

NASDAQ OMX Copenhagen A/S
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Announcement no. 49 / 2015
20 August 2015
Company reg. (CVR) no. 15701315

Interim report - First half year of 2015

Summary: SP Group generated profit before tax and non-controlling interests of DKK 34.2 million in H1 2015, against DKK 21.2 million in H1 2014. Relative to the year-earlier period, revenue was up by 9.5% to DKK 627.7 million and EBITDA improved 28.7 % to DKK 70.0 million from DKK 54.4 million. Full-year 2015 guidance upgraded: We now expect profit before tax and non-controlling interests of about DKK 70.0 million (previous guidance: DKK 65.0 million) on revenue of around DKK 1.3 billion (previous guidance: DKK 1,250-1,300 million).

The Board of Directors of SP Group A/S today considered and approved the interim report for the six months ended 30 June 2015.

Highlights of the interim report:

- The H1 2015 revenue was up by DKK 54.7 million to DKK 627.7 million, a 9.5% improvement on the year-earlier period.
- Profit before depreciation, amortisation and impairment losses (EBITDA) for H1 2015 was DKK 70.0 million, as against DKK 54.4 million in H1 2014. Earnings were adversely affected by the costs of acquiring and integrating Sander Tech ApS (DKK 1.0 million), integrating Scanvakuum ApS (DKK 0.3 million) and starting up SP Extrusion A/S (DKK 1.4 million).
- Profit before net financials (EBIT) came to DKK 38.7 million in H1 2015, against DKK 27.4 million in H1 2014.
- Net financials were an expense of DKK 4.5 million in H1 2015, a DKK 1.6 million improvement on H1 2014 resulting from slightly lower interest rates, interest margins and exchange rate adjustments.
- Profit before tax and non-controlling interests was DKK 34.2 million in H1 2015, as against DKK 21.2 million in H1 2014.
- Earnings per share (diluted) were DKK 12.57 in H1 2015, a 59.7% improvement from DKK 7.87 in H1 2014.
- In our coating business (Accoat), revenue fell by DKK 16.4 million to DKK 72.5 million in H1 2015, and EBITDA fell to DKK 6.6 million in H1 2015 from DKK 10.7 million in H1 2014.
- The Plastics businesses (SP Moulding, Sander Tech, SP Medical, Tinby, TPI, Ergomat, Gibo Plast, SP Extrusion and Brøderna Bourghardt) reported an aggregate revenue improvement of DKK 71.9 million to DKK 559.8 million. EBITDA improved by 39.4% to DKK 68.6 million in H1 2015 from DKK 49.2 million in H1 2014.
- There was a cash inflow from operating activities of DKK 80.8 million in H1 2015, against DKK 21.5 million in H1 2014.
- Net interest-bearing debt (NIBD) amounted to DKK 400.5 million at 30 June 2015, against DKK 467.9 million at 30 June 2014. At 31 December 2014, NIBD was DKK 467.2 million. NIBD was lifted by DKK 43.0 million of the proceeds from a capital increase carried out on 24 June 2015.
- SP Group acquired Ulstrup Plast A/S effective on 1 July 2015.
- We now expect profit before tax and non-controlling interests of about DKK 70.0 million (previous guidance: DKK 65.0 million) on revenue of around DKK 1.3 billion (previous guidance: DKK 1,250-1,300 million).

Statement by CEO Frank Gad: *"The second quarter of 2015 marks our best quarter ever in terms of both the top and bottom lines, despite many challenges in our markets, notably for our coating activities.*

The first six months of 2015 was also our best half-year period to date."

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FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000 (key ratios excepted)	Q2 2015 (unaud.)	Q2 2014 (unaud.)	H1 2015 (unaud.)	H1 2014 (unaud.)	FY 2014 (audited)
Income statement					
Revenue	320,412	300,010	627,673	572,996	1,164,942
Profit before depreciation, amortisation and impairment losses (EBITDA)	37,546	30,368	69,976	54,438	113,496
Depreciation, amortisation and impairment losses	-15,887	-13,756	-31,250	-27,073	-53,329
Profit before net financials (EBIT)	21,659	16,612	38,726	27,365	60,167
Net financials	-1,407	-2,605	-4,524	-6,162	-8,691
Profit before tax and non-controlling interests	20,252	14,007	34,202	21,203	51,476
Profit for the period	15,431	10,647	26,163	16,414	39,809
of which attributable to SP Group A/S	15,171	10,536	25,974	16,325	39,020
Earnings per share (DKK)			12.99	8.26	19.87
Diluted earnings per share (DKK)			12.57	7.87	19.25
Balance sheet					
Non-current assets			603,875	562,952	574,845
Total assets			1,010,028	945,838	943,421
Equity			358,003	258,300	266,731
Equity including non-controlling interests			360,324	266,570	276,361
Investments in property, plant and equipment(excluding acquisitions)	10,733	35,299	36,169	44,753	77,791
Net interest-bearing debt (NIBD)			400,476	467,864	467,197
NIBD/EBITDA (last 12-month period)			3.1	4.0	4.1
Cash flows					
Cash flows from:					
- operating activities	54,829	21,399	80,817	21,527	64,101
- investing activities	-36,884	-13,525	-50,611	-33,170	-64,330
- financing activities	38,966	-7,505	23,616	-22,010	9,985
Change in cash and cash equivalents	56,911	369	53,822	-33,653	9,756
Key ratios					
EBITDA margin (%)	11.7	10.1	11.1	9.5	9.7
EBIT margin (%)	6.8	5.5	6.2	4.8	5.2
Profit before tax and non-controlling interests as a percentage of revenue	6.3	4.7	5.4	3.7	4.4
Return on invested capital including goodwill (%)					8.4
Return on invested capital excluding goodwill (%)					9.8
Return on equity, excluding non-controlling interests					15.3
Equity ratio, excluding non-controlling interests (%)			35.4	27.3	28.3
Equity ratio, including non-controlling interests (%)			35.7	28.2	29.3
Financial gearing			1.1	1.8	1.7
Cash flow per share, DKK			39.1	10.4	31.6
Total dividends for the year per share (DKK)					3.5
Market price, end of period (DKK per share)			310.0	257.0	219.5
Net asset value per share, end of period (DKK)			177	129	135
Market price/net asset value, end of period			1.75	2.00	1.63
Number of shares, end of period			2,224,000	2,024,000	2,024,000
of which treasury shares, end of period			5,108	16,676	43,993
Average no. of employees			1,298	1,221	1,255



MANAGEMENT COMMENTARY

H1 PERFORMANCE REVIEW

We continued to record higher sales to many of our customers across industries and geographies in the first half of 2015. The improvements were the most pronounced in our international markets, as sales outside Denmark grew by 20.8%. Sales to our Danish customers were down by 1.6%.

Our performance numbers relative to H1 2014:

	Q2 2015	H1 2015
Healthcare	12.3%	25.3%
Cleantech	1.0%	-3.1%
Food-related	-2.0%	1.2%
Automotive	-8.0%	18.9%
Oil and gas	-80.7%	-85.4%
of which own brands	14.6%	18.9%

Most of the change in revenue was due to higher volume sales. Changes in currency exchange rates, particularly the appreciation of USD and RMB, also contributed to the revenue increase. The currency effect accounts for about 1.5 percentage points of the 9.5% revenue improvement.

Sales to the healthcare industry were up by 25.3% year-on-year to DKK 269.2 million and now account for 42.9% of consolidated revenue. Q2 sales were up by 12.3% year on year.

Sales to the cleantech industry were down by 3.1% to DKK 165.1 million and now make up 26.3% of consolidated revenue. Sales improved by 1.0% in the second quarter.

Sales to food-related industries were up by 1.2% to DKK 91.4 million and now make up 14.6% of consolidated revenue. Q2 sales fell by 2.0% year on year.

Sales to the oil and gas industry stalled completely due to the lower oil prices.

Up by 19%, sales of our own brands rose by twice the rate of revenue in general and now account for 16.7% of consolidated revenue.

SP Medical reported a 23.0% improvement in guidewire sales. Ergomat reported a 23.6% improvement in sales of ergonomic products. TPI reported a 6.8% improvement in sales of farm ventilation components. The improvements in all three business areas were driven by new innovative solutions and products, improved marketing opportunities and a larger sales force.

SP Group continued its intensified marketing efforts towards both existing and potential customers. The inflow of new customers continued in the first half year, and we are taking proactive steps to develop and market a number of new solutions, e.g. for the healthcare, cleantech and food-related industries as well as the oil and gas industry, which we believe hold an attractive growth potential.

Our sales to the healthcare industry are also growing strongly, and we have won orders for many new plastics components and coating solutions for regular shipment.

International sales now account for 54.9% of revenue (compared with 49.7% in H1 2014).

SP Group continually seeks to optimise its business under the current market conditions by raising production efficiency, aligning capacity and pursuing tight cost management.

In addition to capacity alignment, we are also dedicated to reducing our general costs. Our goal at SP Group is for all of our production facilities to manufacture and deliver better, cheaper and faster. We continually consider steps to cut consumption of raw materials and resources (reducing carbon emissions, etc.) and to reduce the time necessary to commission equipment and switch-over times. We are continuing the current roll-out of our LEAN project, which aims to improve our processes and flows and to enhance the skill sets of our organisation.

Currently, some 63% of our staff are employed outside Denmark.

The Group's headcount grew by 43 in the six months to 30 June 2015 (38 in Poland, 7 in Denmark and 2 less in the rest of the world). The headcount was reduced by two in the second quarter.

As announced in Announcement No. 11/2015, SP Group acquired 100% of the shares in Sander Tech ApS on 13 March 2015.

As announced in Announcement No. 15/2015, SP Group has launched a DKK 10 million share buy-back programme under the Safe Harbour regulations to cover existing warrant programmes. The share buy-back programme will run until the end of 2015.

As announced in Announcement No. 20/2015, SP Group acquired IFU's 25% stake in SP International A/S, the company owning the SP Moulding (Suzhou) Co., Ltd. injection moulding factory.



As announced in Announcement no. 26/2015, the Board of Directors established a new warrant programme for the company's Executive Board and 26 managers.

As announced in Announcement no. 41/2015, SP Group has acquired Ulstrup Plast. As the transaction closed on 1 July 2015, Ulstrup Plast was not consolidated at 30 June 2015.

As announced in Announcement No. 42/2015, SP Group has issued 200,000 new shares, increasing the share capital by DKK 2 million. The company received net proceeds of DKK 55.5 million, of which DKK 12.5 million was used on 29 June 2015 to acquire 18.22% of the shares in Ulstrup Plast A/S.

FINANCIAL PERFORMANCE REVIEW

Revenue for the first six months of 2015 amounted to DKK 627.7 million, against DKK 573.0 million for the year-earlier period, equal to a 9.5% improvement.

The consolidated H1 2015 EBITDA was DKK 70.0 million, compared with DKK 54.4 million in H1 2014. The EBITDA margin improved to 11.1% from 9.5% in H1 2014. The Q2 2014 EBITDA margin was 11.7%.

Profit before net financials (EBIT) came to DKK 38.7 million in H1 2015, against DKK 27.4 million in H1 2014. The H1 2014 EBIT margin was 6.2%, compared with 4.8% in H1 2014. The Q2 EBIT margin was 6.8%.

Net financials were an expense of DKK 4.5 million in H1 2015, a DKK 1.6 million improvement relative to H1 2014 that was due to slightly lower interest rates, interest margins and exchange rate adjustments.

Profit before tax and non-controlling interests amounted to DKK 34.2 million for H1 2015, as against DKK 21.2 million in H1 2014. For the second quarter, the profit was DKK 20.3 million, as against DKK 14.0 million in H1 2014.

Total assets amounted to DKK 1,010.0 million at 30 June 2015, compared with DKK 945.8 million at 30 June 2014. The equity ratio was 35.7% at 30 June 2015 (up from 28.2% at 30 June 2014).

Total assets rose by approximately DKK 64 million during the first six months of 2015 due to an increase in gross working capital (DKK 40.0 million), the acquisition of shares in Ulstrup Plast A/S (DKK 12.5 million), an increase in intangible assets and in property, plant and equipment including the acquisitions of Sander Tech ApS and

the activities of Scanvakuum ApS (DKK 11.5 million).

Net interest-bearing debt amounted to DKK 400.5 million at 30 June 2015, against DKK 467.2 million at 31 December 2014 and DKK 467.9 million at 30 June 2014. Being focused on working capital, the Group has sold selected trade receivables. Net interest-bearing debt was 3.1 times LTM EBITDA (DKK 129.1 million), marking an improvement on the level recorded in the Group's best year to date. NIBD/EBITDA was 4.0 at 30 June 2014. Without the capital increase and the DKK 12.5 million acquisition of shares in Ulstrup Plast at the end of June, NIBD/EBITDA would have been 3.4. We remain strongly committed to reducing the interest-bearing debt by increasing cash flows from operating activities.

Contributing to equity in the reporting period were exchange rate adjustments of foreign subsidiaries (by DKK 6.1 million) and value adjustment of financial instruments acquired to hedge future cash flows, such instruments consisting mainly of forward contracts (PLN against EUR, by DKK 8.7 million). Also contributing to equity was the purchase of treasury shares for a net amount of DKK 1.5 million, and the issuance of new shares, which produced net proceeds of DKK 55.5 million (see Announcement No. 42/2015).

Detracting from equity were the distribution of dividends (DKK 8.0 million) and the acquisition of an ownership interest from non-controlling shareholders (DKK 6.5 million), which mainly involved the acquisition of IFU's ownership interest in SP Moulding in China (see Announcement No. 20/2015).

Cash flows

Cash flows from operating activities were DKK 80.8 million in H1 2015, which was DKK 59.3 million higher than in H1 2014.

In the H1 2015 period, the Group spent DKK 50.6 million on investments, including acquisitions (Scanvakuum, Sander Tech, Ulstrup Plast, share of non-controlling interest, DKK 23.1 million), DKK 25.4 million on reducing non-current loans, paid dividends of DKK 8.0 million. New shares were issued, raising proceeds of DKK 55.5 million, and the Group recorded a net gain of DKK 1.5 million from buying and selling treasury shares.

Accordingly, the Group recorded a net cash inflow of DKK 53.8 million.

Management believes that the company continues to have an adequate level of capital resources relative to its operations as well as sufficient cash resources to meet its current and future liabilities. The Company has good, long-standing and



constructive relationships with its financial business partners and expects to continue those relationships.

OUTLOOK FOR THE REST OF 2015

The global economy is expected to continue on the road to recovery in 2015, but it remains fragile and marred by financial volatility. Weak economic growth is generally expected in our neighbouring European markets, as a number of countries continue to have disturbingly large public sector deficits and large debts.

We plan to launch a number of new products and solutions, especially to customers in the healthcare, cleantech, food-related and oil and gas industries. These new solutions are expected to contribute to growth and earnings.

The level of investment will remain high in 2015, although it will be lower than in 2014. We expect the largest single investment to be made in our medical devices operations.

Depreciation and amortisation charges are expected to be somewhat higher than in 2014.

Financial expenses are expected to be at the level of 2014.

By combining these factors with tight cost management and swift capacity alignment, and maintaining a strong focus on risk, liquidity and capital management, our Group is strongly positioned for the future.

Based on the performance of the first seven months of 2015, the Board of Directors today raised the full-year guidance relative to the outlook expressed in Announcement No. 41/2015.

SP Group now expects FY 2015 revenue of about DKK 1.3 billion and profit before tax and non-controlling interests of about DKK 70.0 million, up from the previous guidance of revenue of DKK 1,250-1,300 million and profit before tax and non-controlling interests of about DKK 65.0 million.

COATINGS

(Accoat)

DKK '000	Q2		H1	
	2015	2014	2015	2014
Revenue	36,910	47,101	72,506	88,907
Profit before depreciation, amortisation and impairment losses (EBITDA)	4,763	5,524	6,565	10,692
Profit before net financials (EBIT)	2,486	3,258	2,031	6,189
Average no. of employees			70	85

H1 highlights

Revenue for the first six months of 2015 amounted to DKK 72.5 million, against DKK 88.9 million in H1 2014, equal to an 18.5% decline.

EBITDA fell in H1 2015 compared with H1 2014 due to the drop in revenue. Due to the changed market conditions, Accoat has made substantial adjustments to its organisation and cost base. The drop in revenue was due to lower sales to customers in the cleantech and the oil and gas industries.

Due to the lower oil prices, Accoat suffered a severe plunge in sales to the oil and gas industry and to the chemical industry. Sales activity to these industries has virtually ground to a halt. We expect the activity to recover later in the year, because coating production equipment provides value to our customers even under the current market conditions.

The factory in Brazil serves customers in the medical devices industry.

Accoat continues its marketing efforts towards customers in the oil and gas industry. Sales to the medical devices industry were flat.

A number of customers in the medical devices and chemical industries are increasingly demanding Accoat's services for friction reduction and corrosion protection. Accoat is working closely with selected customers to develop new coating solutions for the food, cleantech and medical devices industries. Those solutions are expected to be ready for market launch later this year.

Accoat's managing director Jens Hinke, who is 67 years old, has expressed a wish to work part-time starting on 1 August 2015. Mr Hinke will continue to serve on Accoat's executive management.

Mads Juhl, the company's sales manager, has been appointed new managing director. Mr Juhl (57) holds a MSc in engineering and has worked in the business of coating solutions for the past 30 years, including the past two years with Accoat.

Accoat now expects a drop in revenue and EBITDA for 2015, as the markets are very unstable and the current relatively low price of oil has a material impact on the investment appetite of the oil and gas industry.



PLASTICS

(SP Moulding, Sander Tech, SP Medical, Gibo Plast, Ergomat, Tinby, TPI Polytechnik, SP Extrusion and Brøderna Bourghardt)

DKK '000	Q2		H1	
	2015	2014	2015	2014
Revenue	285,822	253,911	559,826	487,955
Profit before depreciation, amortisation and impairment losses (EBITDA)	35,907	27,787	68,625	49,218
Profit before net financials (EBIT)	23,074	17,104	43,459	28,290
Average no. of employees			1,217	1,126

H1 highlights

Revenue in the first six months of the year amounted to DKK 559.8 million, against DKK 488.0 million in the year-earlier period, equal to a 14.7% improvement.

EBITDA improved considerably to DKK 68.6 million in H1 2015, from DKK 49.2 million in H1 2014.

The recent acquisition Sander Tech contributed approximately DKK 4.2 million to H1 revenue.

The six Polish factories operated by Gibo, Ergomat SP Moulding, SP Medical and Tinby continue to perform well and profitably and are creating more jobs. The Danish factories reported slightly higher earnings improvements and increased headcounts. SP Moulding's sales and earnings in China are flat.

All installations continue to implement production efficiency improvements, such as our LEAN projects, energy optimisation (reducing carbon emissions), more automation, focus on raw materials consumption, scrappings and switch-over times.

SP Moulding and SP Medical continue to step up marketing efforts towards new customer leads. The stronger marketing focus in a number of markets has produced several new, regular customers.

SP Medical reported an increase of 23.0% in production and sale of guidewires in H1 2015, mainly through broader and more comprehensive market coverage.

Tinby's customers in the cleantech and insulation industries are reporting growth.

Ergomat reported improvements in sales and earnings. Global sales were up by 23.6%, driven mainly by North America and Germany.

TPI Polytechnik reported increasing sales and earnings. Sales were up by 6.6%. New customers have been identified in Asia, the Middle East and Africa. The Scandinavian market continues to feel the lack of appetite and opportunities for investing in large animal housing facilities.

A number of new PUR products have been launched in 2015, and all three businesses are planning additional product launches later this year.

Tinby has expanded its production of PUR components in China for customers in the cleantech industry.

Tinby has established local production in the USA in order to provide better service to its North American customers. The facilities were set up at Ergomat's existing location. The new production activity is developing in line with plans.

Gibo Plast has developed new projects and solutions for customers in the cleantech and automotive industries, which the company expects will contribute to sales and earnings in 2015 and onwards. The Scanvakuum activities were acquired and transferred to Gibo's existing plants in Denmark and Poland in Q1 2015. The factory in Sorø, Denmark has been closed, the lease has been terminated and the premises vacated.

In the USA, Ergomat has established local production of ergonomic mats in order to provide a better service (by reducing leadtimes) to the many US-based customers. The new production activity is developing as planned.

Ergomat expanded production in Poland and strengthened its services locally in Europe.

Brøderna Bourghardt, a company acquired at the end of February 2014, is performing well and growing its sales and, as expected, is bringing in new customers to SP Group's existing business operations. Brøderna Bourghardt is Scandinavia's leading manufacturer of Telene components (impact-resistant plastic material suitable for large components) and a maker of advanced products from composite materials.

As expected, starting up SP Extrusion and transferring Scanvakuum impacted H1 2015 EBIT.

The acquisition of Sander Tech also impacted H1 earnings. The company's activities were transferred to Stoholm, Denmark in the second quarter and the factory at Nibe has been closed. The lease has been terminated and the premises vacated.

Ulstrup Plast A/S forms part of our Plastics business effective from 1 July. Ulstrup Plast A/S is a well-run and profitable injection moulding business with production and assembly sites in Denmark and Slovakia. Søren Ulstrup will stay on as managing director of Ulstrup Plast A/S, which he has skilfully managed since 1993. Through his company Søren Ulstrup ApS, Mr Ulstrup became a significant shareholder of SP Group A/S in connection with the



share issue of 29 June 2015. We are confident that the acquisition of Ulstrup Plast A/S will further accelerate SP Group's growth and earnings.

We continue to expect revenue and EBITDA improvements in the PLASTICS business in 2015 relative to 2014. Healthcare and cleantech activities are being expanded in the USA, Denmark, Poland,

Slovakia, Latvia and China. Sales and marketing activities will be stepped up globally.



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and approved the interim report of SP Group A/S for the six months ended 30 June 2015.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 '*Interim Financial Reporting*' as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2015 and of the results of the Group's operations and cash flows for the six months ended 30 June 2015.

Furthermore, in our opinion, the Management commentary gives a true and fair review of the development of the Group's activities and financial affairs, the financial results for the period and the Group's financial position in general as well as a true and fair description of the principal risks and uncertainties which the Group faces.

Søndersø, 20 August 2015

Executive Board

Frank Gad
CEO

Jørgen Hønnerup Nielsen
CFO

Board of Directors

Niels K. Agner
Chairman

Erik P. Holm
Deputy Chairman

Erik Christensen

Hans W. Schur

Hans-Henrik Eriksen

**INCOME STATEMENT (summary)**

DKK '000	Q2 2015 (unaud.)	Q2 2014 (unaud.)	Acc. Q2 2015 (unaud.)	Acc. Q2 2014 (unaud.)	FY 2014 (audited)
Revenue	320,412	300,010	627,673	572,996	1,164,942
Production costs	-225,012	-214,557	-443,301	-408,897	-837,859
Contribution margin	95,400	85,453	184,372	164,099	327,083
Profit before depreciation, amortisation and impairment losses (EBITDA)	37,546	30,368	69,976	54,438	113,496
Depreciation, amortisation and impairment losses	-15,887	-13,756	-31,250	-27,073	-53,329
Profit before net financials (EBIT)	21,659	16,612	38,726	27,365	60,167
Net financials	-1,407	-2,605	-4,524	-6,162	-8,691
Profit before tax and non-controlling interests	20,252	14,007	34,202	21,203	51,476
Tax on the profit for the period	-4,821	-3,360	-8,039	-4,789	-11,667
Profit for the period	15,431	10,647	26,163	16,414	39,809
SP Group A/S' share	15,171	10,536	25,974	16,325	39,020
Earnings per share (DKK)			12.99	8.26	19.87
Diluted earnings per share (DKK)			12.57	7.87	19.25

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Q2 2015 (unaud.)	Q2 2014 (unaud.)	Acc. Q2 2015 (unaud.)	Acc. Q2 2014 (unaud.)	FY 2014 (audited)
Profit for the period	15,431	10,647	26,163	16,414	39,809
<i>Items that may be reclassified to the income Statement:</i>					
Exchange rate adjustment relating to foreign subsidiaries	-6,238	859	6,144	-204	1,856
Net fair value adjustment of financial instruments acquired to hedge future cash flows	-9,354	2,974	8,716	2,319	-7,098
Other comprehensive income	-15,592	3,833	14,860	2,115	-5,242
Comprehensive income	-161	14,480	41,023	18,529	34,567
Allocation of comprehensive income for the period:					
Parent company shareholders	-440	14,441	40,882	18,520	33,225
Non-controlling shareholders	279	39	141	9	1,342

**BALANCE SHEET (summary)**

	30.06. 2015	30.06. 2014	31.12. 2014
DKK '000	(unaud.)	(unaud.)	(audited)
Intangible assets	142,893	133,598	140,197
Property, plant and equipment	441,102	426,325	427,365
Financial assets	15,634	3,029	3,037
Deferred tax assets	4,246	0	4,246
Total non-current assets	603,875	562,952	574,845
Inventories	233,037	219,577	207,870
Receivables	143,708	145,963	131,415
Cash	29,408	17,346	29,291
Total current assets	406,153	382,886	368,576
Total assets	1,010,028	945,838	943,421
Equity including non-controlling interests	360,324	266,570	276,361
Non-current liabilities	270,126	250,879	288,132
Current liabilities	379,578	428,389	378,928
Equity and liabilities	1,010,028	945,838	943,421

CASH FLOW STATEMENT (summary)

	Q2 2015	Q2 2014	Acc. Q2 2015	Acc. Q2 2014	FY 2014
DKK '000	(unaud.)	(unaud.)	(unaud.)	(unaud.)	(audited)
Cash flows from operating activities	54,829	21,399	80,817	21,527	64,101
Cash flows from investing activities	-36,884	-13,525	-50,611	-33,170	-64,330
Cash flows from financing activities	38,966	-7,505	23,616	-22,010	9,985
Change in cash and cash equivalents	56,911	369	53,822	-33,653	9,756

CHANGES IN EQUITY since 1 January:

DKK '000	Equity attributable to parent company shareholders		Equity including non- controlling interests	
	2015	2014	2015	2014
	(unaud.)	(unaud.)	(unaud.)	(unaud.)
Balance at 1 January (after tax)	266,731	243,996	276,361	252,326
Share issue	55,512	0	55,512	0
Exchange rate adj., foreign subsidiaries	6,192	-124	6,144	-204
Acquisition of treasury shares	-8,412	-10,039	-8,412	-10,039
Sale of treasury shares	9,955	11,556	9,955	11,556
Dividends paid	-7,058	-6,023	-7,977	-6,023
Value adjustment of derivative financial instruments (after tax)	8,716	2,319	8,716	2,319
Change in ownership, non-controlling interests	0	0	-6,531	-69
Recognition of share-based payment	393	290	393	290
Profit for the period (after tax)	25,974	16,325	26,163	16,414
Balance at 30 June (after tax)	358,003	258,300	360,324	266,570

BUSINESS SEGMENTS



DKK '000	Coatings Q2		Plastics Q2		Other *) Q2		Group Q2	
	2015 (unaud.)	2014 (unaud.)	2015 (unaud.)	2014 (unaud.)	2015 (unaud.)	2014 (unaud.)	2015 (unaud.)	2014 (unaud.)
Revenue	36,910	47,101	285,822	253,911	-2,320	-1,931	320,412	299,081
Profit before depreciation, amortisation and impairment losses (EBITDA)	4,763	5,524	35,907	27,787	-3,124	-3,009	37,546	30,302
Depreciation, amortisation and impairment losses	-2,277	-2,266	-12,833	-10,683	-777	-826	-15,887	-13,775
Profit before net financials (EBIT)	2,486	3,258	23,074	17,104	-3,901	-3,835	21,659	16,527
Net financials							-1,407	-2,605
Profit before tax							20,252	13,922
Tax on profit for the period							-4,821	-3,360
Profit for the period							15,431	10,562

*) Comprises eliminations and unallocated overhead costs

DKK '000	Coatings Acc. Q2		Plastics Acc. Q2		Other *) Acc. Q2		Group Acc. Q2	
	2015 (unaud.)	2014 (unaud.)	2015 (unaud.)	2014 (unaud.)	2015 (unaud.)	2014 (unaud.)	2015 (unaud.)	2014 (unaud.)
Revenue	72,506	88,907	559,826	487,955	-4,659	-3,866	627,673	572,996
Profit before depreciation, amortisation and impairment losses (EBITDA)	6,565	10,692	68,625	49,218	-5,214	-5,472	69,976	54,438
Depreciation, amortisation and impairment losses	-4,534	-4,503	-25,166	-20,928	-1,550	-1,642	-31,250	-27,073
Profit before net financials (EBIT)	2,031	6,189	43,459	28,290	-6,764	-7,114	38,726	27,365
Net financials							-4,524	-6,162
Profit before tax							34,202	21,203
Tax on profit for the period							-8,039	-4,789
Profit for the period							26,163	16,414
Segment assets	90,545	102,398	802,406	753,731	80,289	69,334	973,240	925,463
Unallocated assets							36,788	20,375
							1,010,028	945,838



Business activities and subsidiaries acquired in 2015

Effective 1 January 2015, the Group acquired the business activities of Scanvakuum ApS, a manufacturer of vacuum-formed plastic products.

Effective 13 March 2015, the Group acquired all shares of Sander Tech ApS, a manufacturer of injection-moulded plastic products.

Fair values of the assets and liabilities at the dates of acquisition are set out below (in DKK thousands).

Property, plant and equipment	1,580
Customer files	1,600
Inventories	415
Trade receivables	1,731
Other receivables	149
Deferred tax asset	20
Prepaid expenses	199
Cash	4
Bank debt	-1,715
Trade payables	-833
Income tax payable	-308
Other payables	-616
Acquired net assets	2,226
Goodwill	1,874
Cash consideration	4,100



Effective 29 June (18%) and 1 July 2015 (82%), the Group acquired all shares in Ulstrup Plast A/S, a manufacturer of injection-moulded plastic products and a provider of associated services, such as assembly, packing, logistics, tool making and advisory services.

Fair values of the assets and liabilities at the dates of acquisition are set out below (in DKK thousands).

Property, plant and equipment	8,941
Customer files	13,328
Inventories	13,929
Trade receivables	25,135
Other receivables	538
Deferred tax asset	0
Prepaid expenses	0
Cash	0
Deferred tax	-2,857
Bank debt	-3,901
Trade payables	-7,903
Income tax payable	-1,571
Other payables	-3,704
Acquired net assets	41,935
Goodwill	26,655
Cash consideration	68,590

The business activity and the companies acquired generated combined revenue of about DKK 120 million and EBITDA of about DKK 20 million in the most recent financial year.

Acquisition costs expected to total DKK 1.0 million, which amount has been recognised in 2015.



Warrant programme for the Company's Executive Board and senior managers

The Board of Directors resolved on 28 April 2015 (see company announcement no. 26/2015) to set up an incentive programme for the Company's Executive Board and 26 senior managers. The programme is based on warrants to be issued by the Board of Directors exercising the authorisation provided in article 5(4) of the articles of association and granted at the Annual General Meeting held on 19 April 2013, on which occasion the programme was presented to the shareholders. A total of 50,000 warrants were issued, of which 10,000 were awarded to the Executive Board and the rest were awarded to the senior managers.

The reason for the award was a desire to align the interests of the senior managers with those of the Group.

The exercise price was fixed at DKK 255.00 per share with a nominal value of DKK 10 plus a 7.5% premium calculated from 1 April 2015 and until the date of exercise. The exercise price was fixed on the basis of the official market price during the period from immediately before the release of the Annual Report on 26 March 2015 and until 27 April 2015.

Warrants issued under the programme may be exercised to buy shares in the Company during the period from 1 April 2018 to 31 March 2021, always provided that warrants can only be exercised during the first two weeks of a trading window in which the Company's in-house rules allow management to trade in the Company's shares.

Warrants to be issued are expected to have a value of DKK 11.35 each for an aggregate market value of approximately DKK 567,500. The market value of the warrants issued was calculated using the Black-Scholes model with volatility being calculated on the basis of the price of the Company's shares in recent months, a level of interest rates of 0.00%, a share price of DKK 240.00 and assuming that warrants awarded are exercised in April 2018. Allowance is made for any dividend payments to be made during the period.

The Executive Board and the 26 senior managers were given the option of buying the warrants at market price as calculated above against payment in cash. This offer to buy will remain in force for the next two months.

Members of the Executive Board and 9 senior managers (11 participants) have opted to buy their warrants (total of 24,000 warrants).

As a result, 98,612 warrants are exercisable under existing programmes as from 2015 (of which 67,962 were exercised in April and May 2015), 100,000 warrants become exercisable in 2016, 50,000 become exercisable in 2017, and 50,000 become exercisable in 2018.

If a participant resigns from the group company in which he or she is employed, the number of warrants will be reduced on a pro rata basis so as to reflect that the participant was only associated with the Group for a part of the term of the programme. This does not apply if a participant has bought and paid for his or her warrants.



Accounting policies

The interim report for the six months to 30 June 2015 is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies. Other than as set out below, the accounting policies are consistent with those applied in Annual Report 2014, in which the accounting policies are set out in their entirety in note 1 to the financial statements.

Changes to accounting policies

Effective from 1 January 2015, SP Group A/S implemented Amendments to IAS 19, parts of Annual Improvements to IFRS' 2010-2012 cycle and parts of Annual Improvements to IFRS' 2011-2013 cycle. The implementation of the new and amended standards and interpretations has not had any material impact on recognition or measurement.

Accounting estimates and judgments

In preparing the interim financial statements, Management makes accounting judgments and estimates that affect the use of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these judgments.

The most significant estimates made by Management when applying the accounting policies and the most significant judgment uncertainty related to preparing these interim financial statements are the same as those used to prepare the consolidated and the parent company financial statements for 2014. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2014.

Impairment test

The annual test for impairment of intangible assets, including goodwill, will be made at 31 December 2015 following the completion of budgets and strategy plans for the upcoming period. Management has not identified evidence of impairment of the carrying amount of goodwill at 30 June 2015 and, accordingly, has not tested goodwill for impairment at 30 June 2015. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2014.

Forward-looking statements

This interim report contains forward-looking statements reflecting Management's current perception of future trends and financial performance. Statements relating to 2015 and the following years are inherently subject to uncertainty and SP Group's actual results may thus differ from expectations. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in SP Group's activities, raw materials prices, foreign exchange rates and economic conditions. This interim report does not constitute an invitation to buy or sell shares in SP Group A/S.

About SP Group

SP Group manufactures moulded plastic components and applies plastic coatings on plastic and metal surfaces.

SP Group is a leading supplier of plastic manufactured products for the manufacturing industries in Denmark and has increasing exports and growing production from own factories in Denmark, China, Brazil, the USA, Latvia, Slovakia and Poland. SP Group also has sales subsidiaries in Sweden, the Netherlands and Canada. SP Group is listed on NASDAQ OMX Copenhagen and had some 1,300 employees and about 800 registered shareholders at 30 June 2015.

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

- Coatings
- Plastics

