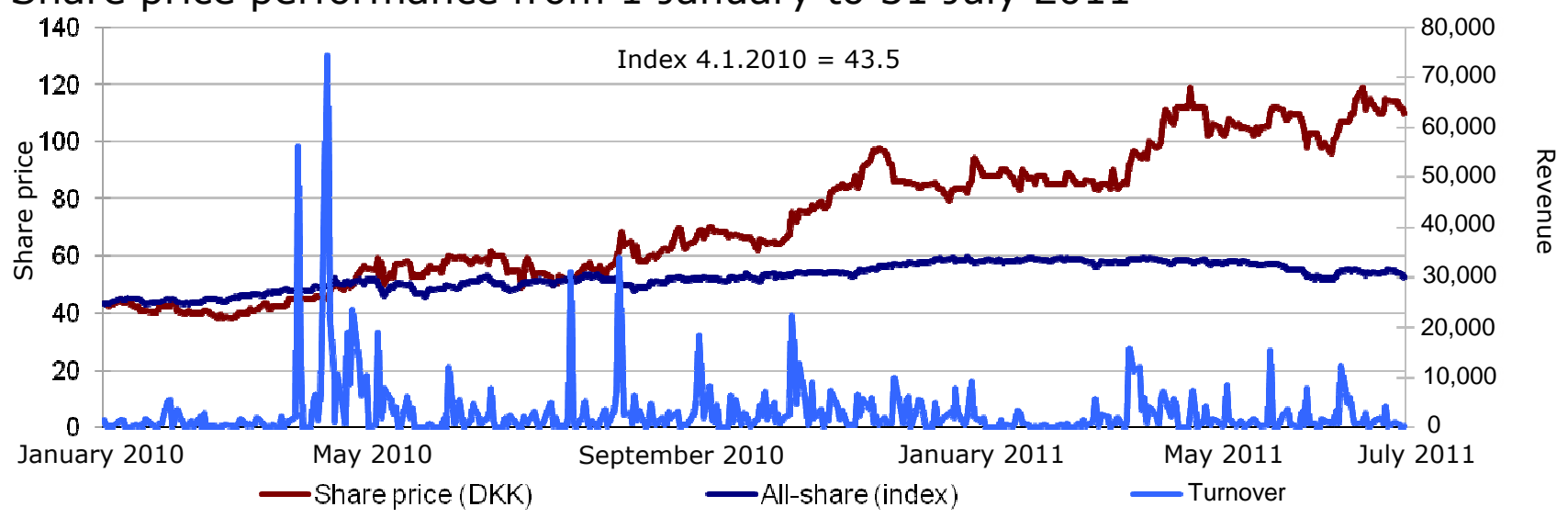
- Several years of decline reversed; replaced by moderate growth
- Established production activities in Poland in 2011
- Construction started on 6,600 m² facility in Poland to accommodate future growth
- Bought large new vacuum forming machine
- Negative effect from rising raw materials prices, which we will try to pass on to our customers





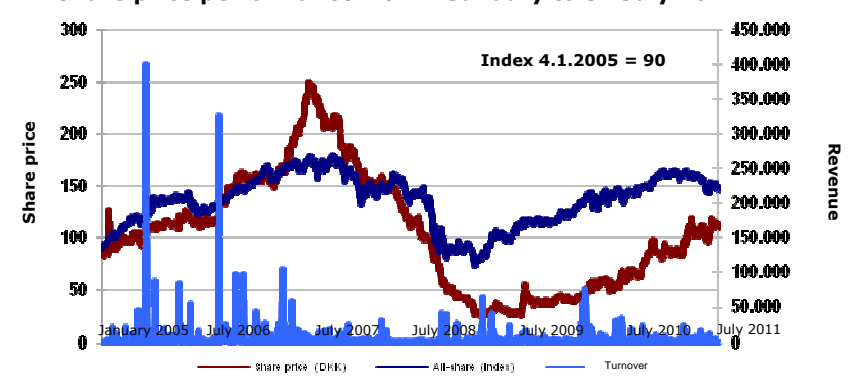
SHARE PRICE PERFORMANCE

Share price performance from 1 January to 31 July 2011



- Share capital DKK 20.24m
- All shares have equal rights
- Share yielded a 97% return in 2010
- SP Group share was the third-best performer on NASDAQ OMX Copenhagen in 2010
- Share capital turnover rate 46.3% in 2010; a 32% increase

Share price performance from 1 January to 31 July 2011



Source: NASDAQ OMX Copenhagen and Danske Markets



STRATEGY

STRATEGY ADJUSTMENT



- Additional rationalisation and efficiency enhancing of production structure in H1 2011:
 - Commissioning new plant in Brazil (Coatings)
 - Commissioning new plant in Poland (Plastics)
 - Commissioning new plant in China (Plastics)
 - Commissioning new plant in Denmark (Coatings)
- Continuing to enhance skill sets at factories in China, Poland, Brazil and Denmark
- Focused sales efforts, especially in health care, cleantech and food-related products
- Focus on sales of own brands
- Increased efforts towards existing and new customers
- More production facilities to be relocated from Denmark to Poland
- Establishing PUR production in the US in 2011 (Tinby)
- Vacuum forming plant to be established in Poland in 2011

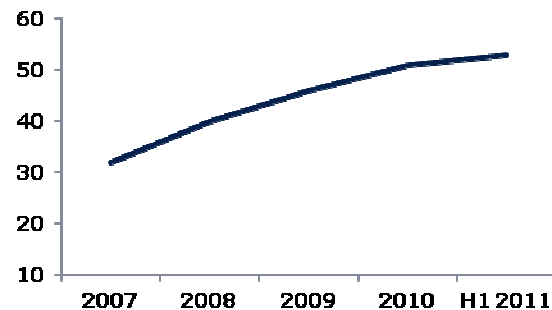


INCREASED SALES AND INTERNATIONAL PRESENCE

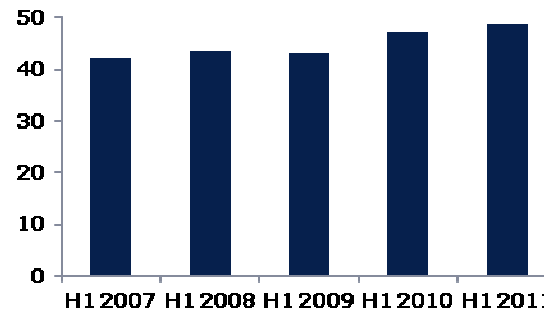


- 12% organic growth in H1 2011
- Strengthened sales and marketing efforts in all units
- Consultancy within plastics and coatings
- Differentiation on processes, design and knowledge
- Focus on both existing and new customers
- Increased exports from production sites in Denmark, China, Poland and Brazil focusing on Americas, Europe and Asia

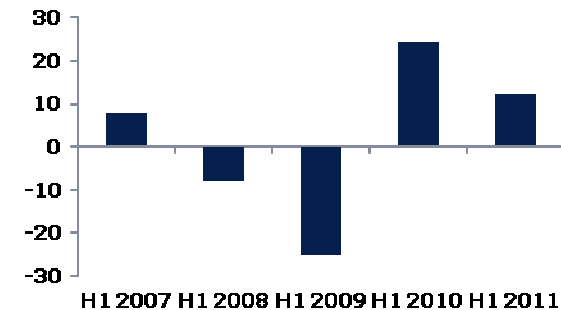
Employees based outside Denmark (avg.), %



International sales, %



Organic growth, %, Group revenue



GROWTH INDUSTRIES AND OWN BRANDS



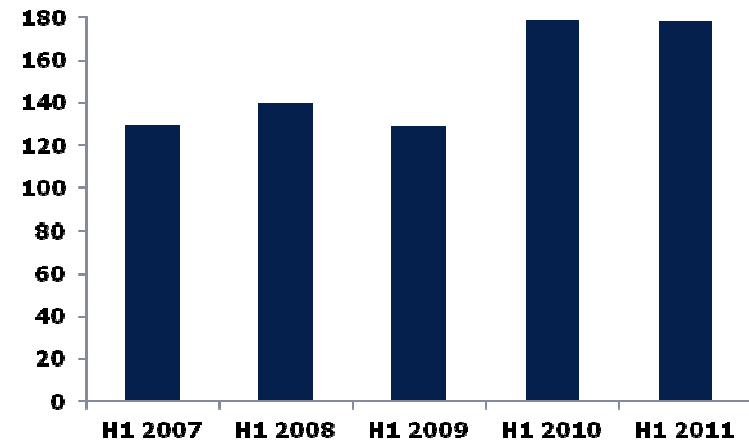
- Committed efforts to growth industries and new segments, e.g. health care and cleantech and food-related industries
- Sustain growth in sales to the medical devices industry
- Enhance sales and earnings growth from own brands, i.e. ventilation equipment (TPI), guidewires (SP Medical) and ergonomic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

ERGOMAT®

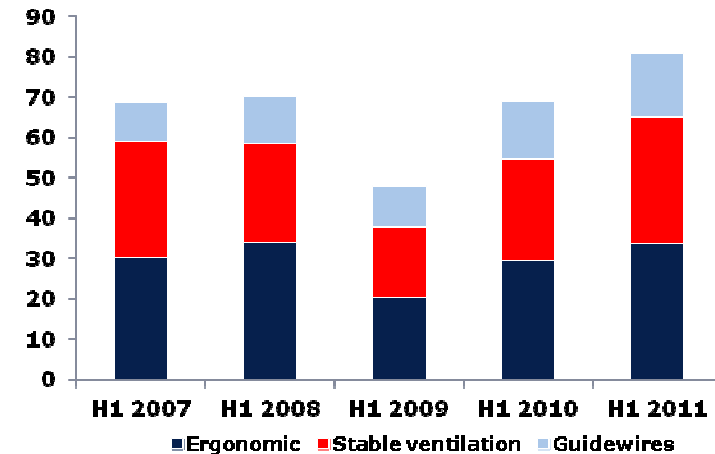
DURASTRIPE



Revenue from health care products, DKKm



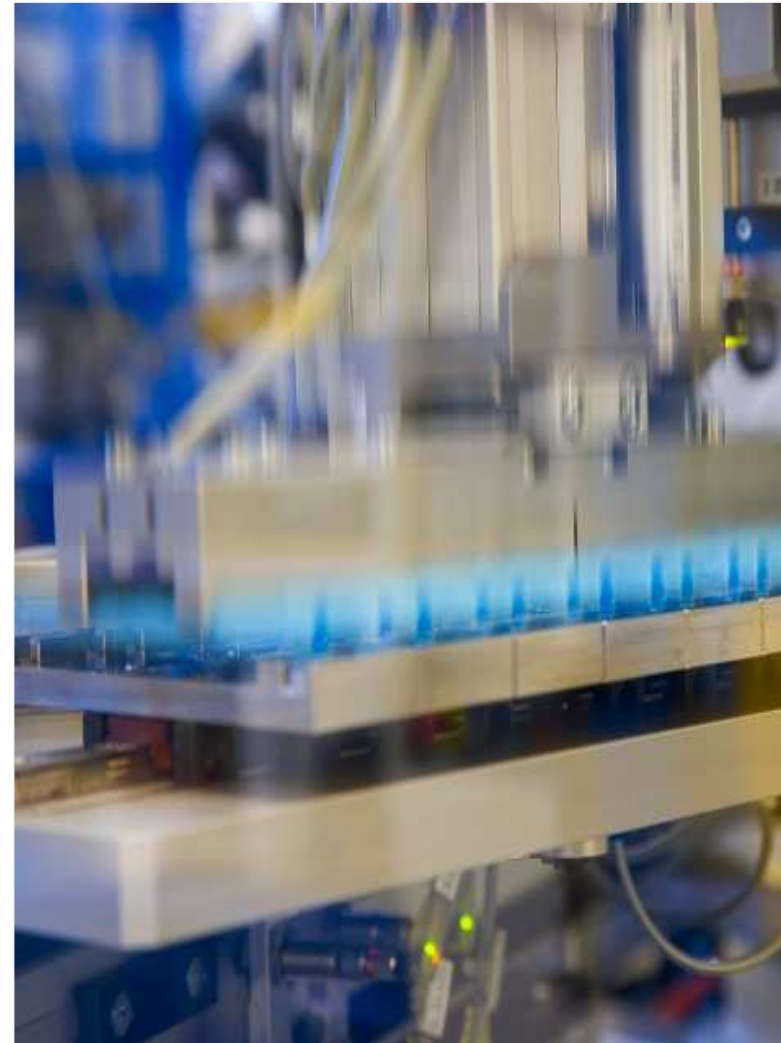
Revenue from own brands, DKKm



EFFICIENCY ENHANCEMENT AND RATIONALISATION



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





FINANCIAL GOALS AND OUTLOOK

OUTLOOK FOR 2011



- Prospects of global growth in 2011
- Tight cost management, capacity adjustments and focus on risk, liquidity and capital management provides a strong base for the future
- New products and solutions expected to contribute to growth and earnings in the SP Group
- Maintaining a high level of investment and higher depreciation charges than in 2010
- Financial expenses in line with 2010
- We now expect business activity of more than DKK 900m for 2011 (previous guidance of just over DKK 850m)
- We expect FY 2011 profit before tax and minority interests of DKK 30–35m (previous guidance of just over DKK 28.8m)



LONG-TERM FINANCIAL OBJECTIVES



- Previously announced targets for 2012 retained, but achieving them not realistic until in 2014 or 2015
- Initiatives in the current strategy plan could lift revenue to DKK 1.5bn
- Enhancing EBITDA margin
- Long term target for profit before tax and minorities of around 6-7% of revenue expected to materialise
- Continuing reduction of NIBD—goal is to lower NIBD/EBITDA ratio to 3-4 and to maintain this level
- Equity ratio (incl. equity attributable to minorities) in the range of 20-35%
- Fair return to shareholders through share price appreciation



FORWARD-LOOKING STATEMENTS



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

Statements relating to 2011 and the following years are inherently subject to uncertainty and SP Group's actual results may thus differ from expectations and targets. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in raw materials and energy prices, changes in foreign exchange rates, changes in macroeconomic and political settings, changes in the demand and production patterns of key customer groups and other external factors.

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



Further information:

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