



Presentation of SP Group

by Frank Gad, Chief Executive Officer

7 December 2006



OUTLINE

1. SP Group – an overview
2. Recent development
3. Group financial highlights Q3 2006
4. Main figures
5. Strategy
6. Financial objectives
7. Outlook for 2006



Frank Gad (born 1960, M. Sc.)

Career:

Nov. 2004: CEO, SP Group A/S

1999-2004: CEO, FLSmidth A/S

1996-99: President Mærsk

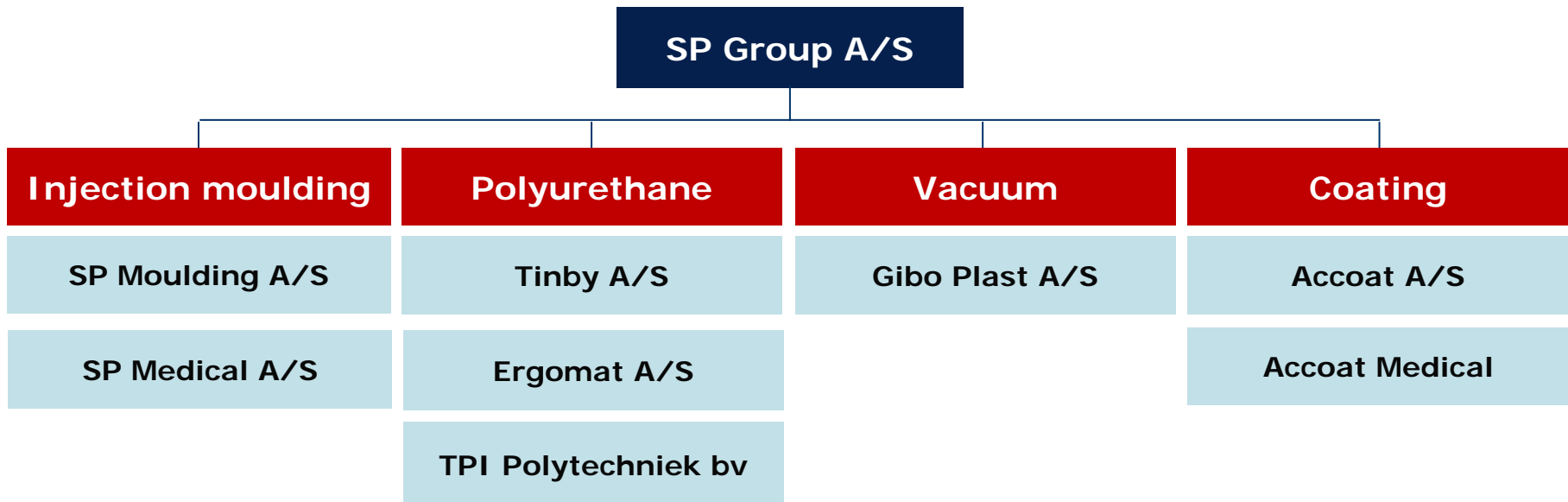
Container Industri A/S

1985-99: Odense Steel Shipyard

latest as EVP

SP GROUP – AN OVERVIEW

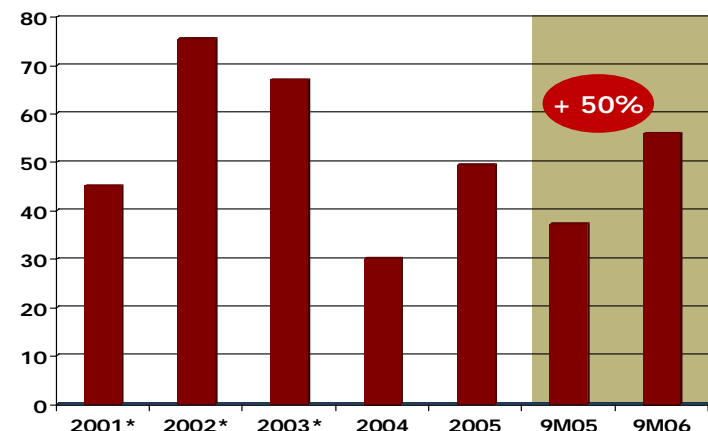
- Manufacturer of moulded plastic components and coatings
- Supplier of customer specified solutions for the manufacturing industry
- Increasing exports and an increasing production in China and Poland
- Strong international niches – also with own brands



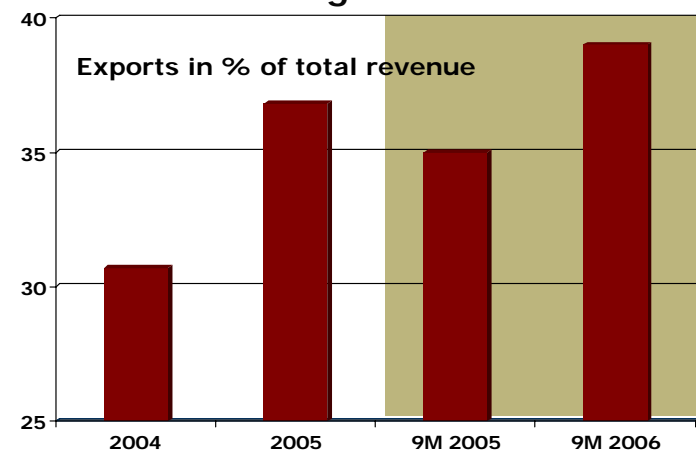
RECENT DEVELOPMENT – HIGHLIGHTS

- Results Q1 – Q3 better than expected; 50% growth in EBITDA
- Higher efficiency and capacity utilisation in all factories
- High growth in focus areas: medico equipment and own brands
- Increasing internationalization via export and production in Poland/China
- Sale or closing down of loss-making activities
 - Holstebro and Jyderup closed
 - 3 properties sold as of 2H 2006
- Acquisition strengthens strategic areas
 - Mattega AB (60%) 1.1.; Danfoss Plastics in Nordborg 1.7.; Ergomat LLC (22.6%) 1.1.

Operating profit (EBITDA) in DKK mio.



Increasing internationalization

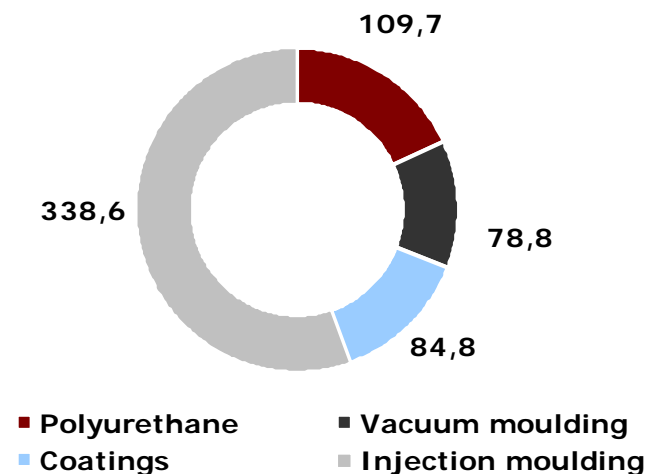


*2004, 2005 and Q3 2006 comply with IFRS. The comparative figures for 2001-2003 have not been restated to reflect the change in accounting policies.

GROUP FINANCIAL HIGHLIGHTS - Q3 2006

DKK mio.	Q3 2006	Q3 2005
Revenue	607,8	553,8
Profit/loss before depreciation and amortisation (EBITDA)	56,0	37,3
Profit/loss before financial items (EBIT)	27,5	12,6
Profit/loss before tax/minorities	16,2	8,0
Assets in total	655,7	639,3
Equity incl. minorities	166,2	129,8
Net interest-bearing debt	307	362
Cash flows, operations	40,6	-0,5
Cash flows, investments	-40,3	-15,4
Cash flows, financing	10,3	-9,7

Revenue of the business units
Q3 2006:



- Growth of approx. 13% adjusted for acquisition and sales of activities and discontinuation of loss-making activities

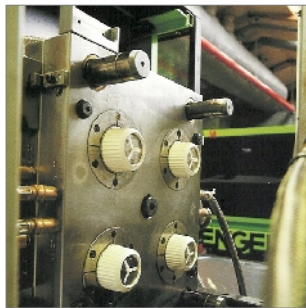
INJECTION MOULDING (1)

SP Moulding is a manufacturer of injection moulded advanced plastic components for a wide range of industries.

SP Medical A/S produces for customers in the medical appliance industry and the production takes place in clean-rooms.

SP Moulding is the leading manufacturer in Denmark and among the 10 biggest in Scandinavia. SP Medical ranks among the 3-4 biggest in Scandinavia.

Locations: Juelsminde, Stoholm, Karise, Sønderborg (Denmark), Suzhou (China) and Sieradz (Poland as of October/November 2006).



Technical plastics



Mass Production



Medico



Big parts



2K moulding

INJECTION MOULDING (2)

Q1 – Q3 2006:

- 13.5% growth in sales; 25.2% in Q3
- Higher contribution margins due to improved efficiency and capacity utilisation
- Take over of Danfoss Plastics in Nordborg 1.7.; 35 machines to Sønderborg, Juelsminde and Poland
- Breakthrough in medico with agreement for the manufacturing of pharmaceutical products
- Start in Poland this autumn, and enhancing activities in China

Outlook for 2006:

- Continuing growth and improved earnings in all entities
- Start in Poland and the integration of Danfoss Plastics have an impact on the earnings

DKK mio.	9M 06	9M 05
Revenue	338,6	298,2
Profit/loss before financial items (EBIT)	7,3	3,9
Profit/loss before tax and minorities	2,3	-0,7
Profit/loss before tax and after minorities	3,0	-1,3
Employees (average)	483	462



DKK mio.	2005	2004
Revenue	398,6	374,5
EBITDA	18,9	11,7
Profit before financial items (EBIT)	1,6	-30,3

POLYURETHANE (1)

3 activities: Tinby A/S, Ergomat A/S and TPI Polytechnik bv

Locations: Søndersø (DK), Zdunska Wola (POL), Vught and MK Teuge (NL), Cleveland (US), Montreal (CAN), Zeil am Main (DE), Helsingborg (SE)

Tinby is one of the leading supplier in Northern Europe of moulded products in solid foamed and flexible polyurethane (PUR). Global market leader within hard rollers.



Rollers

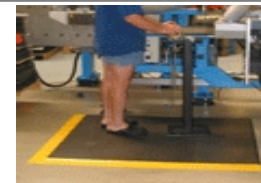


Solid foamed
PUR

Ergomat produces and sells ergonomic solutions under own brands: Primarily mats (Ergomat), chairs (ErgoPerfect), tables, and DuraStripe striping tape. Market leader in the EU.



Mats



DuraStripe

TPI Polytechnik produces and sells concepts for ventilation of industrial buildings and poultry and pig houses. Market leader in the EU.



POLYURETHANE (2)

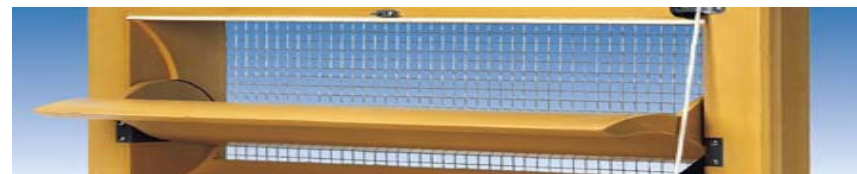
Q1 – Q3 2006:

- 8.5% growth in 2005
- 17% growth in own brands – Ergomat og TPI
- Operation profit margin improved from 12.5% to 16.6% due to better product mix and elimination of loss-making activity in Poland
- 60% acquisition of Mattega AB on 01.01.
- Acquisition of minorities in Ergomat LLC on 01.01.

Outlook for 2006:

- Higher revenue and earnings but lower growth in 2005
 - Subject to the spread of dangerous bird disease

DKK mio.	9M 2006	9M 2005
Revenue	109,7	117,1
Profit/loss before financial items (EBIT)	18,2	14,7
Profit/loss before tax and minorities	15,7	13,0
Profit/loss before tax and after minorities	12,0	9,9
Employees in average	187	201



DKK mio.	2005	2004
Revenue	156,6	139,7
EBITDA	24,7	12,1
Profit/loss before financial items (EBIT)	17,8	5,4

VACUUM MOULDING (1)

Gibo Plast develops, product matures and manufactures thermo-moulded plastic products in different materials and colours. The products are mainly used in refrigerators and freezers, caravans as well as within transport, medical equipment, lighting industries, wind turbines etc.

Market leader in Denmark and Scandinavia, among the 10 biggest supplier in the EU as regards traditional vacuum moulding. Strong position within the new High-pressure and Twinsheet technologies.

Location: Skjern (DK)



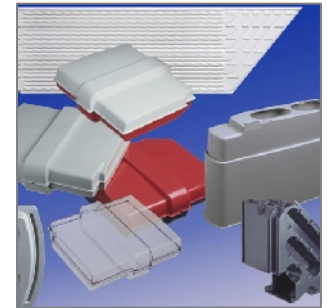
Vacuum moulding



CNC milling



High pressure



Twinsheet

VACUUM MOULDING (2)

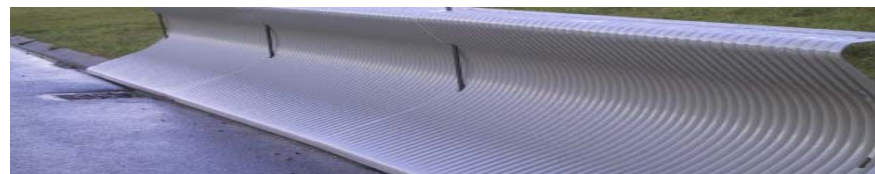
Q1 – Q3 2006:

- Sales improved by 5.6%
- Increasing sales of big parts for the transport and wind industries
- Improved earnings due to centralization of production in Skjern during 2005
- Manufacturers of refrigerators under pressure; Two major customers will close production in DK in Q4
- Sales strengthened significantly

Outlook for 2006:

- Profit at the same level as in 2005

DKK mio.	9M 2006	9M 2005
Revenue	78,8	74,6
Profit before financial items (EBIT)	4,5	3,9
Profit before tax and minorities	3,2	2,8
Profit before tax and after minorities	3,2	2,8
Employees in average	72	71



DKK mio.	2005	2004
Revenue	104,2	105,3
EBITDA	8,7	12,2
Profit before financial items (EBIT)	6,3	9,1

COATINGS (1)

Accoat develops and manufactures non-stick and low-friction coating in Teflon and PTFE etc. for a wide range of industries.

Accoat Medical develops and manufactures finished articles for the medical appliance industry.

Within industrial teflon Accoat is among the 5 biggest suppliers in the EU. Within medical guide-wires Accoat is in the European Top 3.

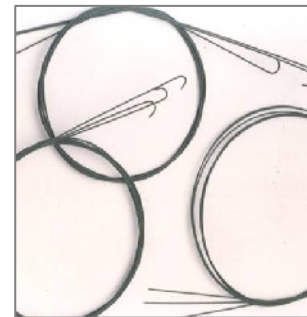
Location: Kvistgård (DK) and Zdunska Wola (POL) (Accoat Medical)



Coating



Coating



Medico

COATINGS (2)

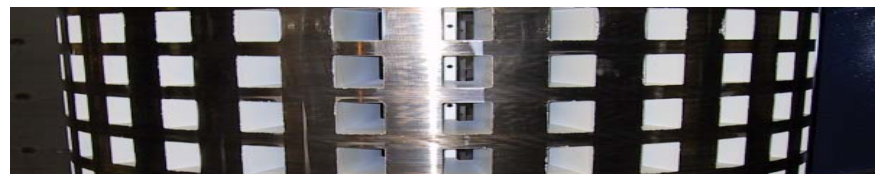
Q1 – Q3 2006:

- More than 40% growth adjusted for sale of Accoflour in 2005; 46.4% in Q3
- Strong growth in the sale for the medico industry
- Accoat Medical's production facilities in Poland full established this autumn
- Increased sales in the chemical industry and oil/gas industry
- Better results than expected
 - Focus on core competencies, i.e. non-stick, low-friction and highbuild corrosion protecting coatings

OUTLOOK FOR 2006:

- Growth in Coatings and Medical
- Significantly improved earnings in spite of the establishment in Poland

DKK mio.	9M 2006	9M 2005
Revenue	84,8	70,4
Profit/loss before financial items (EBIT)	10,3	2,0
Profit/loss before tax and minorities	9,0	-1,2
Profit/loss before tax and after minorities	9,0	-1,2
Employees in average	107	123



DKK mio.	2005	2004
Revenue	92,0	82,8
EBITDA	7,2	4,3
Profit before financial items (EBIT)	2,3	2,0

GROUP STRATEGY (1)

- Win market shares in Northern Europe through increasing exports from Denmark and Poland
- Acquisitions, e.g. consolidation of main markets in Northern Europe
- Intensified marketing and stronger differentiation within processes, design and raw materials
- Intensified innovation and contribution to the customer's product development; global sourcing of forms and tools
- Stronger engagement in growth industries and new customers



STRATEGY (2)

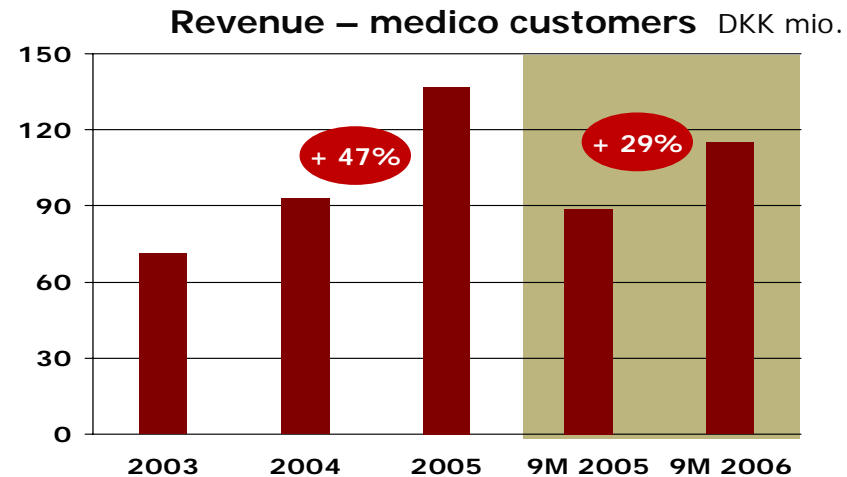
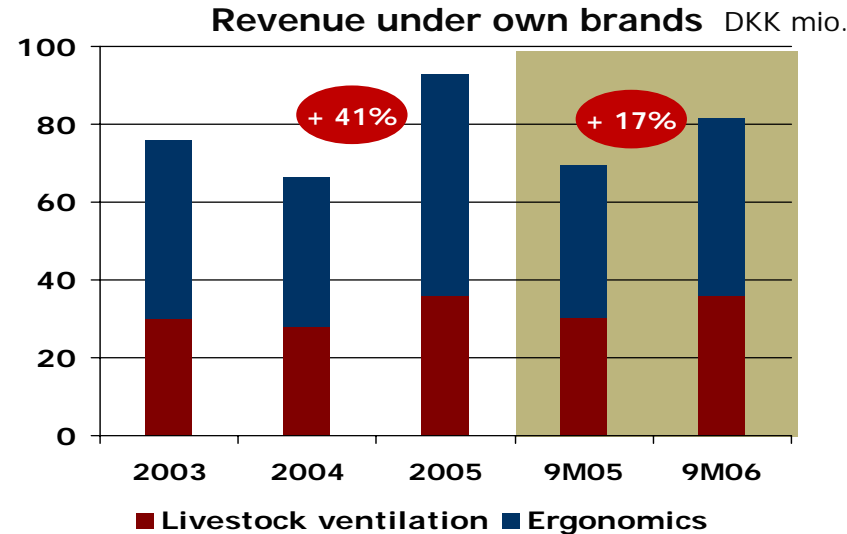
- Utilize the potential in the existing niche products
 - Ergonomic workplaces and striping equipment
 - Ventilation equipment
 - Guide-wires
 - Rollers
 - License plates
- Globalize high-margin products under own brands, i.e.
 - Ergomat, DuraStripe, TPI etc.

DURASTRIPE

ERGOMAT®



- New niche products with control of trademarks and distribution
- Focus on medico through strengthening of activities and competencies



STRATEGY (3)

- Continuing adjustments and improved efficiency of production
 - Automation of processes, rolling out of LEAN
 - "Better, cheaper and faster"
- Expansion in Poland and China
 - Doubling of capacity in China up until 2009
 - Injection moulding factory and clean room production in Poland in 2006
- Maximum utilisation economies of scale, e.g. global sourcing
- Strengthened IT and control systems
- Adjustment and better education of the employees



FINANCIAL OBJECTIVES

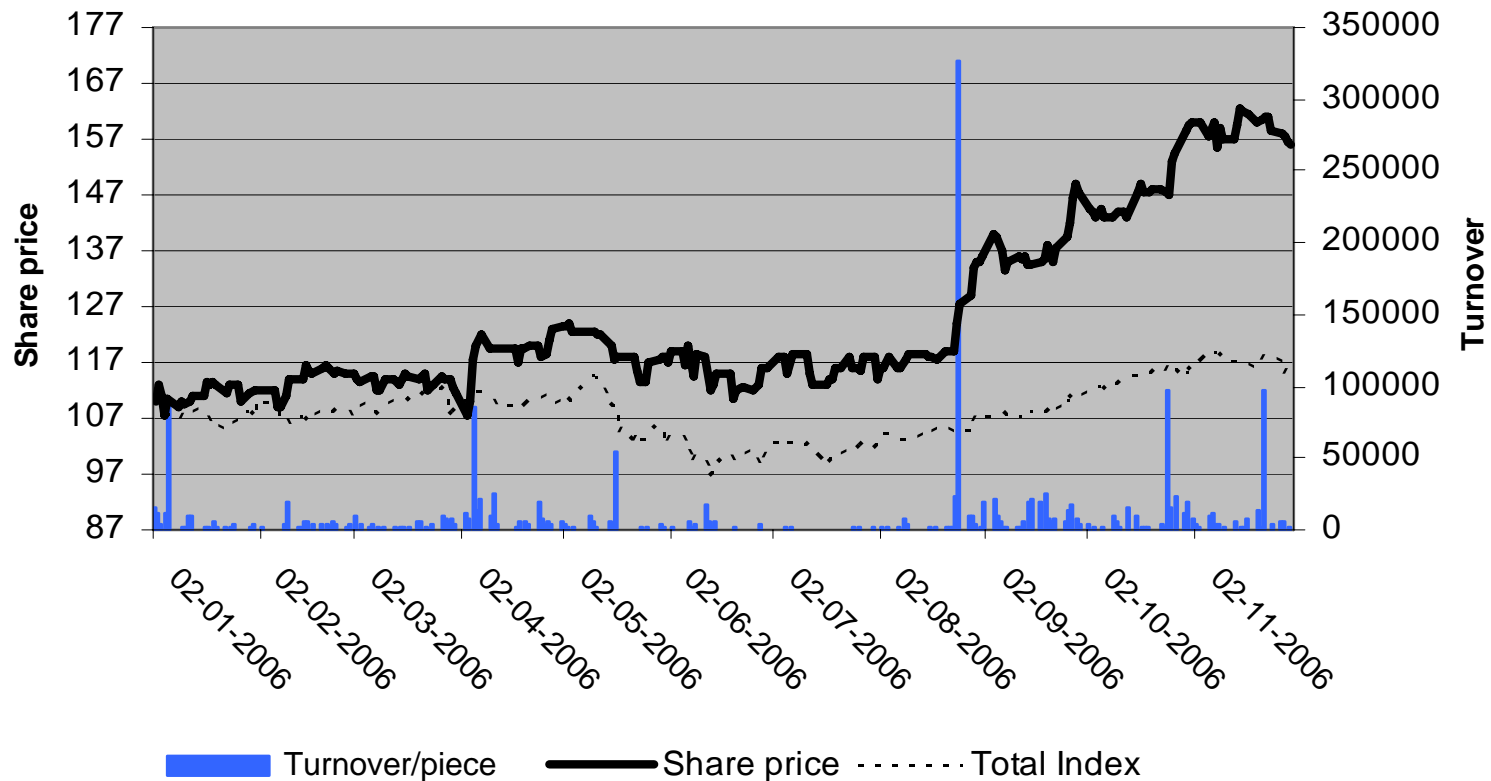
- Profit before tax and minorities equal to 5% on revenue in 2-4 years
- Revenue in the range of DKK 1 billion in 2009
- Lower interest-bearing debt and higher operating profit (EBITDA)
 - Net debt and EBITDA ratio lowered gradually to 3-4 in 2009
 - Strengthening of cash flows from operations
- Equity ratio in the range of 20-35% is considered appropriate
- Competitive return to the shareholders, e.g. through value increases



Development in share price 1.1-30.11.2006

- compared to the market and including trading activity

- 1 share – 1 vote
- 100% free float – no dominant shareholders



OUTLOOK FOR 2006

- The positive trend continues
- Increasing revenue due to acquisition of Danfoss Plastics, but the integration of these activities has an impact on earnings
- Revenue increase by 10% (previously 4-8%)
- Profit before tax and minorities is estimated at DKK 20 mio. (previously DKK 10-15 mio.)
- Outlook is based on no changes in raw material prices and exchange rates

Higher capital in 2006

- **Capital injection of 9.9 % in April resulted in a net proceeds of DKK 18.6 mio.**
- **Capital injection of 2.2% in August resulted in a net proceeds of DKK 5.0 mio.**
- **2,000,000 shares of nominal DKK 100**
- **Equity incl. minorities increased by 5% to 25.3% end of Q3**
- **Focus on reducing net interest bearing debt through higher operating profit and sale of loss-making activities**

STATEMENTS POINTING FORWARD

This presentation contains statements pointing forward and reflects the present view of SP Group as to future events and financial results.

The statements as regards 2006 and the years to come are naturally subject to certain uncertainties, and the real results of SP Group may therefore differ from the outlook and the financial objectives. Circumstances that could cause changes are among others - but not alone – price changes in raw material and energies, changes in exchange rates, changes in the macro economic and political conditions, changes in the customer's demands and production ways and other circumstances on which we do not have any influence.

This presentation is not a request for buying or selling shares in SP Group A/S.



More information:

Frank Gad, Chief Executive Officer
SP Group A/S
Snavevej 6-10
5471 Søndersø
Phone: 7023 2379 / 3042 1460
E-mail: fg@sp-group.dk

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