NASDAQ Copenhagen A/S
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DK-1007 Copenhagen K

Announcement No 43 / 2016
23 August 2016
Company reg. (CVR) no. 15701315

Interim report - First half year of 2016

Summary: SP Group generated profit before tax and non-controlling interests of DKK 59.2 million in H1 2016, a 73.2% increase from DKK 34.2 million in H1 2015. Revenue improved by 16.1% year on year to DKK 728.7 million and EBITDA rose by 39.8% to DKK 97.8 million from DKK 70.0 million. Earnings were higher than expected, and management upgrades its FY 2016 guidance. SP Group now expects profit before tax and non-controlling interests of about DKK 100-120 million (previous guidance about DKK 100 million) on revenue of around DKK 1.5 billion (previous guidance DKK 1.45-1.5 billion).

The Board of Directors of SP Group A/S today considered and approved the interim report for the six months ended 30 June 2016.

Highlights of the interim report:

- The H1 2016 revenue was up by DKK 101.1 million to DKK 728.7 million, a 16.1% improvement on the year-earlier period. Q2 sales were up by 18.4% year on year.
- Profit before depreciation, amortisation and impairment losses (EBITDA) for H1 2016 was DKK 97.8 million, as against DKK 70.0 million in H1 2015. Company acquisitions added DKK 9.3 million to EBITDA.
- Profit before net financials (EBIT) came to DKK 64.8 million in H1 2016, against DKK 38.7 million in H1 2015.
- Net financials were an expense of DKK 5.5 million in H1 2016, a DKK 1.0 million deterioration relative to H1 2015 due to exchange rate adjustments.
- Profit before tax and non-controlling interests was DKK 59.2 million in H1 2016, as against DKK 34.2 million in H1 2015.
- Earnings per share (diluted) came to DKK 19.68 in H1 2016, a 56.6% improvement from DKK 12.57 in H1 2015.
- In our coating business (Accoat), revenue fell by DKK 0.1 million to DKK 72.4 million in H1 2016, while EBITDA rose to DKK 8.2 million from DKK 6.6 million in H1 2015.
- The Plastics businesses (SP Moulding, Sander Tech, Ulstrup Plast, SP Medical, Tinby, TPI, Ergomat, Gibo Plast, SP Extrusion and Bröderna Bourghardt) reported an aggregate revenue improvement of DKK 95.2 million to DKK 655.0 million. EBITDA improved by 33.4% to DKK 91.5 million in H1 2016 from DKK 68.6 million in H1 2015.
- There was a cash inflow from operating activities of DKK 72.0 million in H1 2016, against DKK 80.8 million in H1 2015.
- Net interest-bearing debt (NIBD) amounted to DKK 401.9 million at 30 June 2016, against DKK 400.5 million at 30 June 2015. At 31 December 2015, NIBD was DKK 403.4 million.
- SP Group now expects profit before tax and non-controlling interests of about DKK 100-120 million (previous guidance about DKK 100 million) on revenue of around DKK 1.5 billion (previous guidance DKK 1.45-1.5 billion).

Statement by CEO Frank Gad: *"The second quarter of 2016 marks our best quarter ever in terms of both the top and bottom lines, despite the many challenges we face in our markets. The first half of 2016 was also our best half-year period to date."*

In case of any discrepancies the Danish version shall prevail.

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FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK '000 (key ratios excepted)	Q2 2016 (unaud.)	Q2 2015 (unaud.)	H1 2016 (unaud.)	H1 2015 (unaud.)	FY 2015 (audited)
Income statement					
Revenue	379,219	320,412	728,725	627,673	1,319,768
Profit before depreciation, amortisation and impairment losses (EBITDA)	53,079	37,546	97,835	69,976	162,788
Depreciation, amortisation and impairment losses	-16,627	-15,887	-33,066	-31,250	-72,011
Profit before net financials (EBIT)	36,452	21,659	64,769	38,726	90,777
Net financials	-3,125	-1,407	-5,522	-4,524	-10,122
Profit before tax and non-controlling interests	33,327	20,252	59,247	34,202	80,655
Profit for the period	25,614	15,431	45,638	26,163	61,112
of which attributable to SP Group A/S	25,275	15,171	45,127	25,974	60,584
Earnings per share (DKK)			20.44	12.99	28.98
Diluted earnings per share (DKK)			19.68	12.57	28.00
Balance sheet					
Non-current assets			648,856	603,875	635,072
Total assets			1,095,957	1,010,028	1,077,888
Equity			393,549	358,003	391,098
Equity including non-controlling interests			396,076	360,324	393,561
Investments in property, plant and equipment (excluding acquisitions)	14,469	10,733	53,563	36,169	73,238
Net interest-bearing debt (NIBD)			401,863	400,476	403,423
NIBD/EBITDA (LTM)			2.1	3.1	2.5
Cash flows					
Cash flows from:					
- operating activities	34,722	54,829	71,951	80,817	171,743
- investing activities	-13,141	-36,884	-52,836	-50,611	-116,350
- financing activities	-26,314	38,966	-37,690	23,616	-18,403
Change in cash and cash equivalents	-4,733	56,911	-18,575	53,822	36,990
Key ratios					
EBITDA margin (%)	14.0	11.7	13.4	11.1	12.3
EBIT margin (%)	9.6	6.8	8.9	6.2	6.9
Profit before tax and non-controlling interests as a percentage of revenue	8.8	6.3	8.1	5.4	6.1
Return on invested capital including goodwill (%)					11.5
Return on invested capital excluding goodwill (%)					13.6
Return on equity, excluding non-controlling interests					18.4
Equity ratio, excluding non-controlling interests (%)			35.9	35.4	36.3
Equity ratio, including non-controlling interests (%)			36.1	35.7	36.5
Financial gearing			1.0	1.1	1.0
Cash flow per share, DKK			31.4	39.1	79.4
Total dividends for the year per share (DKK)					4.0
Market price, end of period (DKK per share)			519.0	310.0	373.5
Net asset value per share, end of period (DKK)			178	177	178
Market price/net asset value, end of period			2.92	1.75	2.10
Number of shares, end of period			2,224,000	2,224,000	2,224,000
of which treasury shares, end of period			10,452	5,108	22,819
Average no. of employees			1,501	1,298	1,452

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 2016. Denmark was our fastest growing market with sales up by 28.1%, while sales to our international customers rose by 6.2%.

Our performance numbers relative to the corresponding period of 2015:

	Q2 2016	H1 2016
Healthcare	14.5%	3.7%
Cleantech	17.9%	18.1%
Food-related	25.1%	29.0%
Automotive	3.9%	-6.2%
Oil and gas	200.0%	313.3%
of which own brands	11.3%	8.8%

Most of the change in revenue was due to higher volume sales. Changes in foreign exchange rates eliminated some of the revenue improvement, as the currency effect accounted for about minus 0.3 percentage point of the 16.1% overall revenue increase (RMB has depreciated against DKK). Business and company acquisitions contributed about 9.1 percentage points.

Sales to the healthcare industry were up by 3.7% year on year to DKK 279.1 million and now account for 38.3% of consolidated revenue. Q2 sales were up by 14.5% year on year.

Sales to the cleantech industry were up by 18.1% to DKK 195.0 million and now make up 26.8% of consolidated revenue. Q2 sales were up by 17.9% year on year.

Sales to food-related industries were up by 29.0% to DKK 118.9 million and now make up 16.3% of consolidated revenue. Sales improved by 25.1% in the second quarter.

Sales to the oil and gas industry rose despite the low oil prices.

Sales of our own brands were up by 8.8% and now account for 15.7% of consolidated revenue. Q2 sales were up by 11.3% year on year.

SP Medical reported a 4.3% improvement in guidewire sales in the H1 reporting period. Ergomat reported a 4.6% improvement in sales of ergonomic products. TPI reported a 22.1% improvement in sales of farm ventilation components. The improvements were driven by new innovative solutions and products, improved marketing opportunities and a larger sales force. The resulting growth contributed to the higher earnings.

SP Group continued its intensified marketing efforts towards both existing and potential customers. The inflow of new customers continued in the first half of the 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, which we believe hold an attractive growth potential for our Company.

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 make up 50.2% of revenue (compared with 54.9% in H1 2015).

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

In addition to capacity adjustments, we focus on adjusting our general costs on an ongoing basis. 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 input 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 65% of our staff are employed outside Denmark.

The Group's headcount grew by 49 in the six months to 30 June 2016 (27 in Poland, 3 in Denmark, 14 in Slovakia and 4 in the USA).

As announced in Announcement No. 14/2016, SP Group has launched a DKK 20 million share buy-back programme under the Safe Harbour regulations to cover existing warrant programmes. The share buy-back programme is being increased by DKK 20 million to DKK 40 million and extended from 31 December 2016 to 10 April 2017, as announced in today's Announcement No. 44/2016.

In April and May 2016, the Company sold 48,484 treasury shares to cover the cost of warrants exercised under the 2012 and 2013 warrant programmes. The proceeds added DKK 7.8 million in cash to equity, raising the equity ratio by 0.6 of a percentage point.

SP Group acquired a property at a price of DKK 15 million in the first quarter of 2016 which in 2009 we had sold at the same price and leased back with a right of first refusal. Going forward, the transaction will improve our EBITDA by about DKK 1.5 million per annum and profit before tax by about DKK 1.0 million. NIBD increased by DKK 13 million.

Also in the first quarter, SP Group acquired a property in Poland at a price of DKK 14.8 million for occupation on 1 January 2018 and was granted an option to acquire another property in 2023. Both properties are currently let to SP Group's Polish subsidiaries. A prepayment of DKK 4.3 million has been made as part of the purchase. As part of the agreement, the Polish lessor has committed to constructing a new 7,500 m² building, which we expect to occupy at the end of 2016. The new building will be used by SP Moulding and Gibo Plast for serving existing and new customers.

As announced in Announcement no. 39/2016, SP Group acquired MedicoPack A/S on 14 July 2016. The deal has an enterprise value of DKK 32 million (present value of approximately DKK 31 million) MedicoPack A/S is a well-run blow-moulding business with production and assembly sites in Langeskov, Denmark. The company has expanded at regular intervals since being established in 1968. Its customer base consists of global companies in the medical and healthcare industry.

MedicoPack generates a yearly revenue of almost DKK 100 million and a normalised EBITDA of DKK 6-7 million. The company has some 80 employees (FTE), all of whom are expected to stay on. Torben Bruhn will stay on as managing director of MedicoPack.

The acquisition will add new products and services to SP Group's current portfolio by way of Injection Blow Moulding (IBM) and Extrusion Blow Moulding (EBM) in clean rooms for med-tech customers and will also give us access to a number of new and attractive customers.

FINANCIAL PERFORMANCE REVIEW

Revenue for the first six months of 2016 amounted to DKK 728.7 million, a 16.1% improvement from DKK 627.7 million in the year-earlier period. Some 9.1 percentage points of the increase derived from companies and business activities acquired, while changes in foreign exchange rates eliminated 0.3 of a percentage point of the improvement. Q2 sales were up by 18.4% year on year.

The consolidated H1 2016 EBITDA was DKK 97.8 million compared with DKK 70.0 million in H1 2015. Approximately DKK 9.3 million of the revenue increase derived from business and company acquisitions. The EBITDA margin improved to 13.4% from 9.1% in H1 2015. The Q2 2016 EBITDA margin was 14.0%.

Profit before net financials (EBIT) came to DKK 64.8 million in H1 2016, against DKK 38.7 million in H1 2015. The H1 2016 EBIT margin was 8.9%, compared with 6.2% in H1 2015.

Net financials were an expense of DKK 5.5 million in H1 2016, a DKK 1.0 million decline relative to H1 2015 that was due to exchange rate adjustments.

The profit before tax and non-controlling interests amounted to DKK 59.2 million in H1 2016 as against DKK 34.2 million in H1 2015.

Total assets amounted to DKK 1,096.0 million at 30 June 2016, compared with DKK 1,010.0 million at 30 June 2015. The equity ratio was 36.1% at 30 June 2016, as against 35.7% at 30 June 2015 and 36.5% at 31 December 2015.

Total assets grew by approximately DKK 18.1 million during the first six months of the year due to an increase in gross working capital (of about DKK 15 million), an increase in property, plant and equipment (DKK 11 million) and a drop in cash holdings (of about DKK 8 million).

Net interest-bearing debt amounted to DKK 401.9 million at 30 June 2016, against DKK 403.4 million at 31 December 2015 and DKK 400.5 million at 30 June 2015. Being focused on working capital, the Group has sold selected trade receivables. Net interest-bearing debt was 2.1 times LTM EBITDA (DKK 190.6 million), marking an improvement on the level recorded in the Group's previous best year to date. NIBD/EBITDA was 3.1 at 30 June 2015. We remain strongly committed to reducing the interest-bearing debt by increasing cash flows from operating activities.

Equity was reduced in the H1 reporting period due to exchange rate adjustments of foreign subsidiaries (by DKK 8.9 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 18.3 million).

Equity was impacted by the purchase of treasury shares in the reporting period for a net amount of DKK 6.0 million. Also, equity was impacted by dividends paid of DKK 9.5 million.

Cash flows
Cash flows from operating activities were DKK 72.0 million in H1 2016, which was DKK 8.9 million less than in H1 2015.

The Group spent DKK 52.9 million on investments in H1 2016, DKK 25.2 million on reducing net non-current loans, DKK 6.0 million on buying treasury shares, DKK 9.5 million in dividends paid and was repaid a deposit of DKK 3.0 million.

Accordingly, the Group recorded a net cash outflow of DKK 18.6 million.

Management believes that the company continues to have adequate 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 2016

The global economy is expected to continue on the road to recovery in 2016, 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 public debts.
We plan to launch a number of new products and solutions, especially to customers in the healthcare, cleantech and food-related industries. These new solutions are expected to contribute to growth and earnings.

We intend to maintain a high level of investment in 2016. We expect the largest single investment to be made in our medical devices operations.

Depreciation and amortisation charges are expected to be slightly higher than in 2015.

Financial expenses are expected to be at the 2015-level.

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

MedicoPack is expected to be consolidated effective from the transaction date of 14 July 2016.

Brexit is expected to have only a marginal direct effect on SP Group, but through several of our customers it will affect us indirectly.

The low oil prices are expected to severely restrain sales to the oil industry, but also to have a positive effect on the global economy.

Loss-making production is expected to be phased out in the second half of 2016.

We now expect FY 2016 profit before tax and non-controlling interests of about DKK 100-120 million (previous guidance about DKK 100 million) on revenue of approximately DKK 1.5 billion (previous guidance of DKK 1.45-1.5 billion).

COATINGS
(Accoat)

	Q2		H1	
DKK '000	**2016**	**2015**	**2016**	**2015**
Revenue	39,669	36,910	72,406	72,506
Profit before net financials, depreciation and amortisation (EBITDA)	4,579	4,763	8,182	6,565
Profit before net financials (EBIT)	2,724	2,486	4,467	2,031
Average no. of employees			67	70

H1 highlights
Revenue for the first six months of 2015 amounted to DKK 72.4 million, against DKK 72.5 million in H1 2015, equal to a 0.1% decline. Revenue improved in the second quarter.

EBITDA improved in the H1 2016 period compared with H1 2015 due to capacity adjustments. Responding to the changed market conditions, Accoat has adapted its organisation and cost base.

We expect business 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. The new production activity is developing in line with plans.

A number of customers in the medical devices and the food 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 expects an increase in both revenue and EBITDA in 2016. However, markets are very volatile. The current low oil prices have a severe impact on the investment propensity in the oil and gas industry.

PLASTICS

(SP Moulding, Sander Tech, Ulstrup Plast, SP Medical, Gibo Plast, Ergomat, Tinby, TPI Polytechniek, SP Extrusion and Bröderna Bourghardt)

	Q2		H1	
DKK '000	2016	2015	2016	2015
Revenue	339,157	285,822	655,005	559,826
Profit before net financials, depreciation and amortisation (EBITDA)	50,309	35,907	91,522	68,625
Profit before net financials (EBIT)	36,361	23,074	63,810	43,459
Average no. of employees			1,424	1,220

H1 highlights

Revenue in the first six months of the year amounted to DKK 655.0 million, against DKK 559.8 million in the year-earlier period, equal to a 17.0% improvement. Revenue was up by 19.2% in the second quarter.

EBITDA improved strongly to DKK 91.5 million in H1 2016 from DKK 68.6 million in H1 2015.

Company acquisitions contributed revenue of approximately DKK 65 million relative to the H1 2015 period.

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.

Ulstrup Plast is expanding in Slovakia, creating more jobs and profitable earnings.

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, Ulstrup Plast, Sander Tech 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 a 4.5% increase in the production and sale of guidewires in the H1 2016 period and a growth rate of 13.8% in the second quarter.

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

Ergomat reported improvements in sales and earnings. Global sales were up by 4.6%, driven mainly by North America and Germany.

TPI Polytechniek is reporting improvements in the level of activity and earnings. Sales were up by 22.1% New customers have been identified in Asia, the Middle East and Africa. The Scandinavian market continues to lack the appetite and opportunities for investing in large animal housing facilities.

A number of new PUR products have been launched in 2016, and all three businesses are planning additional product launches later in the 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 products and solutions for customers in the cleantech and automotive industries, which the company expects will contribute to sales and earnings in 2016 and beyond.

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

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

Bröderna 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 other business operations. Bröderna 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 impacted EBIT for the H1 2016 period.

The acquisition of Sander Tech also produced the expected and anticipated results.

Ulstrup Plast A/S became part of our Plastics business effective 1 July 2015. Ulstrup Plast A/S is a well-run and profitable injection moulding business with production and assembly sites in

Denmark and Slovakia. We are confident that the acquisition of Ulstrup Plast A/S will further accelerate SP Group’s growth and earnings. Ulstrup Plast has performed as expected in the period under review and is also contributing new customers to SP Group’s other business activities.

MedicoPack A/S was rolled into our Plastics business effective from 14 July 2016. MedicoPack is a well-run blow-moulding company with clean-room production in Denmark. The company’s highly qualified management and employees will be staying on. MedicoPack bases a part of its sales on proprietary products.

We are confident that the acquisition of MedicoPack A/S will further accelerate SP Group's growth and earnings.

We continue to expect revenue and EBITDA improvements in the PLASTICS business in 2016 relative to 2015. Activities are being expanded in the USA, Denmark, Poland, Slovakia, Latvia and China.

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 2016.

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 2016 and of the results of the Group's operations and cash flows for the six months ended 30 June 2016.

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, 23 August 2016

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 2016 (unaud.)	Q2 2015 (unaud.)	Acc. Q2 2016 (unaud.)	Acc. Q2 2015 (unaud.)	FY 2015 (audited)
Revenue	379,219	320,412	728,725	627,673	1,319,768
Production costs	-262,330	-225,012	-504,262	-443,301	-916,859
Contribution margin	**116,889**	**95,400**	**224,463**	**184,372**	**402,909**
Profit before depreciation, amortisation and impairment losses (EBITDA)	**53,079**	**37,546**	**97,835**	**69,976**	**162,788**
Depreciation, amortisation and impairment losses	-16,627	-15,887	-33,066	-31,250	-72,011
Profit before net financials (EBIT)	**36,452**	**21,659**	**64,769**	**38,726**	**90,777**
Net financials	-3,125	-1,407	-5,522	-4,524	-10,122
Profit before tax and non-controlling interests	**33,327**	**20,252**	**59,247**	**34,202**	**80,655**
Tax on the profit for the period	-7,713	-4,821	-13,609	-8,039	-19,543
Profit for the period	**25,614**	**15,431**	**45,638**	**26,163**	**61,112**
SP Group A/S' share	**25,275**	**15,171**	**45,127**	**25,974**	**60,584**
Earnings per share (DKK)			20.44	12.99	28.98
Diluted earnings per share (DKK)			19.68	12.57	28.00

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Q2 2016 (unaud.)	Q2 2015 (unaud.)	Acc. Q2 2016 (unaud.)	Acc. Q2 2015 (unaud.)	FY 2015 (audited)
Profit for the period	**25,614**	**15,431**	**45,638**	**26,163**	**61,112**
Items that may be reclassified to the income statement:					
Exchange rate adjustment relating to foreign companies	-5,335	-6,238	-8,943	6,144	5,593
Net fair value adjustment of financial instruments acquired to hedge future cash flows	-18,158	-9,354	-18,330	8,716	14,353
Other comprehensive income	**-23,493**	**-15,592**	**-27,273**	**14,860**	**19,946**
Comprehensive income	**2,121**	**-161**	**18,365**	**41,023**	**81,058**
Allocation of comprehensive income for the period:					
Parent company shareholders	1,129	-440	17,216	40,882	80,548
Non-controlling shareholders	256	279	413	141	510

BALANCE SHEET (summary)

DKK '000	30.06. 2016 (unaud.)	30.06. 2015 (unaud.)	31.12. 2015 (audited)
Intangible assets	171,960	142,893	175,724
Property, plant and equipment	472,626	441,102	452,070
Financial assets	478	15,634	3,486
Deferred tax assets	3,792	4,246	3,792
Total non-current assets	**648,856**	**603,875**	**635,072**
Inventories	250,951	233,037	243,534
Receivables	160,780	143,708	155,519
Cash	35,370	29,408	43,763
Total current assets	**447,101**	**406,153**	**442,816**
Total assets	**1,095,957**	**1,010,028**	**1,077,888**
Equity including non-controlling interests	396,076	360,324	393,561
Non-current liabilities	251,775	270,126	279,369
Current liabilities	448,106	379,578	404,958
Equity and liabilities	**1,095,957**	**1,010,028**	**1,077,888**

CASH FLOW STATEMENT (summary)

DKK '000	Q2 2016 (unaud.)	Q2 2015 (unaud.)	Acc. Q2 2016 (unaud.)	Acc. Q2 2015 (unaud.)	FY 2015 (audited)
Cash flows from operating activities	34,722	54,829	71,951	80,817	171,743
Cash flows from investing activities	-13,141	-36,884	-52,836	-50,611	-116,350
Cash flows from financing activities	-26,314	38,966	-37,690	23,616	-18,403
Change in cash and cash equivalents	**-4,733**	**56,911**	**-18,575**	**53,822**	**36,990**

CHANGES IN EQUITY since 1 January:

	Equity attributable to parent company shareholders		Equity including non-controlling interests	
DKK '000	2016 (unaud.)	2015 (unaud.)	2016 (unaud.)	2015 (unaud.)
Balance at 1 January (after tax)	**391,098**	**266,731**	**393,561**	**276,361**
Capital increase	0	55,512	0	55,512
Exchange rate adj., foreign subsidiaries	-8,845	6,192	-8,943	6,144
Acquisition of treasury shares	-13,737	-8,412	-13,737	-8,412
Sale of treasury shares	7,754	9,955	7,754	9,955
Other adjustments	-736	0	-736	0
Dividends paid	-8,767	-7,058	-9,509	-7,977
Value adjustment of derivative financial instruments (after tax)	-18,330	8,716	-18,330	8,716
Change in ownership, non-controlling interests	-393	0	0	-6,531
Recognition of share-based payment	378	393	378	393
Profit for the period (after tax)	45,127	25,974	45,638	26,163
Balance at 30 June (after tax)	**393,549**	**358,003**	**396,076**	**360,324**

BUSINESS SEGMENTS

DKK '000	Coatings Q2 2016 (unaud.)	Coatings Q2 2015 (unaud.)	Plastics Q2 2016 (unaud.)	Plastics Q2 2015 (unaud.)	Other *) Q2 2016 (unaud.)	Other *) Q2 2015 (unaud.)	Group Q2 2016 (unaud.)	Group Q2 2015 (unaud.)
Revenue	**39,669**	**36,910**	**339,157**	**285,822**	**393**	**-2,320**	**379,219**	**320,412**
Profit before net financials, depreciation and amortisation (EBITDA)	**4,579**	**4,763**	**50,309**	**35,907**	**-1,809**	**-3,124**	**53,079**	**37,546**
Depreciation, amortisation and impairment losses	-1,855	-2,277	-13,948	-12,833	-824	-777	-16,627	-15,887
Profit before net financials (EBIT)	**2,724**	**2,486**	**36,361**	**23,074**	**-2,633**	**-3,901**	**36,452**	**21,659**
Net financials							-3,125	-1,407
Profit before tax							**33,327**	**20,252**
Tax on profit for the period							-7,713	-4,821
Profit for the period							**25,614**	**15,431**
Segment assets								
Unallocated assets								

*) Comprises eliminations and unallocated overhead costs

DKK '000	Coatings Acc. Q2 2016 (unaud.)	Coatings Acc. Q2 2015 (unaud.)	Plastics Acc. Q2 2016 (unaud.)	Plastics Acc. Q2 2015 (unaud.)	Other *) Acc. Q2 2016 (unaud.)	Other *) Acc. Q2 2015 (unaud.)	Group Acc. Q2 2016 (unaud.)	Group Acc. Q2 2015 (unaud.)
Revenue	**72,406**	**72,506**	**655,005**	**559,826**	**1,314**	**-4,659**	**728,725**	**627,673**
Profit before net financials, depreciation and amortisation (EBITDA)	**8,182**	**6,565**	**91,522**	**68,625**	**-1,869**	**-5,214**	**97,835**	**69,976**
Depreciation, amortisation and impairment losses	-3,715	-4,534	-27,712	-25,166	-1,639	-1,550	-33,066	-31,250
Profit before net financials (EBIT)	**4,467**	**2,031**	**63,810**	**43,459**	**-3,508**	**-6,764**	**64,769**	**38,726**
Net financials							-5,522	-4,524
Profit before tax							**59,247**	**34,202**
Tax on profit for the period							-13,609	-8,039
Profit for the period							**45,638**	**26,163**
Segment assets	76,368	90,545	872,146	802,406	107,803	80,289	1,056,317	973,240
Unallocated assets							39,640	36,788
							1,095,957	**1,010,028**

Business activities acquired in 2016 (after the balance sheet date)

Effective 14 July 2016, the Group acquired all shares in MedicoPack ApS, a blow-moulding company with clean-room production in Denmark.

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

Property, plant and equipment	14,472
Inventories	15,435
Trade receivables	17,432
Other receivables	895
Cash	16,717
Tax asset	2,954
Provisions relating to guarantees	-2,697
Amount owed to seller	-18,000
Trade payables	-8,162
Income tax payable	0
Other payables	-7,773
Acquired net assets	**31,273**
Goodwill	0
Cash consideration	**31,273**

The acquired company had revenue of almost DKK 100 million and a normalised EBIT of DKK 0 in its most recent financial year.

Acquisition costs are expected to total DKK 1.0 million, which amount will be recognised in 2016.

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

The Board of Directors resolved on 29 April 2016 (see company announcement no. 26/2016) to set up an incentive programme for the Company's Executive Board and 29 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 28 April 2016, on which occasion the programme was presented to the shareholders. A total of 59,000 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 390.00 per share with a nominal value of DKK 10 plus a 7.5% premium calculated from 1 April 2016 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 30 March 2016 and until 27 April 2016.

Warrants issued under the programme may be exercised to buy shares in the Company during the period from 1 April 2019 to 31 March 2022, 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 8.40 each for an aggregate market value of approximately DKK 495,600. 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 365.00 and assuming that warrants awarded are exercised in April 2019. Allowance is made for any dividend payments to be made during the period.

The Executive Board and the 29 senior managers were given the option of buying the warrants at market price as calculated above against payment in cash. The offer to buy remain in force for two months after 29 April 2016.

Members of the Executive Board and 12 senior managers (14 participants) have opted to buy their warrants (total of 32,000 warrants).

As a result, 98,612 warrants are exercisable under existing programmes as from 2015 (of which 92,612 have been exercised), 96,334 warrants are exercisable from 2016 (of which 35,334 have been exercised), 50,000 warrants become exercisable in 2017, 50,000 become exercisable in 2018, and 59,000 become exercisable in 2019.

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 2016 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 2015, 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 2016, SP Group A/S has implemented the following new or amended standards and interpretations:

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation, Amendments to IFRS 11 – Acquisition of an Interest in a Joint Operation, Amendments to IAS 1 on clarifications of 'Disclosure Initiative' and Annual Improvements to IFRSs 2012-2014 Cycle.

Annual Improvements to IFRSs 2012-2014 Cycle entails changes to IFRS 5, IFRS 7, IFRS 19 and IAS 34. Apart from the changes to IAS 34, which involves disclosure of information 'elsewhere in the interim financial report', the amendments involve very specific changes with a very narrow scope.

None of the new amendments or improvement have affected recognition and measurement in the interim report.

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 2015. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2015.

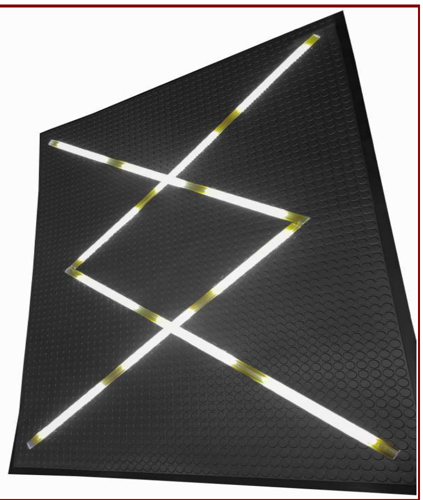
Impairment test
The annual test for impairment of intangible assets, including goodwill, will be made at 31 December 2016 following the completion of budgets and strategy plans for the upcoming period. Management has not identified evidence of impairment of the carrying amount of goodwill at 30 June 2016 and, accordingly, has not tested goodwill for impairment at 30 June 2016. Reference is made to the information provided on estimates and judgments in the consolidated and the parent company financial statements for 2015.

Forward-looking statements
This interim report contains forward-looking statements reflecting Management's current perception of future trends and financial performance. Statements relating to 2016 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 1,500 employees and about 1,100 registered shareholders at 30 June 2016.

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



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