Annual Report

’09

SP Group

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Company details

The Company

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Financial year: 1 January – 31 December
Registered in: Northern Funen, Denmark
Website: www.sp-group.dk
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Supervisory Board

Niels Kristian Agner (Chairman)
Erik Preben Holm (Deputy Chairman)
Hans Wilhelm Schur
Erik Christensen

Executive Board

Frank Gad, CEO
Jørgen Hønnerup Nielsen, CFO

Company Auditor

Deloitte Statsautoriseret Revisionsaktieselskab
Tværkajen 5
DK-5100 Odense C

Annual General Meeting

The Annual General Meeting will be held on Wednesday 28 April 2010 at 12.00 pm at Ergomat A/S, Sunekær 13-15, 5471 Søndersø, Denmark

Group chart

Activities

SP Group manufactures moulded plastic components and performs plastic coatings. SP Group is a leading supplier of plastic manufactured products for Danish industry with increasing exports and growing production from own factories in Poland and China. SP Group has subsidiaries in Denmark, Sweden, Germany, Netherlands, Poland, USA, Canada and China. SP Group is listed on NASDAQ OMX Copenhagen and employed an average of 849 people in 2009.

SP Group A/S

- **Injection moulding**
  - **SP Moulding A/S**
    - SP Moulding Poland Sp. z o.o.
    - SP Moulding (Suzhou) Co., Ltd.
  - **SP Medical A/S**
    - SP Medical Poland Sp. z o.o.
- **Polyurethane**
  - **Tinby A/S**
    - Tinby Sp. z o.o.
  - **Ergomat A/S**
    - Ergomat-Nederland B.V.
    - Ergomat Deutschland GmbH
    - Ergomat Sweden AB
    - Ergomat LLC
    - Ergomat Canada Inc.
  - **TPI Polytechniek bv**
    - TPI Polytechniek ApS
- **Vacuum**
  - **Gibo Plast A/S**
- **Coatings**
  - **Accoat A/S**

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

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

Polyurethane manufactures moulded products in solid, foamed, flexible and light-foam PUR for a number of industries, among these the cleantech industry. Moreover, it manufactures ventilation equipment, ergonomic mats and striping products.

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

Coatings develops and produces fluoroplastic coatings (Teflon®), PTFE and other noble materials for a number of customers' products and production plants. The customers are primarily in the medical device industry, the oil and gas industry as well as the cleantech industry.

Dear shareholders and other stakeholders

2009 was a difficult year, which started when the global financial crisis was at its height.

The violent turbulence on the capital markets with sharply falling share prices and significant widening of the credit spread accelerated the decrease in the financial activity.

The GWP fell in 2009 for the first time man has tried to measure it. GNP fell by approx. 5% on the neighbouring markets in Europe where we sell 90% of our products.

These heavy changes in world economy have naturally influenced the development for our customers and for us in SP Group.

At the beginning of the year, we expected a small decrease in revenue of a few percent. However, we realised a negative growth rate of 21%. We have therefore slowed down activities heavily and changed plans accordingly. Almost all the decline in revenue is attributable to lower volumes. The number of employees in Denmark has been reduced by 20% in 2009. Over the past two years, employment has been reduced by a third at our Danish factories.

At the factories abroad, employment also decreased but was gradually raised again late in the year. Although the Danish labour market is relatively flexible, it still takes longer time to adjust the organisation and production facilities than it took world economy to slow down.

The dramatic decline in activities – and the speed at which is happened – resulted in a heavy decrease in our operating profit.

As costs were gradually reduced and sales stabilised at a lower level, operating earnings were improved again.

EBITDA in Q1 2009	DKK	1.2 million
EBITDA in Q2 2009	DKK	6.1 million
EBITDA in Q3 2009	DKK	12.3 million
EBITDA in Q4 2009	DKK	20.6 million

In both Q3 and Q4 2009, operating earnings exceeded the same periods in 2008.

Financial expenses decreased in 2009 to DKK 13.4 million from DKK 31.8 million due to slightly lower debt, a lower interest rate level, a larger share of floating-rate debt and fewer exchange losses. Increasing margins to lenders pulled in the opposite direction. Our cash flows from operating activities were DKK 45.3 million. During the year, we spent DKK 35.8 million on new investments, primarily in medical device and cleantech capacity and competences.

Net interest-bearing debt was reduced by DKK 16 million to DKK 377 million at the end of 2009, which is equal to 9.3 times EBITDA for the year.

2009 was an eventful year, and

- We got through the year without state subsidies or state guarantees
- Our sales to the medical device industry continued to grow, now amounting to 33.4% of our sales (up from 24.9%)
- We entered into a new large multi-annual agreement with a medical device customer on injection moulding of plastic components. The deliveries started in Q1 2010 and will increase over the year. The agreement is expected to increase revenue by approx. DKK 20-25 million as from 2011
- We entered into a contract with an existing customer on new deliveries to the South American market We will therefore establish a small coating factory in Brazil in 2010
- We entered into a number of other contracts and partnership agreements with good potential for the future
- We delivered the first coated pipes to the oil and gas industry
- Our sales to the cleantech industry rose again, and many new components are still under development. The customers replace glass fibre, wood and metal by plastic, which is often better, lighter and cheaper
- We did not lose any major customers in 2009
- We have developed a number of new and improved products, which will be launched in 2010 (guidewires, ergonomic mats and farm ventilation equipment).

These are the results on which we will base our activities.

As previously stated, it came as a negative surprise in 2007 when we lost the tender for the license plate production for the Danish government. We decided to bring the case before the Public Contracts Appeals Board and had a clear expectation that the Danish tax authorities would respect the Appeals Board's decision. The Appeals Board agreed with SP Medical and ordered the Danish tax authorities to annul the contract with the enterprise which the Danish tax authorities had pointed at as the most inexpensive as the Danish tax authorities had broken the rules of the public procurement directive governing equal treatment and transparency. Moreover, the Danish tax authorities had made significant mistakes when treating the case. Unfortunately, the Danish tax authorities did not abide by the Appeals Board's decision but decided to appeal the case to the courts of law. In the meantime, production of licence plates was left to a German producer. The city court made a judgment in 2009. The judgment followed the Appeals Board's decision and also ordered the tax authorities to pay DKK 600,000 as compensation to SP Group. The Danish tax authorities decided not to appeal the judgment and paid the compensation but have still not cancelled the contract with the enterprise which took over the production of the licence plates. The Confederation of Danish Industries intervened in the case on our side.

We are satisfied to note that a new minister of taxation was appointed in Denmark at the beginning of 2010. We are confident that he will ensure that the Danish tax authorities in future will observe the rules of the country and the courts' decisions.

The prospects for 2010 are slightly brighter. The central banks' low-interest policy and the fiscal relief packages have a positive and stabilising influence on world economy, and we must hope that authorities do not overreact when they begin to slow down again because the improved prospects are fragile.

We will continue to adjust capacity, save – and pursue new opportunities in the medical device, cleantech and food-related industries – and move labour-intensive production from Denmark to Poland and China.

Plastic is the material of the future, and only our own lack of creativity sets the limits to the application of plastic in future society.

I want to thank our many good and loyal customers and other partners. Thanks to shareholders and lenders for backing us up. Also thank you to our employees for their committed contribution and readiness to change. We will continue to put all our creativity into creating even better solutions for the benefit of our customers.

Frank Gad
CEO

Group financial highlights

DKK '000	2009	2008	2007	2006	2005
Revenue	681,943	863,705	869,687	825,381	742,455
Profit/loss before depreciation and amortisation (EBITDA)	40,216	60,311	72,914	73,424	49,491
Depreciation and amortisation	-41,209	-43,317	-38,348	-37,439	-30,343
Profit/loss before financial items (EBIT)	-993	16,994	34,566	35,985	19,148
Net financials	-13,465	-31,855	-13,365	-15,348	-8,725
Profit/loss before tax and minority interests	-14,458	-14,861	21,201	20,637	10,423
Profit/loss for the year	-12,395	-10,314	15,904	12,920	8,640
SP Group A/S's share	-13,580	-12,802	12,577	10,254	1,967
Non-current assets	405,760	402,363	383,064	383,768	368,423
Total assets	674,255	708,092	668,251	670,635	606,634
Equity	148,399	159,547	167,040	154,220	121,525
Equity including minority interests	159,719	170,471	178,949	167,075	134,193
Investments in property, plant and equipment, excluding acquisitions	32,656	63,266	48,893	61,308	31,932
Cash flows from operating activities	45,338	35,353	53,623	37,501	36,624
Cash flows from investing activities	-35,783	-69,499	-52,198	-67,471	-16,795
Cash flows from financing activities	-16,354	-17,464	9,662	38,573	-31,743
Increase/decrease in cash and cash equivalents	-6,799	-51,610	11,087	8,603	-11,914
Net interest-bearing debt (NIBD)	376,864	393,400	333,330	337,255	327,864
NIBD/EBITDA*	9.4	6.5	4.6	4.6	6.6
Operating profit (EBITDA margin), %	5.9	7.0	8.4	8.9	6.7
Profit margin (EBIT margin), %	-0.1	2.0	4.0	4.4	2.6
Profit/loss before tax and minority interests in % of revenue*	-2.1	-1.7	2.4	2.5	1.4
Return on invested capital including goodwill %	-0.2	3.0	6.6	7.2	4.0
Return on invested capital excluding goodwill %	-0.2	3.6	7.9	8.7	4.8
Return on equity (ROE), excluding minority interests, %	-8.8	-7.8	7.8	7.4	4.0
Equity ratio, excluding minority interests, %*	22.0	22.5	25.0	23.0	20.0
Equity ratio, including minority interests, %*	23.7	24.1	26.8	24.9	22.1
Finansiel gearing	2.4	2.3	1.9	2.0	2.4
Earnings per share, DKK each unit	-6.74	-6.39	6.33	5.13	2.69
Total dividends for the year	0	0	0	0	0
Listed price, DKK per share, year-end	43	42	175	157	110
Net asset value per share, DKK per share, year-end	73	79	84	77	68
Listed price/net asset value, year-end	0.59	0.53	2.10	2.04	1.61
Average number of employees	849	1,021	954	891	861
Average number of shares (excluding treasury shares)	2,014,373	2,003,492	1,986,025	1,914,270	1,764,495

The key figures and ratios for 2005-2009 have been prepared in accordance with IFRS. The ratios have been compiled in accordance with "Anbefalinger & Nøgletal 2005" (Recommendations & Ratios 2005) issued by the Danish Society of Financial Analysts (except for the key ratios marked with *). See page 46 for definitions.

Year 2009 in Outline

2009 in outline

The sale of plastics and surface coatings to almost all industries – except for the medical device industry – fell heavily. Especially the automotive industry (rolling material) is hard hit.

Group revenue decreased by 21.0% to DKK 682 million. All the business areas realised lower revenue than expected at the beginning of the year.

The sale of own brands also decreased.

Almost all the decline in revenue is attributable to lower volumes.

Sales to the medical device industry increased by 6.2% and were widely based on customers, products, geography and technology.

Sales abroad fell slightly more than sales in Denmark and now account for 42.8% of revenue (43.8% in 2008). A number of Danish and German customers' overseas exports were hit hard by the volatile foreign exchange rates with a very strong euro combined with the financial crisis, which resulted in a decrease in sales in Denmark and Germany. The euro has also been historically strong against SEK, NOK and GBP in most of the year, which has made our exports to the neighbouring markets difficult.

Due to the rapid slowdown in world economy, the Group's operating profit was completely eroded in the first quarter when activity fell drastically. During the year, the Group succeeded to stabilise sales at a lower level and reduce costs, so the operating profit was renormalised. The contribution ratios are under pressure, but generally they have been maintained from the 2008 level.

Operating profit/loss before depreciation, amortisation and financial items (EBITDA) therefore decreased to DKK 40.2 million from DKK 60.3 million. EBITDA in Q3 and Q4 2009 exceeded EBITDA in the same period of 2008 by a total of DKK 6.2 million. Operating profit/loss before financial items (EBIT) fell slightly less to DKK -1.0 million from DKK 17.0 million as depreciation, amortisation and impairment losses amounted to DKK 41.2 million compared to DKK 43.3 million in 2008.

The Group's financial expenses decreased to DKK 13.4 million from DKK 31.9 million in 2008.

The decrease is due to several factors:

Slightly lower net-interest-bearing debt	DKK + 0.5 million
Lower interest level combined with conversion of debt from DKK to EUR and with 97% of all loans carrying a floating rate	DKK + 10.0 million
Foreign exchange gains and losses	DKK + 14.0 million
Higher margins	DKK - 6.0 million
Improvement	DKK + 18.5 million

At the end of 2009, the loans were specified by currency as follows:

DKK	DKK 127 million
EUR	DKK 247 million
PLN	DKK 10 million
USD	DKK 8 million
RMB	DKK -2 million
Total	DKK 390 million

Cash flows and balance sheet

Cash flows from operating activities have increased to DKK 45.3 million up on DKK 35.4 million in 2008.

Cash flows from investing activities amounted to DKK 35.8 million, which partly related to capacity and competency development within the medical device industry (approx. DKK 10 million), the cleantech industry (approx. DKK 25 million) and general productivity promoting investments (approx. DKK 6 million). The Group succeeded in selling off some of its old machines and a minor property, which altogether resulted in a reduction in net investments (approx. DKK 5 million).

Instalments of DKK 16.9 million were paid on non-current liabilities, and shares from own portfolio were sold for DKK 0.6 million.

The change in cash and cash equivalents was negative by DKK 6.8 million.

The balance sheet total was reduced from DKK 708.1 million to DKK 674.2 million, which is due to a reduction in working capital.

The increase in total debtor balances at year-end is attributable to the fact that we sold more in the last weeks of the year than in the same period of 2008.

Net interest-bearing debt (NIBD) was reduced to DKK 376.9 million from DKK 393.4 million and amounted to approx. 9.4 times EBITDA for the year. Measured on EBITDA for H2, the multiple is 5.7, and measured exclusively on the figure for Q4, the multiple is approx. 4.5.

Q4 2009

In Q4 2009, SP Group sold for approx. DKK 181.7 million, which was 12.5% less than in the same period the year before.

EBITDA increased to DKK 20.6 million from DKK 15.3 million in the same period the year before.

EBIT increased to DKK 9.3 million from DKK 3.5 million in the same period in 2008.

Profit/loss before tax and minority interests was improved by DKK 15.0 million to DKK 6.0 million (compared to a loss of DKK 9.0 million in Q4 2008).

In Q4, the Group succeeded in selling a property for DKK 15.0 million (Gibo Plast), which has been leased back for a number of years. In this way, a profit of DKK 8.6 million was realised.

Management has decided to write down a machine, which is planned to be sold to give room for new projects, by DKK 1.5 million (Gibo Plast); to write down inventories by DKK 2.2 million as some goods have lower marketability during the crisis (after individual writedown) and to make provisions of DKK 2.0 million for collective writedown on receivables (after individual provisions) as it has been more difficult to obtain credit insurance on a number of customers. The financial performance for Q4 is therefore positively influenced by transactions of DKK 2.9 million, which have nothing to do with operations for the quarter.

In Q4, 26 employees were dismissed in Denmark. The costs relating to this are included in operations for the period and are of the same size as the above (DKK 2.9 million). The profit/loss reported for the period is therefore equal to the underlying operating profit/loss (without downsizing, writedown, provisions and divestment).

The EBITDA margin in Q4 was 11.4%, and profit/loss before tax and minority interests was 3.3% of revenue.

In Q4, cash flows from operating activities amounted to DKK 13.7 million. DKK 9.5 million was used on investments, and net non-current liabilities of DKK 1.6 million were raised. The change in cash and cash equivalents was therefore positive by DKK 5.9 million.

A long-term loan of DKK 12 million was not, as expected, executed in Q4 due to unreasonable slowness in the digital land registration. The loan was executed at the beginning of 2010 and has strengthened capital resources.

Events after the balance sheet date

It was decided to centralise Gibo Plast's production in Skjern and close down production in Spentrup. The transfer was made in Q1 2010.

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

Outlook for 2010

The global recession is expected to be gradually replaced by moderate growth, but from a low level.

Inventory reductions, which have been performed in all links in the value chain, are now assumed to be a closed chapter.

It is therefore expected that the heavy decline in activity will gradually be succeeded by moderate growth.

Nevertheless, 2010 will become a challenging year for the manufacturing industries in general as there is plenty of capacity compared to demand.

A number of new products and solutions for customers, particularly in the health care industry, the cleantech industry and the food-related industries, are expected to contribute to growth and earnings.

SP Group's investments have been significantly curbed, and investments in 2010 are expected to be lower than in 2009. The largest single investment will be made in the medical device activities.

Depreciation is expected to be realised at the 2009 level.

Financial expenses are expected to be realised at the 2009 level.

This together with strict cost control and capacity adjustment as well as continued strong focus on risk management, cash management and capital management contributes to creating a good basis for the Group in future.

A small profit and a slightly higher level of activity are expected for 2010 but too early to be quantified as market prospects are still uncertain.

Strategic Development

Financial goals are maintained

In the annual report for 2007 we wrote:

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

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

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

Unfortunately, the GNP growth on the Group's markets was far below 3% in 2008 as well as 2009, and the markets did not work well. It will therefore hardly be possible to fulfil the objectives for 2012 until later as stated in the annual report for 2008.

With the initiatives comprised by the Group's strategy plan, revenue is expected to continue growing to DKK 1.5 billion.

The operating margin before depreciation, amortisation and financial items (EBITDA) is to be increased until and including 2012. It is Management's goal that the ratio of interest-bearing debt to EBITDA is to be lowered to 3-4 and maintained at this level in future.

In the long term, profit before tax and minority interests is expected to gradually grow to around 6-7% of revenue as the share of own products is expected to grow relatively more than rest of the revenue. When it comes to sub-supplier tasks, the goal is still to achieve a profit before tax and minority interests equal to 5% of revenue.

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

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

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

Customers

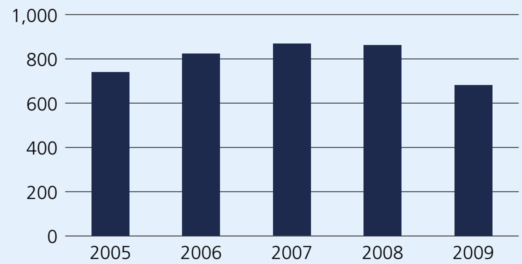
A service level adapted to the individual customer's requirements and expectations is decisive for the customer's perception of us as a competitive, innovative, reliable and decent supplier.

Customers' requirements and expectations are constantly growing as development offers more and more options, and a number of areas seem to be increasingly complex. Therefore, the customers take advantage of SP Group's competences when making decisions on plastic and surface coatings. SP Group's offer for its customers is based on ambitions of being the best local partner within plastics and coatings – both when it comes to product supply, competitiveness, availability and value creation. Often SP Groups succeeds in solving the customers' global needs through local presence in China and Poland or by creating a global competitive solution from one factory. In 2010, we will establish a local presence in Brazil. In North America we have placed sales and service activities.

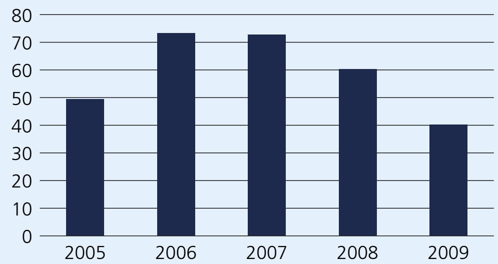
Advisory services within plastics and surface treatment are becoming increasingly important, and SP Group is using the Group's competences and technologies to provide additional value to the customers' products. In 2009, the co-operation with leading universities in the EU was extended as well as the co-operation with a number of suppliers' research centres and laboratories. Among our suppliers are the world's leading chemical groups.

Sales under own brands must be increased. In a number of global niches SP Group controls a large part of the value chain with own products which have higher margins than many of the products SP Group manufactures as a sub-supplier. The total sale of ventilation equipment from TPI, ergonomic workplace equipment from Ergomat and guidewires under the SP Medical brand has grown from DKK 90 million in 2004 to DKK 140 million in 2008. In 2009, the global recession also hit this sale, and our sales therefore only amounted to DKK 96 million. A fire at the guidewire factory in Poland in 2008 has had a negative impact on the guidewire sale since

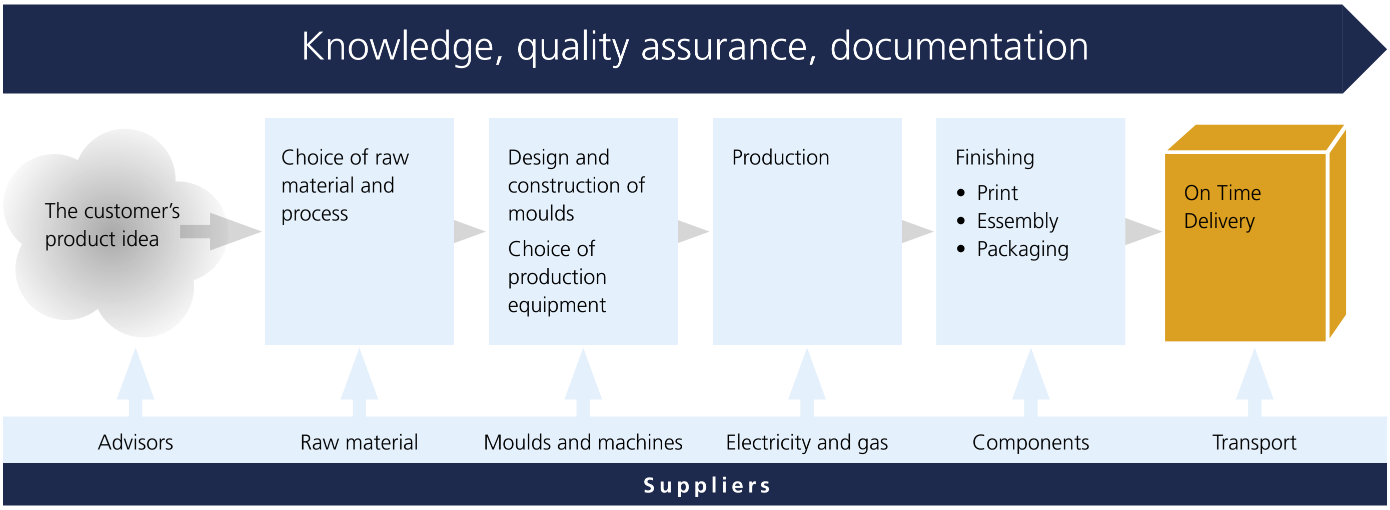
Group revenue 2005-2009 (DKK million)



Operating profit EBITDA 2005-2009 (DKK million)



SP Group's value creation



then. The buildings and machines were re-established in 2009, and it is expected that the market shares can be regained in the course of 2010. In 2009, a number of new products (logo mats, 'hard surface' ventilation equipment and special guidewires) have been developed, which will be marketed in 2010. Apart from increasing sales of the present products, the Group will develop more new products under its own brands.

Growth must also be created with customers and growth industries. A clear example is the medical device industry which buys 33.4% of Group revenue. Sales to this industry have increased by more than 100% since 2004 and amounted to DKK 228 million last year. The growth in medical device sales must be maintained with the dedicated business unit SP Medical as the primary driver. The sale of products to the medical device industry and the sale of own ergonomic products are reported as a whole as health care. The below figure shows the development in total health care sales, which amounted to 39.2% of revenue in 2009.

SP Group has also created an international position as a supplier of solutions for cleantech, and this position must be strengthened.

The below figure shows the development in sales to the cleantech industry, which amounted to 18.8% of revenue in 2009.

A number of customers are food manufacturers or suppliers to food manufacturers. This segment is called "food-related industries". The below figure shows the development in sales to the food-related industries.

The health care, cleantech and food-related industries accounted for 74% of revenue in 2009.

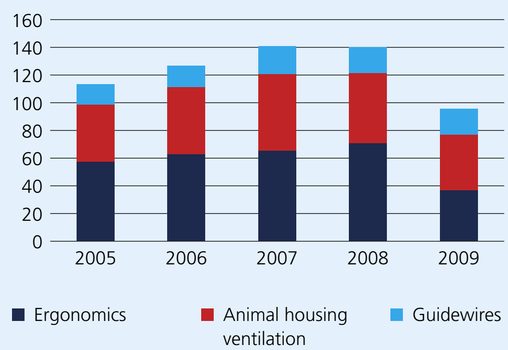
The geographic expansion will continue through increased exports from factories in Denmark, China and Poland and special focus on new markets in Southern Europe, Eastern Europe and Asia. International sales have increased over the past five years from approx. 30% to 43%, and the share is to be further increased.

Efficiency and rationalisation

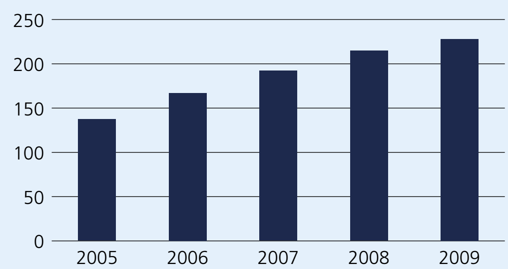
In 2009, the production structure was further rationalised and production efficiency enhanced.

The competency development will continue at the factories in China, Poland and Denmark so we will be able to meet our customers' needs efficiently and in a better and cheaper way.

Revenue under own brands 2005-2009 (DKK million)

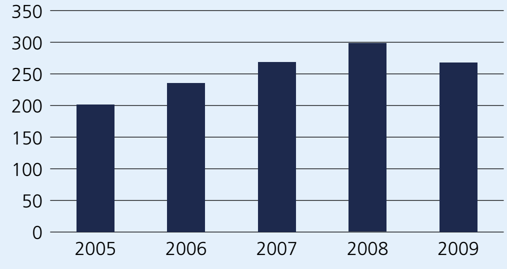


Revenue from medico customers 2005-2009 (DKK million)

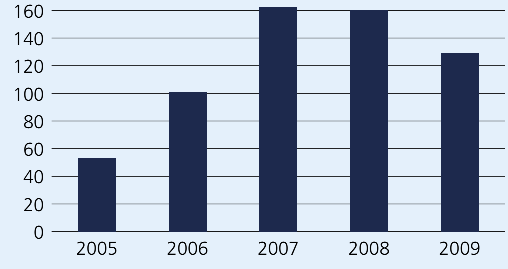


Plugs for the low-energy pump 'Alfa' from Grundfos. The plug consists of a number of one- and two- component plastic products.

Revenue from health care products 2005-2009 (DKK million)



Revenue from energy and environmental products 2005-2009 (DKK million)



LifeStraw® Family supplies clean drinking water
For more than three years SP Moulding has cooperated with the Swiss enterprise Vestergaard Frandsen on the development of LifeStraw® Family, an advanced water purification unit which can purify dirty and bacteria-filled water so it can be drunk directly without boiling, electrical power, high water pressure or other resource-demanding purifying processes.

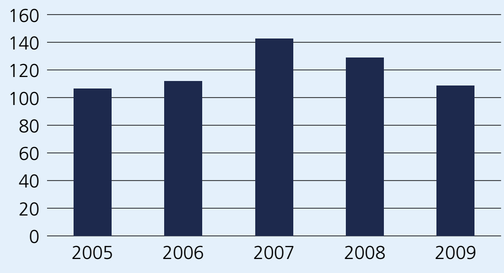
The target group is developing countries and disaster areas.

In Poland we have built a factory for the manufacture of PUR components to the cleantech industry.

In Denmark we have built a new factory for coating of pipes for the oil and gas industry (friction reduction).

In Denmark and Poland we have established new white rooms to solve tasks for customers in the medical device industry.

Revenue from food-related industries 2005-2009 (DKK million)



In China we have improved a number of methods, systems and processes, which have contributed to a significant increase in efficiency. Moreover, the largest customer is China has voted us "Number 1 in 2009" among its suppliers measured in terms of reliability of quality and delivery.

The reliability of delivery (on time delivery) from all factories was increased and has now reached 98-99% and must be further improved.

The level of quality is measured continuously, and constant efforts are made to raise this level.

The roll-out of Lean continues and has contributed to improving efficiency at all plants.

The recession has 'inspired' us to adjust and develop the organisation in a number of factories, so the number of levels has been reduced. In five factories in Denmark we have reduced the size of the organisation and at the same time improved customer service.

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

Injection moulding

- Progress in Poland
- Good financial performance in SP Medical
- Too low earnings in SP Moulding in Denmark

2009 in outline

Revenue decreased by 26.4% and was lower than expected at the beginning of the year. Sales to the medical device segment was as expected and was at the level of 2008, whereas sales to industrial customers fell by well over 30% due to the financial crisis and the historically strong euro, which has made our and our customers' exports difficult.

As SP Medical ceased to produce licence plates at the end of February 2008, revenue for the year does not include license plates.

The fire at SP Medical in Poland in the autumn of 2008 had a negative effect on this year's sales although persistent efforts have been made to counter the problems caused by the fire. SP Medical had a good year with sales and earnings from the medical device activities.

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

At the end of 2009, SP Medical entered into a large multi-annual contract with a medical device customer, who wants to source out his injection moulding. SP Medical won the task in close competition with the world's leading enterprises in the field. Production will start in Q1 2010 and will increase over the year to be fully phased in at the end of 2010. Production is to take place in Denmark and Poland. From 2011 the contract is expected to contribute with DKK 20-25 million in annual revenue and contribute positively to the bottom line.

At SP Medical's facility in Karise license plates have been manufactured without problems to the Danish government for more than 30 years to the National Police's complete satisfaction. After a tender in 2007 the Danish tax authorities, however, decided to place the order with a German producer. SP Medical was of the opinion that the Danish tax authorities had made mistakes during the tender and therefore brought the case before the Public Contracts Appeals Board. The Public Contracts Appeals Board agreed with SP Medical that the contract with the German producer was made on an illegal basis and ordered the tax authorities to annul the contract. But the tax authorities refused to comply with the decision and brought the case to the city court. As a result of the Danish tax authorities' decision, the production of license plates at SP Medical stopped on 28 February 2008. The city court delivered a judgment on 20 May 2009 in the case between the Danish tax authorities and SP Group's subsidiary SP Moulding relating to the tender for the licence plate production in Denmark. The city court found, like the Public Contracts Appeals Board, that the Danish tax authorities made serious errors in their tender in 2007 in connection with the invited tender, and an annulment of the contract made with our German competitor was ordered by the city court as well as the Appeals Board as the agreement was made on an illegal basis.

The city court ordered the Danish tax authorities to pay to SP Group's subsidiary a compensation of DKK 600,000 and legal costs of DKK 150,000 and to annul the contract made with the German supplier Utsch AG relating to the production of Danish licence plates. The tax authorities have announced that they will not invite for a new tender with production start until in 2012 when the contract expires. SP Group has also noted that the tax authorities have decided not to appeal against the judgment. It is totally unacceptable that the tax authorities do not immediately comply with the judgment made. The Confederation of Danish Industries intervened in the case in support of SP Medical's points of view in the case.

SP Moulding started the marketing of Metal Injection Moulding (MIM) in 2009. The process combines the moulding properties from plastic moulding with the mechanical properties from traditional powder metallurgy.

SP Moulding has reduced the number of staff at the two factories by approx. 40%, which has been expensive.

Operating earnings measured on EBITDA was DKK 19.3 million, of this DKK 8.4 million in Q4. The foreign activities in Poland grew organically and came out with – despite the difficult market conditions – the best year ever.

SP Moulding manufactures the illustrated transport boxes for Coloplast. SP Medical manufactures medical devices for Coloplast.

In China we were faced with some technical problems which have now been solved but which together with difficult market conditions reduced results.

Markets and products

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

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

SP Medical addresses a potential market of approx. DKK 15 billion with annual growth of 5-7%. SP Medical ranks as number 2-3 in Scandinavia, and in the niche of PTFE-coated guide wires for urology and radiology, etc, SP Medical is among the three largest suppliers in Europe. SP Medical also manufactures medical components and equipment and surface treats products with function-enhancing coatings. With its competences and quality standards, SP Medical has good opportunities to increase its market shares.

Strategy

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

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

SP Medical will continue intensifying marketing efforts towards new customers, especially taking advantage of the fact that the unit with the Polish factory has become increasingly competitive in relation to labour-intensive tasks. The medical competences must be currently strengthened, and the clean room production in Denmark and Poland expanded.

Outlook for 2010

The business segment expects growth in revenue and earnings.

The medical device activities are being extended in Denmark as well as in Poland.

Development in Injection moulding 2007-2009

DKK million	2009	2008	2007
Revenue	346.0	470.6	518.5
Profit/loss before financial items, depreciation and amortisation (EBITDA)	19.3	29.1	22.8
Profit/loss before financial items (EBIT)	-1.9	4.5	-2.3
Total assets	292.3	325.8	340.8
Average number of employees	518	630	599

Polyurethane

- Lower activity
- New products ready
- Expansion in Poland

2009 in outline

Revenue decreased by 30.0% in this business area. All three businesses Ergomat, Tinby and TPI Polytechniek saw a rapid decline in revenue, which also influenced Tinby in Poland.

In spite of this, the business segment generated positive earnings, but much less than earlier.

Ergomat saw a steep decline on almost all markets but an increase in the sale of the 'Lean product' DuraStripe®.

Tinby also experienced a large reduction in revenue but obtained increasing revenue from new activities, especially elements for the cleantech industry.

TPI's sales decreased as a result of difficult financing, which for large parts of the year this did not make investments possible in large poultry and pig houses, and as a result of more difficult credit insurance facilities for customers in Eastern Europe. Although the large projects were absent, TPI succeeded to maintain its current sale of minor projects and improvements. In countries where poultry and pig houses are increasingly being closed to prevent air-borne diseases from penetrating to the livestock, ventilation equipment needs to be installed.

The total operating profit of the business area decreased to DKK 10.4 million (of this DKK 5.0 million in Q4) equal to 8.7% of revenue.

Markets and products

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

Ergomat has developed 'Logomats'™ for this segment in 2009. Ergomat has applied for a patent on 'Logomats'™.

Name:	The business area consists of three activities with polyurethane (PUR) as the common denominator: Ergomat A/S, Tinby A/S and its 80%-owned TPI Polytechniek BV.
Websites:	www.ergomat.dk, www.tinby.dk, www.tpi-polytechniek.com.
Location:	Søndersø (Denmark), Zdunska Wola (Poland) 's-Hertogenbosch (Netherlands), Helsingborg (Sweden), Cleveland (USA), Montreal (Canada) and Zeil am Main (Germany).
Executive Board:	Claus Lendal, Managing Director of Ergomat A/S. Torben Nielsen, Managing Director of Tinby A/S, and Steen Ole Therkelsen, Director of Tinby A/S. Jeroen van der Heijden, Managing Director, TPI Polytechniek BV. Adam Czyzynski, Managing Director of Tinby Sp z o.o., Poland.
Ergomat A/S	develops, manufactures and sells ergonomic solutions under own brands: Ergomat® mats and DuraStripe™ striping tape to global enterprise customers. Ergomat has sales companies in Europe and North America.
Tinby A/S	manufactures moulded products in solid, foamed and flexible PUR for the graphics, medical device, furniture, refrigerator and cleantech industries, among others. In Poland Tinby Sp. z o.o. manufactures light-foam products for the sister subsidiary TPI, among others.
TPI Polytechniek BV	develops and sells concepts for ventilation of industrial buildings as well as poultry and pig houses, primarily products under the brands of ReaDan and TPI, which are manufactured by Tinby in Poland. Global sales are handled from the Netherlands. Sales in Scandinavia are handled from Søndersø in Denmark.
Description: PUR	is manufactured by mixing two special liquids, which react, and by pressing the mixture into a mould forming the required component. Competencies consist in knowing the possibilities of variation and making the best of the material.
Environment /quality:	Tinby works in Denmark and Poland in accordance with the ISO 9001 and 14001 standards.

TPI's wall valve, type 3000-VFG. Here in a cross ventilation system in a broiler house.

Ergomat has also developed 'Ergomat Extreme'™, which has a stronger surface, is easier to clean and comes in all colours. Ergomat has also applied for a patent on 'Ergomat Extreme'™.

'Ergomat Extreme'™ and 'Logomats'™ were launched globally at the beginning of 2010. The products were received well by the market.

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

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

TPI has improved a number of its products, which will be launched in the spring of 2010.

Strategy

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

Plagiarism and increased competition require development of new products and concepts, and Ergomat will differentiate itself by offering integrated solutions cutting across present products and by offering supplementary services. Productivity is to be increased through the Ergo-Lean programme.

Tinby built a factory in Poland in 2009 for the manufacture of components to the cleantech industry. To secure a place for future growth, Tinby has entered into a contract with a local investor in Poland on construction and rental of a new factory of 6,500 m². The factory is expected to be ready in the course of 2010. To strengthen its competitive power further and continue to improve customer service, Tinby is planning to set up a facility in China in close connection to SP Moulding's existing factory.

Tinby has obtained the exclusive right to sell and market Telene® in Denmark. Telene® is a particularly hard, rigid and impact-proof plastic product suited for large elements. Tinby expects the product to become popular in wind turbines and contractors' machinery.

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

Outlook for 2010

Higher revenue and earnings are expected in the activities in the business area.

New logomats® from Ergomat combining ergonomics with advertising.

Development in Polyurethane 2007-2009

DKK million	2009	2008	2007
Revenue	119.3	170.4	171.6
Profit/loss before financial items, depreciation and amortisation (EBITDA)	10.4	27.4	34.5
Profit/loss before financial items (EBIT)	4.2	20.9	27.1
Total assets	144.1	157.7	174.3
Average number of employees	168	198	218

Both Gibo Plast and Tinby manufacture parts for the cleantech industry.

Vacuum forming

- Unsatisfactory operating results in 2009
- New tasks in the cleantech industry
- Consolidation of production

2009 in outline

Revenue fell by 23.5%. A number of large customers manufacturing investment goods for construction works as well as customers manufacturing durable consumer goods were hard hit by the financial crisis. Therefore, revenue was much lower than planned, and the capacity utilisation was therefore too low. Although staff was adjusted to the lower revenue over the year, operations showed a loss.

Exports to particularly Sweden, Poland and Norway were negatively affected by these countries' devaluation against the euro.

Gibo has sold a property and leased it back for a number of years. In this way, Gibo realised a profit of DKK 8.6 million. Gibo has decided to write down a new machine by DKK 1.5 million as the machine is considered to be sold to create room for new projects. It will probably be difficult to sell the machine on the present market, and the selling price is uncertain, but is assessed to be at the level of or higher than the written-down value.

The merger of Gibo Plast and DKI Form has created the largest vacuum forming facility in Scandinavia to solve complex tasks. In the long term, the merger will enable considerable synergies. In close cooperation with Tinby, Gibo has created a number of interesting solutions to our customers in which the two enterprises' competences are united.

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

Over the year, a number of tasks have been transferred from Spentrup to Skjern. Investments have been made in a new IT system. Production in Spentrup was closed down in Q1 2010.

Markets and products

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

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

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

Strategy

After the acquisition of DKI form in 2008, Gibo Plast has consolidated production at the 12,000 m² large plant in Skjern. The small plant in Spentrup will be in mothballs in the coming period. Activities relating to sales, development and tests will still be carried out from Spentrup where there will also be safety stocks for customers. The consolidation of production in Skjern is expected to increase efficiency and further reduce costs. Production has been streamlined and made more efficient by using Lean, Kaizen and SMED, and just-in-time deliveries are in focus. At the same time, Gibo will focus on being a total supplier of assembled parts, which are delivered according to the kanban principles.

After the acquisition of DKI Form, Gibo Plast has obtained a balanced customer portfolio and a good exposure to a number of industries. The enterprise is making targeted efforts to create new large customers. At

Gibo Plast forms the roof and interior parts of Volvo's back hoe digger.

Gibo Plast has developed a large cover unit together with Vestas.

the same time, the relationship with the existing customers is being developed. Gibo Plast will increasingly contribute to the customers' development phase so new projects and solutions can be designed and implemented in cooperation with the customers.

Gibo Plast will cultivate new markets in Eastern and Central Europe. Gibo Plast is planning to set up production in Poland in 2011 provided a sufficient interest can be aroused among the customers in the course of 2010. Focus will be on the marketing on new and existing markets by increasing the knowledge of plastics in sectors which have traditionally used glass fibre, metals and wood and especially by marketing the High-pressure and Twinsheet methods allowing greater freedom in design and flexible production of complicated large-sized items. In the longer term, Gibo Plast will test new plastic technologies.

Gibo Plast has developed new projects for customers in the cleantech industry, which are expected to contribute positively to sales and earnings in 2010.

Outlook for 2010

A higher level of activity is expected in 2010, and although capacity has been adjusted, the financial performance is not expected to be satisfactory.

Development in Vacuum forming 2007-2009

DKK mio.	2009	2008	2007
Revenue	93.1	121.7	76.6
Profit/loss before financial items, depreciation and amortisation (EBITDA)	6.1	-0.5	-0.6
Profit/loss before financial items (EBIT)	0.2	-6.0	-3.3
Total assets	124.8	142.3	81.5
Average number of employees	93	122	66

Coatings

- New tasks in the cleantech industry
- More tasks in the medical device industry
- Growth

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

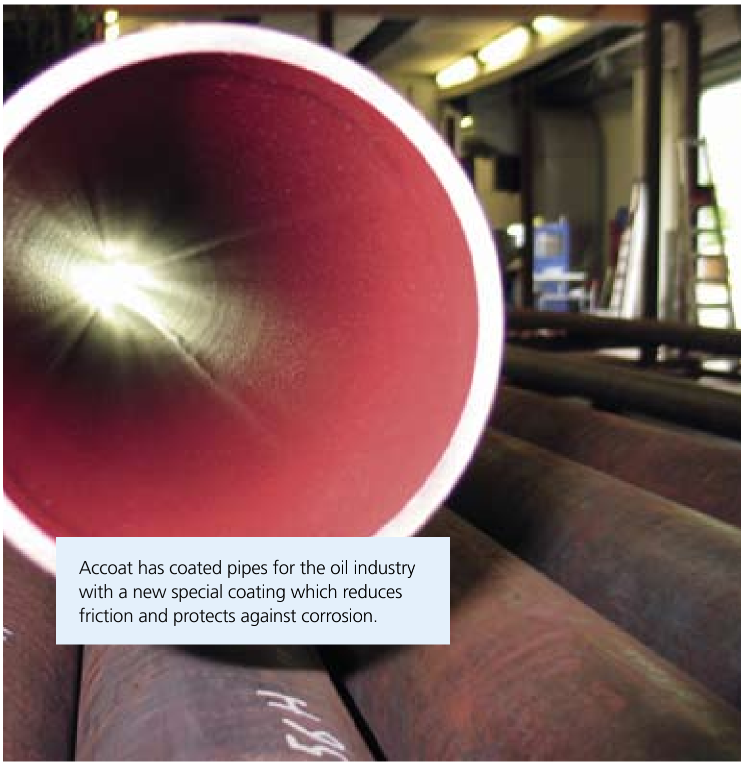
2009 in outline

Revenue increased by 17.8% to DKK 134.1 million, which is the largest revenue so far although a number of customers were hit by the crisis, and a number of projects were postponed. Revenue to the medical device industry increased more than expected.

Accoat increased its marketing efforts towards customers in the oil and gas industry in the US, Denmark and Norway, which has resulted in new tasks for future delivery. In 2009, Accoat delivered coating of pipes for two international oil companies.

Operating profit/loss (EBITDA) increased from DKK 16.1 million to DKK 16.2 million and was negatively affected by poorer product mix as well as higher development and marketing costs.

Considerable growth is expected in the coming years. Therefore, in 2009 investments were made in further furnace capacity as well as a phosphatizing plant to be used for coating tasks for customers in the cleantech and oil and gas industries. As a major expansion of the facilities in Kvistgaard is not possible, the new coating plant has been set up in Stoholm in buildings owned by SP Moulding, which has reduced their area requirements.



Accoat has coated pipes for the oil industry with a new special coating which reduces friction and protects against corrosion.

Archive photo: Accoat has not provided pipe coating for the illustrated oil rig.

In this way, capacity and efficiency are increased.

After a number of investments the plant in Kvistgaard is able to treat the surfaces of extremely heavy and large items with dimensions of up to 12 x 3 x 3 metres. The plant holds one of the largest furnaces in Europe for sintering Teflon-coated items and is able to manufacture multiple batches in three furnaces at a time. With these facilities Accoat is among the most modern and environment-friendly coating enterprises in the EU.

During the year, Accoat has solved tasks for customers in 17 countries.

Markets and products

In 2009, Accoat coated a range of different products, such as medical device equipment, chemical reactors, tanks, car components, thermocouples, ovens, baking machines, filling machines, engine components, ventilation equipment as well as equipment for the oil and gas industries. In principle, Accoat is able to coat all kinds of items but has decided to focus especially on high-build (multiple layers) corrosion-protective coatings as well as non-stick and low-friction coatings. In these areas, Accoat is a market leader in Scandinavia and ranks among the five largest players in Europe.

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

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

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

Strategy

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

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

Marketing is improved, and Accoat has increased the visibility on the largest markets and cultivated prospective customers in the medical device and food industries, and especially in the oil and gas as well as the clean-tech industries. Sales are strengthened through more systems selling in which Accoat advises the customers on the construction of the items and on the choice of materials before the items are coated. In 2010 Account will establish a coating factory in Brazil, which is to serve customers in South America. A contract has been made with an existing customer on future deliveries from the factory.

Outlook for 2010

Accoat is expected to increase revenue in 2010. Operating profit (EBITDA) is expected to become slightly higher than in 2009.

Development in Coatings 2007-2009

DKK million	2009	2008	2007
Revenue	134.1	113.8	117.2
Profit/loss before financial items, depreciation and amortisation (EBITDA)	16.2	16.1	22.2
Earnings before financial items (EBIT)	9.6	10.7	18.4
Total assets	116.1	100.5	95.0
Average number of employees	63	63	64

Risk Management

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

The following risks have been identified as the key risks for SP Group, but the list is neither prioritised nor exhaustive:

Commercial risks

Market and competitor risks

The recession has had a different impact on SP Group's customers, but by far the majority of the customers' sales are affected. SP Group's sales and earnings are therefore very dependent on the future development in GNP in the OECD countries.

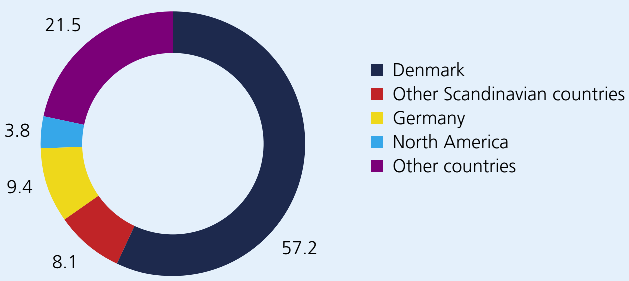
Several segments of SP Group's Danish primary market have been characterised by excess capacity, numerous small suppliers, price pressure and customers increasingly requiring smaller batches and more flexible production. Furthermore, SP Group is experiencing increased competition from the low cost producers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

Firstly, exports are increased on a continuous basis. The Group focuses in particular on other Northern European markets while selected niche products are sold globally. The international share of revenue amounted in 2009 to 42.8%.

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

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

Revenue by geographical area in % – 2009



Customers

SP Group has about 1,000 active customers. The ten largest customers account for 49% of the Group's revenue, and this share has increased by six percentage points compared to 2008. The ten largest customers are large consolidated internationally operating industrial groups.

The largest single customer accounts for 16.8% of the Group's revenue. At plant level, the dependence on single customers is higher as a result of the specialisation and focus on specific industries.

One third of the Group's sales relates to the medical device sector, which is thus the largest single industry. SP Group has deliberately cultivated this industry because it is a growth sector and because it offers a variety of opportunities for utilising the competencies of SP Group across its business areas. The exposure to the medical device industry is therefore desired, and risks are reduced by the Group supplying to a number of different medical device enterprises in several segments and on all continents. At group level, SP Group is not over-exposed to certain lines of businesses.

Declining sales to individual or several customers may have a material impact on the Group's earning capacity. To minimise this risk, the Group seeks also to enter into multi-annual customer and cooperation agreements which stipulate the terms of future orders. Furthermore, SP Group is engaged in tasks of production development in cooperation with the customers in order to clearly stand out as a strategic partner. Finally, the Group works on the development of more niche products and products under own brands where the Group is able to control sales to a higher extent. Products under own brands accounted for approx. 14% of Group revenue in 2009, including medical device products (guidewires).

Raw material prices and suppliers

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

SP Group continues to enter into hedging agreements on electricity, gas and raw materials and has agreed sales price adjustments with a number of customers in case of energy and raw material price increases. The Group has centralised its purchase of critical raw materials to increase the level of delivery reliability and to achieve a better bargaining position by purchasing larger bulks. At the same time, SP Group is continuously investigating the possibility of sourcing critical raw materials globally. The exposure to oil price-driven increases in raw material prices may be reduced but will fundamentally remain present.

Restructuring the production system

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

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

Key persons

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

Insurance

SP Group has an extensive insurance programme reflecting the scope of the Group's activities and their geographical location. Once a year, the insurance programme is examined together with the Group's global advisor to make current adjustments supporting the Group's development, thereby minimising any impact on the Group's financial performance. Once a year, the insurance policies are also examined by the Supervisory Board and adjusted as required.

Environmental performance

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

Financial risks

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

Interest rate risks

Interest rate risks primarily derive from the interest-bearing net debt, i.e. mortgage debt and bank debt less negotiable current-asset investments and liquid funds. By the end of the year, the net interest-bearing debt amounted to approx. DKK 377 million. 97% of the debt carried a floating rate, of which mortgage debt with an average interest rate of 2.5% for the next year. An increase in the general interest level of one percentage point would result in an increase in the Group's annual interest expenses before tax of approx. DKK 3.7 million.

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

Credit risks

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

Currency risks

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

There is generally a good balance between income and expenses. Approx. 95% of sales are thus recognised in DKK or EUR, and 90% of the Group's fixed costs are incurred in DKK or EUR. The most important commercial currency risk is indirect and relates to the customers' sales outside Europe. Similarly, purchasing is primarily conducted in DKK and EUR although the prices of the goods depend on the USD.

63% of the Group's financing has been obtained in EUR, and the remaining debt has been obtained in DKK. A fluctuation of 1% in the EUR rate against DKK may therefore affect the financial performance by up to DKK 2.6 million. To reduce the currency risk and match income and expenses even better, debt relating to the Chinese and the Polish enterprises has been refinanced from DKK to USD, PLN and EUR, respectively.

Liquidity risks

It is the Group's objective to have sufficient cash resources to be able to continuously make appropriate arrangements in case of unforeseen changes in the drain on liquidity.

It is Management's opinion that the Company still has reasonable capital resources compared to the Company's operations and sufficient liquidity to meet the Company's present and future liabilities. The Company has a long, good and constructive cooperation with its financial business partners. This is expected to be continued. The Group has not neglected or been in breach of loan agreement terms in the financial year or the comparative year.

Corporate Governance and Remuneration

Proper and decent management

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

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

- SP Group has no limitations on the number of offices a member of the Supervisory Board is allowed to have. The Supervisory Board finds that the capacity and contribution of each individual member are more important than the number of offices. In practice, all members keep within the recommended limit.

- SP Group has not set up any age limit for the members of the Supervisory Board. SP Group finds that age limits are discriminating and also that the capacity and contribution of each member are more important than their birth certificates.

- There is no annual formalised self-assessment of the Supervisory Board. At each meeting, the Supervisory Board instead has a short discussion behind closed doors about the work and results of the Supervisory Board, the mutual interplay and the interplay with the Executive Board. The Supervisory Board finds that this on-going discussion represents more value for the ability of the Supervisory Board to develop than one annual gathering would have.

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

The Supervisory Board has considered appointing committees under the Supervisory Board but found that because of the size of the Group SP Group does not need such committees and that the Supervisory Board is not so large that it would be unnatural or inappropriate for the entire Supervisory Board to discuss subjects such as audit and remuneration. From 2009, companies are required to appoint audit committees under their supervisory boards, and SP Group has decided to let the entire Supervisory Board constitute the audit committee.

The work of the Supervisory Board

In 2009, the Supervisory Board held ten meetings of which two of them focused on strategy and budgets, respectively. At the strategy meeting in December, the Supervisory Board also discussed business risks and management of such risks at Group level and in the business areas. Once a year, the Supervisory Board determines the framework of the management of interest rate, credit and currency risks and risks related to raw materials and energy prices, and the Supervisory Board is continuously following up on the implementation of this framework. The rules of procedure are discussed and revised by routine in June.

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

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

The composition of the Supervisory Board

The shareholder-elected board members are up for election each year. During recent years, the Supervisory Board has been trimmed from eight to four members. This is assessed as an appropriate number because the Supervisory Board can work efficiently and gather quickly, while at the same time being diverse enough to represent several different experiences.

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

At the general meeting in 2009 the two employee-elected members of the Supervisory Board, Karen M. Schmidt and Poul H. Jørgensen resigned as their term of office expired. No new members have been elected according to the rules of election of group representatives for SP Group's Supervisory Board. In the coming year, the Supervisory Board will therefore only consist of the shareholder-elected members.

Remuneration of Management

The Supervisory Board has no incentive programmes but receives an ordinary remuneration determined by the Annual General Meeting. As announced at the latest annual general meeting, the remuneration for 2009 is recommended to be unchanged, i.e. DKK 300,000 to the chairman, DKK 175,000 to the deputy chairman and DKK 150,000 to other members. The members of the Supervisory Board will not receive any remuneration for any ad hoc tasks but will be reimbursed travelling expenses for meetings, etc.

The Supervisory Board will propose that the remuneration for 2010 remains unchanged.

Remuneration of the Executive Board is negotiated by the chairman and adopted by the Supervisory Board. The remuneration consists of a basic salary and usual allowances such as telephone, company car, etc free of charge. The total remuneration of the Executive Board amounted to DKK 4.3 million in 2009 against DKK 4.5 million in the previous year. The Executive Board bears the pension contributions itself. The Company's notice of dismissal to CEO Frank Gad is 24 months and 12 months to CFO Jørgen

Executive Board

Frank Gad, CEO
Born in 1960, MSc in Economics and Business Administration, lives in Frederiksberg.
Salary in 2009: DKK 2.5m and a car.
Share-based salary in 2009: DKK 315,000*.
Frank Gad took up his position in November 2004 and is also CEO of SP Moulding A/S.
Previous employment: CEO of FLSmidth A/S (1999-2004), CEO of Mærsk Container Industri A/S (1996-1999) and employment at Odense Staalskibsværft (1985-1999), last as Executive Vice President.
External directorships: Supervisory Board Chairman of Skamol A/S and Skamol Holding A/S, Supervisory Board Member of Danionics A/S and Danionics Asia Ltd. Hong Kong and Plastindustrien i Danmark. Director of Frank Gad ApS and Gadmol ApS. Member of the Committee of Representatives of Foreningen Nykredit.
Shares in SP Group: 50,686 personally owned (+17,336) and 32,298 (+10,898) through his own company.
* Assessed according to Black Scholes at the time of granting.

Jørgen Hønnerup Nielsen, CFO
Born in 1956, Graduate Diploma in Business Administration, lives in Odense.
Salary in 2009: DKK 1.1m and a car.
Share-based salary in 2009: DKK 105,000*.
Jørgen Nielsen was employed in Tinby in 1987 and has been employed in SP Group since 2002. Jørgen Nielsen was admitted as a member of the Group Executive Board on 1 March 2007.
Previous employment: Rasm. Holbeck og Søn A/S (1985-87), Revisionsfirmaet Knud E. Rasmussen (1978-85).
External directorships: None.
Shares in SP Group: 4,200 (+3,100)
* Assessed according to Black Scholes at the time of granting.

Management team

Other executive employees of SP Group are:
Niels Uhrbrand, Managing Director of Accoat
Torben Hald, Managing Director of Gibo Plast
Torben Nielsen, Managing Director of Tinby A/S (from 1 January 2010)
Steen Ole Therkelsen, Director of Tinby (Managing Director until 31 December 2009)
Jeroen van der Heijden, Managing Director, TPI-Polytechniek bv., Netherlands
Mogens Kryger, Managing Director of Ergomat (until 1 April 2010 and will resign during 2010)
Claus Lendal, Managing Director of Ergomat from 1 April 2010
Kenny Rosendahl, Director of SP Medical
Mogens Laigaard, Director of SP Medical, guidewire department
Jens Hinke, Director of R&D of SP Group
Adam Czyzynski, Managing Director of Tinby Sp. z o.o., Poland
Jan R. Sørensen, Managing Director of SP Moulding (Suzhou) Co., Ltd., China
Jens Birklund Andersen, Plant Manager, SP Moulding, Stoholm (from 1 May 2009)
John Overby Andersen, Plant Manager of SP Moulding, Juelsminde
Jesper R. Holm, Plant Manager of SP Moulding, Poland
Iwona Czyzynski, Plant Manager, SP Medical Sp. z o.o., Poland
Per Escherich, Plant Manager, Accoat, Stoholm

Hønnerup Nielsen. If the Executive Board is dismissed in connection with a take-over of SP Group (including a merger or other acquisition), the Company will not be obliged to pay any further severance pay.

The Executive Board has no short-term incentive programmes such as bonus. SP Group has, however, established long-term incentive programmes for Frank Gad, who was granted options of 13,975 shares in 2006. In 2007, Frank Gad as well as Jørgen Hønnerup Nielsen were grated warrants of 15,000 and 5,000 shares respectively. No warrants or options were granted in 2008 and 2009.

The granting in 2007 was based on the Annual General Meeting's permission in April 2007 to the Supervisory Board to issue up to 80,000 warrants to the Executive Board and executives of the Group and later increase the share capital by up to DKK 0.8 million when and if the warrants were exercised. Based on this permission, the Supervisory Board granted warrants to the Executive Board and 20 other executives in July 2007.

The warrants issued can be used to buy shares from 1 April 2010 to 31 March 2011. However, the executives can only exercise the warrants during the first two weeks of the open windows when insiders are normally allowed to trade the Company's shares. The exercise price is DKK 160, which was the price when SP Group presented the annual report for 2006, plus an annual interest at the rate of 7.5% until the time when the warrants are exercised. By means of this interest, SP Group ensures that the programme will not start carrying value for the executives until the shareholders have ascertained increasing share prices.

The Supervisory Board believes that share-based arrangements are necessary to ensure that SP Group will be able to attract and retain qualified

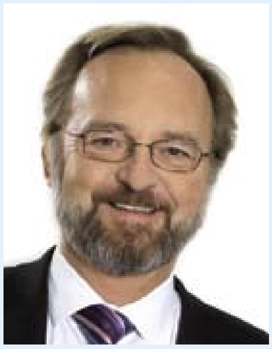
Directorship in Danish and foreign companies, etc at 1 March 2010

Niels Kristian Agner
Director, Værløse, born in 1943.
Supervisory Board Member and Chairman since 1995.
Remuneration: DKK 300,000.
No. of shares: 13,000 shares. (+6,600).
Other directorships: Pigro Management ApS (D), Dantherm A/S (BM), Dantherm Fonden (BM), Aktieselskabet Schouw & Co. (BM), G.E.C. Gad A/S (BF), G.E.C. Gads Boghandel A/S (NF), G.E.C. Gads Forlag Aktieselskab af 1994 (BM), Green Wind Energy A/S (BM), G. W. Energi A/S (BM), Direktør Hans Hornsyld og Hustru Eva Hornsylds Legat (BM), Direktør Svend Hornsylds Legat (BM), D.F. Holding, Skive A/S (BM), Indeks Retail Invest (NF), Green Wind Energy A/S (BM) and SP Moulding A/S (BF).

Erik Preben Holm,
CEO, Hellerup, born in 1960.
Supervisory Board Member since 1997, Deputy Chairman.
Remuneration: DKK 175,000.
No. of shares: 0 personally owned and 6,000 through his own company (+6,000).
Other directorships: Arvid Nilssons Fond (NF), Dyrup A/S (D), LD Fond 1, Investeringskomité (BM). Brødrene A & O Johansen A/S (BM) and SP Moulding A/S (NF).

BF = chairman.
D = director.
NF = deputy chairman.
BM = board member.
( ) = Change in the year.

Erik Christensen,
Director, Værløse, born in 1937.
Supervisory Board Member since 2002.
No. of shares: 8,700 personally owned (+5,200) and 11,625 through the company (+6,425).
Remuneration: DKK 150,000.
Other directorships: Andreas Andresen A/S (BM), Andresen Services A/S (BF), B. Christiansen Holding A/S (BM), British Car Import A/S (BM), China Car Import A/S (BM), Ejendomsselskabet af 1. oktober 1999 A/S (BM), Ejendomsselskabet Petersbjerg Kolding A/S (BM), Ejendomsselskabet Sjællandsvej A/S (BM), EKV Transport A/S (NF), Eltronic Solution A/S (BM), Eltronic A/S (BF), Hyundai Bil Import A/S (BM), Johsnic A/S (BM), K. Christiansen Holding A/S (BM), KK Transport A/S (BF), Konsul Axel Schur og Hustrus Fond (BM), Lada Danmark A/S (BM), Luise Andresens Fond (BF), Morten Rahbek A/S (BF), Multi Invest A/S (BM), Nic. Christiansen Holding A/S (BF), Nic. Christiansen Holding af 1985 ApS (BF), Nic. Christiansen Import A/S (BF), Nic. Christiansen Invest A/S (BM), Nic. Christiansens Fond (BF), Olitec Packaging Solution A/S (BM), Sarepta A/S (BM), Schur Conference Center A/S (BM), Schur International A/S (BM), Schur International Holding A/S (BM), Schur Invest A/S (BM), SP Moulding A/S (BM), Terminalen A/S (BM), Vamdrup Klargøringscentral A/S (BM), Lact Innovation ApS (BM), Ertech Stål A/S (BM).



Hans Wilhelm Schur,
CEO, Horsens, born in 1951.
Supervisory Board Member since 1999.
Remuneration: DKK 150,000.
No. of shares: 0 (immediate family 273,711)
Other directorships: SP Moulding A/S (BM), Dansk Industri, Horsens (BM), Danmarks Industrimuseum (BF), Konsul Axel Schur og Hustrus Fond (BF), Schur International a/s (D and BM), Schur Invest a/s (D and BM), and member of Nykredits committee of representatives.

Ownership interest at 22 February 2010:

Supervisory and Executive Boards:	Private	Own company	Related
Niels Kristian Agner	13,000		1,000
Erik Preben Holm		6,000	
Hans Wilhelm Schur			273,711
Erik Christensen	8,700	11,625	21,800
Frank Gad	50,686	32,298	1,390
Jørgen Nielsen	4,200		
	76,586	**49,923**	**297,901**
as a percentage of share capital	3.8%	2.5%	14.7%

executives and key persons. The Supervisory Board wishes to tie the executives closer to the Group, reward them for their contribution to the long-term value creation and establish that executives and shareholders have a common interest in increased share prices.

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

At the Annual General Meeting in 2010, the Supervisory Board will ask for permission to issue up to another 80,000 warrants to the executives of the Group. This motion will appear from the notice of the Annual General Meeting.

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

Shareholder Information

Overall objective

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

Share capital

SP Group's shares are listed on NASDAQ OMX Copenhagen under the short name SPG, the ISIN code is DK0010244771 and ID CSE3358. SP Group is included in the sector Materials. At the Annual General Meeting in 2009, it was decided to reduce the share capital by 90% by maintaining the number of shares and changing the denomination from DKK 100 to DKK 10.

After expiry of the term of statutory notice, the capital reduction was performed in August 2009. Subsequently, the share capital amounts to a nominal amount of DKK 20.24 million.

The share capital of DKK 20.24 million is distributed on 2,024,000 shares of DKK 10. SP Group only has one class of shares, and all shares are freely negotiable, and the voting and ownership rights are not subject to restrictions.

The Supervisory Board is authorised to perform a capital increase in accordance with the existing warrant programme and may also issue up to 80,000 new warrants in the period until 1 May 2011 and perform the related increase of share capital. At the same time, the Supervisory Board is authorised to increase the share capital by up to a nominal amount of DKK 10 million in the period until 1 April 2010 by subscribing for new shares at the market price or a lower price fixed by the Supervisory Board, however, not below DKK 10.

The Supervisory Board will submit a proposal at the next annual general meeting for a prolongation of the authorisation. Management considers issuing 9.99% new shares in the course of 2010 at the market rate without pre-emption right for existing shareholders in order to strengthen the Company's capital resources and to finance future growth.

Interested investors who wish to be contacted in connection with any direct placing are invited to show their interest in the Company by contacting Frank Gad on fg@sp-group.dk or phone +45 70 23 23 79.

The Supervisory Board does not want to launch a direct placing at the present level of prices as the Supervisory Board assesses that the present share price does not adequately reflect the Company's earnings potential. Furthermore, there should be a reasonable ratio between proceeds and costs by launching a share issue.

Shareholders' return

The Supervisory Board of SP Group presently intends to apply profits to strengthen the Company's financial position and finance initiatives contributing to profitable growth. The Supervisory Board will not propose any dividends to the shareholders until the Group has reduced its debt to under four times EBITDA and until SP Group has steadily met its objective of having a profit before tax and minorities of 5% of revenue. Until then, the shareholders' return will be created by increases in the share price.

The share ended the year at a price of DKK 42.9, which corresponds to a market value of DKK 87 million. The share return was +2.1% in 2009. The rise in the price of the SP Group share was thus considerably lower than the general increase on NASDAQ OMX Copenhagen.

Ownership and liquidity

At the end of February 2010, three shareholders gave notice of holding more than 5% of the shares, that is Schur Finance A/S, Mørksø Invest ApS and Shareholder Invest Growth A/S with a total of 30.0%. The largest shareholder has increased his ownership interest. The number of shareholders registered increased from 652 to 724 in the period, and the registered shareholders' total ownership interest increased by well over ten percentage points.

The known shareholder base outside Denmark is still modest. 24 international shareholders with a total of 7.6% of the shares have been registered by name.

During the year, 708,924 shares were traded corresponding to 35.0% of the share capital. The share price of the traded shares amounted to DKK 22.9 million. Revenue measured in DKK was lower than the previous year, but measured in number, revenue was doubled.

Strengthened information

Generally, SP Group seeks to maintain an ongoing, timely and balanced dialogue with present and potential shareholders, share analysts and other stakeholders. The Company's executives continuously participate in meetings with both professional and private investors as well as analysts. Presentations from the meetings are available on the website where other relevant information can also be found and access to news subscriptions is provided. Finally, SP Group finds it important that all requests and inquiries from shareholders and other stakeholders are handled as quickly as possible.

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

Shareholder information SP Group A/S

Name	Registered in	Number	Share (%)
Schur Finance A/S	Horsens	273,711	13.5%
Mørksø Invest ApS	Skive	178,700	8.8%
Shareholder Invest Growth A/S	Horsens	155,000	7.7%
		607,411	**30.0%**
Distribution of other shares			
SP Group (treasury shares)		0	0.0%
Registered shares below 5%		1,003,413	49.6%
Non-registered shares		413,176	20.4%
Total		**2,024,000**	**100.0%**

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

Further shareholder information is available on the website www.sp-group.dk.

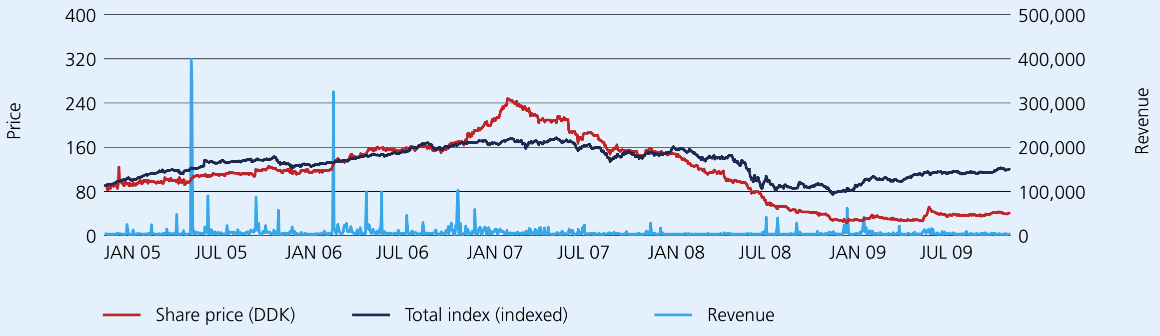
Announcements to NASDAQ OMX Copenhagen in 2009

Further shareholder information is available on SP Group's website www.sp-group.dk.

Financial Calendar for 2010

30 March	Annual report for 2009
28 April	Annual General Meeting and interim report for Q1 2010
18 August	Interim report for H1 2010
2 November	Interim report for Q3 2010

Development in share prices of SP Group 1 January 2005 to 31 December 2009. Index 4.1.2005=90



Reporting on corporate social responsibility

Corporate social responsibility

SP Group acknowledges the Group's responsibility to contribute to a sustainable development, and SP Group sees good coherence in acting responsible on the one hand and increasing the Group's earnings and growth on the other.

The basis of SP Group's work with social responsibility is the UN Global Compact – the ten principles of human rights, employee rights, environment and anti-corruption according to which the UN has listed guidelines for companies' work to create a more sustainable development. SP Group follows the 10 principles set out in the UN Global Compact.

Environmental performance

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

It is SP Group's strategy that all production companies must implement a certifiable environment control system which ensures:

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

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

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

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

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

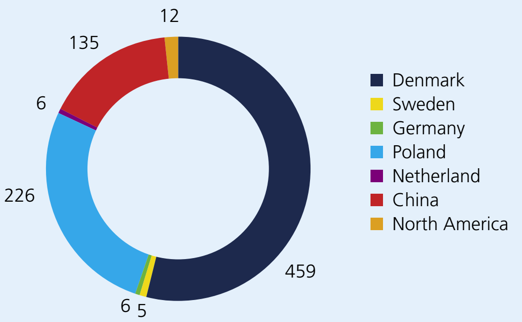
The most considerable impact on environment occurs when SP Group's enterprises consume energy (particularly power) and raw materials during production and diverts waste from production. The direct CO_2 emission from the companies is limited, but CO_2 indirectly impacts the environment when power plants produce the power and when the products of SP Group must be transported. SP Group has no direct influence on the power plants' production, but a substantial part of the power is purchased from Danish plants at which a fourth of the power is produced from renewable energy, primarily wind turbines. Within transportation, SP Group selects partners with modern and environmental friendly materials.

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

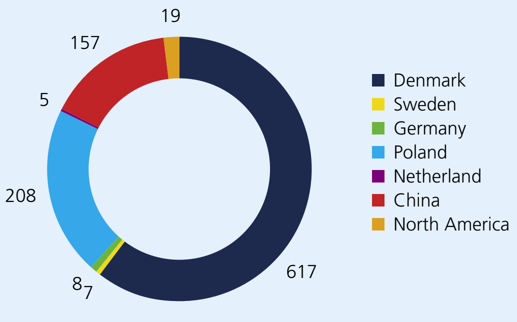
Acid gasses, however, are produced during production of fluorine plastic coatings, but they are removed in a flue gas scrubber before being led out through the chimney and are therefore not a nuisance to the surroundings. The use of fluorine plastic coatings is very beneficiary for the environment in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

Generally, plastics are lighter than metal, and the lower weight can be used to increase the machines' capacity and, thus, reduce their fuel consumption,

Distribution of employees by geographical area in 2009 (average)



Distribution of employees by geographical area in 2008 (average)



which is good for environment. Obvious examples are rolling stock like agricultural machines, tractors, combine harvesters, buses and cars in which the outer parts can be manufactured in plastic instead of metal, and the plastic lasts for many years – even when used outdoors – without corroding.

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

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

SP Group estimates that it complies with all current environmental regulations and that no enforcement orders remain unsolved anywhere in production.

Employees

SP Group's staff outside Denmark fell in 2009 by approx. 2% to 413 employees. The number of employees in Denmark dropped by 20% to 449. In the future, growth will primarily take place in Eastern Europe and Asia.

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

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

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

SP Group also seeks to improve the employees' qualifications through supplementary and continuing education. The goal is to upgrade the employees to enable them to handle several different tasks, which increases production flexibility and creates a varied workday for the individual employee. SP Group also applies the systematic roll-out of Lean processes to the plants to enable the employees to influence their own working situation as well as processes and workflow.

Corruption combat

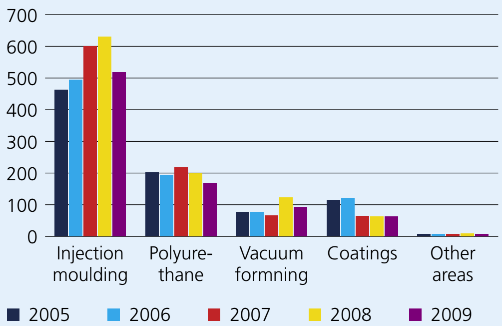
SP Group does not participate in corruption or bribery. Unfortunately, we are often met with requests for secret commission, which we refuse.

Continued CSR work

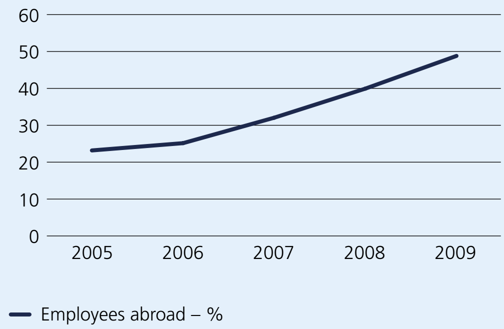
SP Group complies with the ten principles of the UN Global Compact in word and action and will accede to the Global Compact charter. Moreover, the Group will focus on further promotion of the use of environment-friendly technologies and materials and seek to disseminate knowledge of the unique qualities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

At present, SP Group has no plans to make extensive systematic control at the Group's suppliers of material as the majority of them are large respected international groups which give a detailed account of their efforts within Corporate Social Responsibility in information materials made available to the public. SP Group makes CSR control at the Group's mould suppliers.

Distribution of employees (average)



Distribution of employees abroad (average) 2004-2009



Statutory report on corporate management

This statutory report on corporate management covers the financial period 1 January to 31 December 2009.

Financial reporting process

The Supervisory Board and the Executive Board have the overall responsibility for the Group's control and risk management in connection with the financial reporting process, including compliance with relevant legislation and other adjustments in connection with the financial reporting. The Group's control and risk management systems can create reasonable but not absolute assurance that inappropriate use of assets, loss and/or material misstatements in connection with the financial reporting is avoided.

Control environment
At least once a year, the Supervisory Board assesses the Group's organisational structure, the risk of fraud and the existence of internal rules and guidelines.

The Supervisory Board and the Executive Board lay down and approve overall policies, procedures and controls in significant areas in connection with the financial reporting process. The Supervisory Board may set up committees in relation to special tasks. For further information, see the section Proper and decent management.

The Executive Board continuously supervises the compliance with relevant legislation and other directions and provisions in connection with the financial reporting, which is currently reported to the Supervisory Board.

Risk assessment
At least once a year, the Supervisory Board makes an overall assessment of risks relating to the financial reporting. As part of the risk management, the Supervisory Board considers the risk of fraud and the measures to be taken in order to reduce and/or eliminate such risks. In this connection Management's incentive/motive, if any, for accounting manipulation or other fraud is discussed.

Audit committee

The audit committee consists of the entire Supervisory Board.

Audit

To safeguard the shareholders' and the public interests, a firm of state authorised public accountants is appointed at the annual general meeting. The auditors report to the entire Supervisory Board at least twice a year and also immediately after observance of any matters which the Supervisory Board should approach. The auditors participate in Supervisory Board meetings in connection with the presentation of reports to the Supervisory Board. Prior to the recommendation for appointment at the annual general meeting, the Supervisory Board makes an assessment, in consultation with the Executive Board, of the auditor's independence, competences, etc

Statement by Management on the annual report

We have today presented the annual report of SP Group A/S for the financial year 1 January to 31 December 2009.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2009 as well as of their financial performance and their cash flows for the financial year 1 January to 31 December 2009.

We also believe that the management commentary contains a fair review of the development and performance of the Group's and the Parent's business and of their financial position as a whole, together with a description of the principal risks and uncertainties that they face.

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

Søndersø, 30 March 2010

Executive Board

Frank Gad
Chief Executive Officer

Jørgen Hønnerup Nielsen
Chief Financial Officer

Supervisory Board

Niels K. Agner
Chairman

Erik Preben Holm
Deputy Chairman

Erik Christensen

Hans Wilhelm Schur

Independent auditor’s report

To the shareholders of SP Group A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of SP Group A/S for the financial year 1 January to 31 December 2009, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as the Parent. The consolidated financial statements and parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

Management’s responsibility for the consolidated financial statements and parent financial statements

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

Auditor’s responsibility and basis of opinion

Our responsibility is to express an opinion on these consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and parent financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31 December 2009 and of their financial performance and their cash flows for the financial year 1 January to 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

Statement on the management commentary

Management is responsible for preparing a management commentary that contains a fair review in accordance with the Danish Financial Statements Act.

Our audit did not include the management commentary, but we have read it pursuant to the Danish Financial Statements Act. We did not perform any procedures other than those performed during the audit of the consolidated financial statements and parent financial statements.

Based on this, we believe that the disclosures in the management commentary are consistent with the consolidated financial statements and parent financial statements.

Odense, 30 March 2010

Deloitte
Statsautoriseret Revisionsaktieselskab

Claus Kolin State Authorised Public Accountant	Johnny Bækholm State Authorised Public Accountant

Income statement for 2009

PARENT				GROUP	
2008	**2009**	**Note**	DKK'000	**2009**	**2008**
2,059	2,233		Revenue	681,943	863,705
0	0	3,6	Production costs	(503,973)	(638,077)
2,059	**2,233**		**Contribution margin**	**177,970**	**225,628**
3,028	2,278	4	Other operating income	17,965	11,186
(5,632)	(2,784)	5	External expenses	(51,845)	(60,604)
(11,158)	(10,259)	5,6,7	Staff costs	(103,874)	(115,899)
(11,703)	**(8,532)**		**Profit/loss before depreciation, amortisation and impairment losses (EBITDA)**	**40,216**	**60,311**
(1,441)	(1,316)	8	Depreciation, amortisation and impairment losses	(41,209)	(43,317)
(13,144)	**(9,848)**		**Profit/loss before financial items (EBIT)**	**(993)**	**16,994**
38,980	16,980	9	Income from group enterprises	-	-
1,424	3,907	10	Other financial income	3,180	2,245
(16,486)	(5,880)	11	Financial expenses	(16,645)	(34,100)
10,774	**5,159**		**Profit/loss before tax**	**(14,458)**	**(14,861)**
7,596	2,530	12	Tax on profit/loss for the year	2,063	4,547
18,370	**7,689**		**Profit/loss for the year**	**(12,395)**	**(10,314)**
			Tax on profit/loss for the year		
			Parent's shareholders	(13,580)	(12,802)
			Minority interests	1,185	2,488
				(12,395)	**(10,314)**
			Earnings per share (EPS)		
		13	Earnings per share (DKK)	(6.74)	(6.39)
		13	Earnings per share, diluted (DKK)	(6.74)	(6.39)
			Proposed distribution of profit/loss		
18,370	7,689		Retained earnings		
18,370	**7,689**				

Statement of comprehensive income

PARENT				GROUP	
2008	**2009**	**Note**	DKK'000	**2009**	**2008**
18,370	**7,689**		**Profit/loss for the year**	**(12,395)**	**(10,314)**
			Other comprehensive income:		
0	0		Exchange adjustments relating to foreign subsidiaries	499	973
0	**0**		**Other comprehensive income**	**499**	**973**
18,370	**7,689**		**Total comprehensive income**	**(11,896)**	**(9,341)**
			Of which:		
			Minority interests	1,140	274
			Shareholders of SP Group A/S	(13,036)	(9,615)
				(11,896)	**(9,341)**

Balance sheet at 31 December 2009

PARENT				GROUP	
2008	**2009**	**Note**	DKK'000	**2009**	**2008**
0	0		Completed development projects	3,368	1,466
373	110		Software	1,613	1,791
0	0		Customer files	2,400	2,700
0	0		Goodwill	103,862	104,077
0	0		Development projects in progress	6,850	2,183
373	**110**	14	**Intangible assets**	**118,093**	**112,217**
18,389	18,231		Land and buildings	94,796	96,661
0	0		Plant and machinery	141,680	141,223
902	723		Other fixtures and fittings, tools and equipment	15,550	14,854
0	0		Leasehold improvements	7,021	7,936
353	0		Property, plant and equipment in progress	15,298	19,461
19,644	**18,954**	15	**Property, plant and equipment**	**274,345**	**280,135**
299,453	299,453	16	Investments in subsidiaries	-	-
0	0		Deposits	13,086	10,000
0	0	17	Other securities	11	11
299,453	**299,453**		**Financial assets**	**13,097**	**10,011**
7,035	**6,118**	26	**Deferred tax assets**	**225**	**260**
326,505	**324,635**		**Non-current assets**	**405,760**	**402,623**
0	**0**	18	**Inventories**	**126,463**	**154,984**
0	0	19	Trade receivables	88,922	84,426
3,079	12,170		Receivables from subsidiaries	-	-
0	0		Income taxes receivable	237	557
809	64	20	Other receivables	8,493	20,407
723	698		Prepayments and accrued income	3,537	5,030
4,611	**12,932**		**Receivables**	**101,189**	**110,420**
51,257	**40,845**	21	**Cash**	**19,025**	**13,019**
0	**0**	22	**Non-current assets held for sale**	**21,818**	**27,046**
55,868	**53,777**		**Current assets**	**268,495**	**305,469**
382,373	**378,412**		**Assets**	**674,255**	**708,092**

PARENT				GROUP	
2008	**2009**	**Note**	DKK'000	**2009**	**2008**
202,400	20,240	23	Share capital	20,240	202,400
2,843	4,103	24	Other reserves	4,245	2,441
(48,193)	142,284		Retained earnings	123,914	(45,294)
157,050	**166,627**		**Equity attributable to Parent's shareholders**	**148,399**	**159,547**
-	**-**		**Equity attributable to minority interests**	**11,320**	**10,924**
157,050	**166,627**		**Equity**	**159,719**	**170,471**
100,356	89,604	25	Bank debt	95,509	107,566
0	0	25	Lease commitments	0	134
16,012	14,782	25	Financial institutions	91,141	97,525
0	0	26	Deferred tax liabilities	6,894	11,761
116,368	**104,386**		**Non-current liabilities**	**193,544**	**216,986**
12,472	12,381	25	Current portion of non-current liabilities	19,856	17,555
88,472	90,714	21	Bank debt	194,876	182,071
0	0		Prepayments received from customers	969	6,101
0	0	27	Trade payables	56,766	57,868
2,248	2,723		Payables to subsidiaries	-	-
0	0		Income taxes	896	4,731
5,763	1,581	28	Other payables	39,613	40,162
0	0		Accruals and deferred income	423	579
108,955	107,399			313,399	309,067
0	0	22	Liabilities related to assets held for sale	7,593	11,568
108,955	**107,399**		**Current liabilities**	**320,992**	**320,635**
225,323	**211,785**		**Liabilities**	**514,536**	**537,621**
382,373	**378,412**		**Equity and liabilities**	**674,255**	**708,092**
		29-31	Assets charged and contingent liabilities, etc		
		36-39	Other notes		

Statement of changes in equity for 2009

						GROUP
DKK'000	**Share capital**	**Other reserves**	**Retained earnings**	**Equity attribu-table to the Parent's shareholders**	**Equity attributable to minority interests**	**Total equity**
Equity at 1 January 2008	**200,000**	**466**	**(33,426)**	**167,040**	**11,909**	**178,949**
Exchange adjustment regarding foreign subsidiaries	0	699	0	699	274	973
Profit/loss for the year	0	0	(12,802)	(12,802)	2,488	(10,314)
Cash capital increase	2,400	0	84	2,484	0	2,484
Change of ownership interest, minority interests	0	0	0	0	(2,730)	(2,730)
Minority interests' share of dividends in subsidiaries	0	0	0	0	(1,017)	(1,017)
Share-based remuneration	0	1,760	0	1,760	0	1,760
Share-based remuneration, schemes expired	0	(850)	850	0	0	0
Tax on transactions in equity	0	366	0	366	0	366
Equity at 31 December 2008	**202,400**	**2,441**	**(45,294)**	**159,547**	**10,924**	**170,471**
Capital reduction	(182,160)	0	182,160	0	0	0
Exchange adjustment regarding foreign subsidiaries	0	544	0	544	(45)	499
Minority interests' share of dividends in subsidiaries	0	0	0	0	(744)	(744)
Profit/loss for the year	0	0	(13,580)	(13,580)	1,185	(12,395)
Sale, treasury shares	0	0	628	628	0	628
Share-based remuneration	0	1,680	0	1,680	0	1,680
Tax on transactions in equity	0	(420)	0	(420)	0	(420)
Equity at 31 December 2009	**20,240**	**4,245**	**123,914**	**148,399**	**11,320**	**159,719**

DKK'000	Share capital	Other reserves	Retained earnings	Total equity
				PARENT
Equity at 1 January 2008	**200,000**	**1,567**	**(67,497)**	**134,070**
Profit/loss for the year	0	0	18,370	18,370
Cash capital increase	2,400	0	84	2,484
Share-based remuneration	0	1,760	0	1,760
Share-based remuneration, schemes expired	0	(850)	850	0
Tax on transactions in equity	0	366	0	366
Equity at 31 December 2008	**202,400**	**2,843**	**(48,193)**	**157,050**
Capital reduction	(182,160)	0	182,160	0
Profit/loss for the year	0	0	7,689	7,689
Sale, treasury shares	0	0	628	628
Share-based remuneration	0	1,680	0	1,680
Tax on transactions in equity	0	(420)	0	(420)
Equity at 31 December 2009	**20,240**	**4,103**	**142,284**	**166,627**

Cash flow statement for 2009

PARENT				GROUP	
2008	2009	Note	DKK'000	2009	2008
(13,144)	(9,848)		Profit/loss before financial items (EBIT)	(993)	16,994
1,441	1,316		Depreciation, amortisation and impairment losses	41,209	43,317
0	0		Profit from sale of operating equipment recognised under other operating income	(8,587)	0
1,760	1,680		Share-based remuneration	1,680	1,760
0	0		Exchange adjustments, etc	(1,038)	1,719
(25,341)	(10,032)	32	Net working capital changes	30,493	(10,197)
(35,284)	**(16,884)**		**Cash flows from primary operating activities**	**62,764**	**53,593**
12,616	445		Value adjustments, loan	444	12,616
1,424	3,907		Interest income, etc received	3,180	2,245
(16,486)	(5,880)		Interest expenses, etc paid	(16,645)	(34,100)
4,433	1,030		Income taxes received/paid	(4,405)	999
(33,297)	**(17,382)**		**Cash flows from operating activities**	**45,338**	**35,353**
0	0	33	Acquisition of enterprises and activities	0	(20,400)
(5,269)	0		Acquisition of minority interests	0	(5,269)
(10,000)	0		Capital investment in subsidiaries	-	-
38,980	16,980		Dividends from subsidiaries	-	-
0	0		Acquisition of intangible assets	(8,010)	(4,072)
(1,154)	(364)		Acquisition of property, plant and equipment	(34,406)	(62,492)
9,316	0	34	Sale of property, plant and equipment	6,633	22,734
31,873	**16,616**		**Cash flows from investing activities**	**(35,783)**	**(69,499)**
0	0		Dividends to minority shareholders	(744)	(1,017)
0	628		Sale of treasury shares	628	0
0	0		Change, deposit	(3,086)	2,662
2,484	0		Capital increase	0	2,484
0	0		Raising of long-term loans	4,983	0
(10,554)	(12,516)		Instalments on non-current liabilities	(18,135)	(21,593)
(8,070)	**(11,888)**		**Cash flows from financing activities**	**(16,354)**	**(17,464)**
(9,494)	**(12,654)**		**Increase/decrease in cash and cash equivalents**	**(6,799)**	**(51,610)**
(27,721)	(37,215)		Cash and cash equivalents at 1 January 2009	(169,052)	(114,903)
0	0		Additions relating to acquisition of enterprise	0	(2,539)
(37,215)	**(49,869)**	35	**Cash and cash equivalents at 31 December 2009**	**(175,851)**	**(169,052)**

Notes

Note summary

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1. Accounting policies

The consolidated financial statements and parent financial statements for 2009 of the Group and SP Group A/S are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class D (listed) enterprises, see the Danish Executive Order on IFRS Adoption issued in accordance with the Danish Financial Statements Act. SP Group A/S is a public limited company with registered office in Denmark.

The consolidated financial statements and parent financial statements also comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements and parent financial statements are presented in Danish kroner (DKK), which is the primary currency of the Group's activities and the functional currency of the Parent.

Except for certain financial instruments which are measured at fair value, the consolidated financial statements and parent financial statements are presented on a historical cost basis. Accounting policies and changes from previous years due to new and revised standards and interpretations are as described below.

Implementation of new and revised Standards and Interpretations

The annual report is presented in accordance with the accounting standards (IFRS/IAS) and the financial reporting interpretation contributions (IFRIC), which apply to financial years beginning on or after 1 January 2009.

The implementation of new or revised standards and interpretations has resulted in the following changes in accounting policies.

- Amendments to IAS 1, *Presentation of financial statements*, result in a change in terminology on financial statements and a change in form and substance of financial statements.

- Amendments to IFRS 7, *Financial Instruments*: Require enhanced disclosures on fair value measurements.

- IFRS 8, *Operating Segments*, is a disclosure standard, which may result in a redesignation of the Group's segments and requires additional disclosures on the Group's revenue broken down by domestic sales and exports as well as dependence on single customers. The standard has not resulted in change in the Group's identification of segments.

- As a result of the implementation of the revised IAS 23, *Borrowing Costs*, the Group is to recognise borrowing costs in the cost of intangible assets, property, plant and equipment and inventories manufactured over a long period of time. Previously, the Group recognised all borrowing costs directly in profit/loss. In accordance with the commencement provisions of the revised IAS 23, borrowing costs are only to be recognised in the cost of assets for which the construction or production begins on or later than 1 January 2009. The amendment has resulted in a reduction in financial expenses of DKK 298 thousand in 2009 and a similar increase in property, plant and equipment. Profit/loss for 2009 and equity at 31 December 2009 have been increased by an equal amount.

The implementation of new and revised standards and interpretations has not resulted in any additional changes in accounting policies.

Standards and Interpretations that have not yet become effective
New standards and interpretations or amendments to existing standards which have not become effective at the time this annual report was made public are not incorporated in this annual report.

It is Management's assessment that the revised IAS 27, *Consolidated and Separate Financial Statements*, which are effective for financial years beginning on or later than 1 July 2009, will imply a change in the Group's treatment of profit and loss on sale of investments in subsidiaries which results in ceding of control and no ceding of control over the enterprise, respectively. As a result of the amendment, the Group cannot recognise profit on sale of investments in a subsidiary if the sale does not result in ceding of control. Such sales transactions must be recognised directly in equity. Moreover, the calculation of profit or loss on ceding of control must be based on the entire subsidiary and not only on the share sold.

Furthermore, the implementation of the revised IFRS 3 on business combinations will result in changes in the Group's treatment of business combinations. The most significant changes will relate to the principle of recognition of goodwill arising on acquisition of ownership interest under 100%, changes in recognition and subsequent accounting treatment of contingent purchase consideration as well as changes in recognition of acquisition costs.

Moreover, Management assesses that the new IFRS 9, which deals with accounting treatment of financial assets in relation to classification and measurement, will result in a different presentation in the Parent's comprehensive income statement of value adjustments and impairment losses on investments in subsidiaries. The presentation will depend on the classification of these investments in accordance with the new categories for financial assets. The new standard will partly replace IAS 39, *Financial Instruments:* Recognition and measurement, and will be effective for financial years beginning on or after 1 July 2013.

Management believes that application of the other standards and interpretations which have not become effective will not impact significantly on the annual report for the coming financial year.

Consolidated financial statements

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

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

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of SP Group A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement items

of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

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

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

Business combinations

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

When acquiring new enterprises, over which the Group obtains controlling influence, the purchase method is applied under which identifiable assets, liabilities and contingent liabilities of these enterprises are measured at fair market value at the acquisition date. Non-currents assets acquired intended for sale, however, are measured at fair market value less anticipated selling costs. Restructuring costs are only recognised in the pre-acquisition balance sheet if they constitute a liability for the acquired enterprise. Allowance is made for the tax effect of the restatements.

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

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

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

On transition to IFRS, business combinations that occurred before 1 January 2004 have not been restated to reflect the changes in accounting policies, except for the separation of any identifiable assets. The carrying amount at 1 January 2004 of goodwill relating to business combinations performed before 1 January 2004 is considered to be the cost of goodwill. At 31 December 2009, the carrying amount of goodwill relating to business combinations performed before 1 January 2004 totals DKK 103,862k.

Profit or loss from divestment or winding-up of subsidiaries

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

Foreign currency translation

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

When enterprises that present their financial statements in a functional currency different from DKK are recognised in the consolidated financial statements, the income statements are translated at average exchange rates on a monthly basis unless such rates vary significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the relevant acquired entity and is translated using the exchange rate at the balance sheet date.

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

Upon recognition in the consolidated financial statements of foreign subsidiaries which present their financial statements in a functional currency different from DKK, monetary assets and monetary liabilities are translated at the balance sheet date exchange rate. Non-monetary assets and liabilities which are measured based on historical cost are translated at the transaction date exchange rate. Non-monetary items measured at fair value are translated using the exchange rate at the date of the latest fair value adjustment. The income statement items are translated at the average exchange rates of the months unless these differ significantly from the actual exchange rates at the time of the transaction, except for items deriving from non-monetary assets and liabilities, which are translated using the historical rates applicable to the relevant non-monetary assets and liabilities.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the date of settlement.

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

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

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

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

Share-based incentive schemes

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

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

No settlement is made between the Parent and the subsidiaries for the Parent's allotment of share-based remuneration to employees in the subsidiaries. The value of the schemes is treated in the parent financial statements as additional capital contribution in the subsidiaries with addition of the value of investments in subsidiaries.

Taxation

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

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

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

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

Deferred tax is recognised on all temporary differences related to investments in subsidiaries, unless the parent company is able to control when the deferred tax is realized, and it is probable that the deferred tax will not crystallize as current tax in the foreseeable future.

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

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

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

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

Discontinued activities and non-current assets held for sale

Discontinued activities are material business areas or geographical areas sold or held for sale according to an overall plan.

Results from discontinued activities are presented in the income statement as a separate item consisting of operating profit/loss after tax of the relevant activity and any gains or losses from fair value adjustments or sale of the assets related to the activity.

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

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

Income statement

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

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

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

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

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

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

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

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

Net financials
These items comprise interest income and interest expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, liabilities and transactions in foreign currencies, mortgage amortisation premium or allowance on mortgage debt, etc as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

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

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

Balance sheet

Goodwill
Goodwill is recognised and measured on initial recognition as the difference between, on one hand, the cost of the acquiree, the value of minority interests in the acquiree and the fair value of previously acquired investments and, on the other hand, the fair value of the acquired assets, liabilities and contingent liabilities, see the description under consolidated financial statements.

When goodwill is recognised, the goodwill is allocated to the activities of the Group generating separate payments (cash-generating units). Determination of cash-generating units complies with the managerial structure and internal financial management and reporting in the Group.

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

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

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

Interest expenses on loans for financing of the manufacture of intangible assets are recognised in cost if they relate to the manufacturing period. Other borrowing costs are recognised in the income statement.

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

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

Acquired intellectual property rights in the form of software and customer files are measured at cost less accumulated amortisation and impairment losses.

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

Software	3-5 years
Customer files	10 years

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

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For own-manufactured assets, cost comprises costs directly attributable to the manufacture of the asset, including materials, components, subsuppliers and wages. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments. Interest expenses on loans for financing the manufacture of property, plant and equipment are recognised in cost if they relate to the manufacturing period. Other borrowing costs are recognised in the income statement.

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

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

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

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

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

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

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

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

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

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

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

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

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

Investments in subsidiaries in the parent financial statements
Investments in subsidiaries are measured at cost in the parent financial statements.

If cost exceeds the recoverable amount of the investments, the investments are written down to such lower value, see above paragraph on impairment losses. If more dividends are distributed than have in aggregate been earned by the enterprise since the Parent's acquisition of the investments, this is regarded as an indication of impairment, see above paragraph on impairment losses.

In connection with sale of investments in subsidiaries, profits or losses are calculated as the difference between the carrying amount of the investments sold and the fair value of the sales proceeds.

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

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

Variable indirect production costs include indirect materials and payroll and are allocated based on precalculations of the goods actually produced. Fixed indirect production costs comprise costs of maintenance and depreciation of machinery, factory buildings and equipment applied for the manufacturing process as well as general costs relating to factory administration and management. Fixed production costs are allocated on the basis of the normal capacity of production plant.

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

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

On initial recognition, receivables are measured at fair value and subsequently at amortised cost usually equalling nominal value less provisions for bad debts. Writedowns are made on an individual as well as on a portfolio basis using a provisions account.

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

Dividends
Dividends are recognised as a liability at the time of adoption at the general meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash flow statement

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

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

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

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

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

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

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

Segment information

Segment information is prepared in compliance with the Group's accounting policies and is based on the Group's internal financial reporting.

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

Non-current assets in the segments are those used directly in the operation of the segment.

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

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

Transactions among the segments are priced at estimated market values.

Financial highlights

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

Key figures

Computation of earnings per share and diluted earnings per share is specified in note 13.

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

Net interest-bearing debt is defined as interest-bearing liabilities net of interest-bearing assets, including cash.

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

2. Material accounting estimates, assumptions and uncertainties

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

Material accounting estimates

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

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

Changes in accounting estimates

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

Significant assumptions and uncertainties

Recognition and measurement of assets and liabilities often depend on future events subject to some uncertainty. In this connection it is necessary to assume a course of events, etc reflecting Management's assessment of the most likely course of events. In the annual report for 2009, the following assumptions and uncertainties should especially be noted as they have had considerable impact on the assets and liabilities recognised in the annual report and may require corrections in subsequent financial years if the courses of events assumed are not realised as expected.

Recoverable amount of goodwill

A review for impairment of recognised amounts of goodwill requires a calculation of the values in use of the cash-generating units to which the amounts of goodwill are allocated. The determination of the value in use requires an estimate of the expected future cash flows in each cash-generating unit as well as determination of a fair discount rate. The carrying amount of goodwill amounts to DKK 103,862 thousand at 31 December 2009. For a further description of the discount rates, etc applied, see note 14.

Property, plant and equipment

Gibo Plast A/S has taken a writedown of DKK 1,500 thousand on a machine which is planned to be sold to make room for new projects. It will probably be difficult to sell the machine on the present market, and the selling price is uncertain, but is assessed to be at the level of or higher than the written-down value.

Inventories

As a result of the financial crisis, some goods have lower marketability than usual, and as a precaution, an additional provision of DKK 2,200 thousand has been made for inventory risks apart from the individual writedown on inventories.

Receivables

The financial crisis has resulted in more bankruptcies and suspensions of payments than usual, and as a precaution, an additional provision of DKK 2,200 thousand has been made for collective writedown on our receivables.

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		3. Production costs		
0	0	Cost of sales	386,857	476,342
0	0	Writedown of inventories	3,037	68
0	0	Staff costs	114,079	161,667
0	**0**		**503,973**	**638,077**
		4. Other operating income		
2,668	2,135	Rent	495	305
0	0	Profit from sale of fixed assets	10,036	0
0	0	Compensation, the Danish tax authorities	750	0
0	0	Compensations	4,996	9,888
360	143	Other income	1,688	993
3,028	**2,278**		**17,965**	**11,186**
		5. Development costs		
		The following has been expensed:		
2,645	2,628	Development costs incurred	3,298	3,410
2,645	**2,628**		**3,298**	**3,410**
		6. Staff costs		
8,585	7,698	Wages and salaries	190,011	245,081
219	235	Pension contribution, defined contribution plan	10,989	13,868
57	71	Other social security costs	8,256	10,711
537	575	Other staff costs	11,188	12,382
1,760	1,680	Share-based remuneration	1,680	1,760
0	0	Refund from public authorities	(4,171)	(6,236)
11,158	**10,259**		**217,953**	**277,566**
		Staff costs are broken down as follows:		
0	0	Production costs	114,079	161,667
11,158	10,259	Staff costs	103,874	115,899
11,158	**10,259**		**217,953**	**277,566**
8	**7**	Average number of employees	**849**	**1,021**

6. Staff costs (continued)

Remuneration for Management

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

				GROUP
	Supervisory Board		Executive Board	
DKK'000	**2009**	**2008**	**2009**	**2008**
Fees for the Supervisory Board	869	1,075	-	-
Wages and salaries	0	0	3,828	4,025
Share-based remuneration	0	0	420	500
	869	**1,075**	**4,248**	**4,525**

				PARENT
	Supervisory Board		Executive Board	
DKK'000	**2009**	**2008**	**2009**	**2008**
Fees for the Supervisory Board	869	1,075	-	-
Wages and salaries	0	0	3,708	3,905
Share-based remuneration	0	0	420	500
	869	**1,075**	**4,128**	**4,405**

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

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
219	**235**	Contributions to defined pension plans taken to the income statement	**10,989**	**13,868**

7. Share-based remuneration

Equity-settled share option plans, Parent and Group

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

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

The warrants were granted based on a wish to tie the executives more closely to the Group.

The exercise price is fixed at DKK 160 per share of nominally DKK 10 plus 7.5% p.a. calculated from 1 May 2007 and until the warrants are exercised. The exercise price is fixed based on the listed price immediately before and after the publication of the annual report on 29 March 2007. The issued warrants will expire without net settlement, if the warrants are not exercised. The right to the warrants is earned over the period.

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

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

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

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

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

The share option plan, which can only be exercised on the purchase of the shares in question (equity-settled share option plan), entitles the CEO to buy up to 13,975 shares in the Parent at a price of 109 per share of nominally DKK 10 plus 7.5% p.a. calculated from 1 January 2006 and until the options are exercised. The exercise price is equal to the listed price at the beginning of 2006. The options issued can be used to buy shares in the Company in 2009 and until 31 March 2010. If the options are not exercised within this period of time, the option will lapse.

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

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

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

Development in the financial year

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

	Number of share options	Number of share options	Number of warrants	Number of warrants
	2009	**2008**	**2009**	**2008**
Options/warrants outstanding at 1 January	13,975	13,975	80,000	134,000
Granted in the financial year	0	0	0	0
Exercised in the financial year	0	0	0	(24,000)
Expired in the financial year	0	0	0	(30,000)
	13,975	**13,975**	**80,000**	**80,000**
Number to exercise at 31 December	13,975	0	0	0

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

PARENT			GROUP	
2008	**2009**	DKK’000	**2009**	**2008**
		7. Share-based remuneration (continued)		
		Equity-settled share option plans, Parent and Group		
		Development in the financial year		
1,760	**1,680**	Share-based remuneration recognised in income statement, equity-settled share option plan	**1,680**	**1,760**
		8. Depreciation, amortisation and impairment losses		
263	263	Amortisation of intangible assets	1,917	3,673
1,014	1,053	Depreciation of property, plant and equipment	37,493	39,035
0	0	Impairment losses on property, plant and equipment held for sale	2,050	0
164	0	Profit/loss on sale of assets	(251)	609
1,441	**1,316**		**41,209**	**43,317**
		9. Income from group enterprises		
38,980	16,980	Dividends	-	-
38,980	**16,980**		**-**	**-**
		10. Other financial income		
220	1,976	Interest, etc	263	669
134	83	Interest from group enterprises	0	-
354	**2,059**	**Interest income from financial assets not measured at fair value through profit/loss**	**263**	**669**
1,070	960	Fair value adjustment of derivative financial instruments used to hedge the fair value of financial instruments	960	1,070
0	0	Other financial income	85	506
0	888	Foreign exchange adjustments	1,872	0
1,424	**3,907**		**3,180**	**2,245**

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		11. Financial expenses		
5,469	5,349	Interest, etc	16,943	22,645
327	531	Interest to group enterprises	0	-
5,796	**5,880**	**Interest expenses on financial liabilities not measured at fair value through profit/loss**	**16,943**	**22,645**
0	0	Of which recognised in cost of intangible assets	(298)	0
5,796	**5,880**		**16,645**	**22,645**
10,690	0	Foreign exchange adjustments	0	11,455
16,486	**5,880**		**16,645**	**34,100**

Finance costs recognised in the cost of development projects in progress are calculated based on the costs paid in the financial year and based on the Group's finance costs.

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		12. Tax on profit/loss for the year		
0	0	Current tax	3,279	3,075
(6,656)	(2,530)	Change in deferred tax	(5,301)	(6,863)
(940)	0	Adjustment concerning previous years	(41)	(759)
(7,596)	**(2,530)**		**(2,063)**	**(4,547)**

The current income tax for the financial year is calculated based on a tax rate of 25% for Danish enterprises (2008: 25%). For foreign enterprises the current tax rate in the country in question is used.

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

2008	2009		2009	2008
		Reconciliation of tax rate		
25	25	Danish tax rate	25	25
0	0	Effect of differences in tax rates for foreign enterprises	6	3
(90)	(82)	Income from group enterprises	-	-
0	0	Tax on profit on sale of property	(13)	0
35	8	Other non-taxable income and non-deductible costs	(4)	(2)
9	0	Other, including adjustment related to previous years	0	5
(71)	**(49)**	**Effective tax rate for the year**	**14**	**31**

The Parent's tax rate in 2008 as well as in 2009 is materially affected by tax-exempt dividends from subsidiaries.

DKK'000	GROUP 2009	GROUP 2008

13. Earnings per share

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

DKK'000	2009	2008
Profit/loss to the Parent's shareholders	**(13,580)**	**(12,802)**

Number	2009	2008
Average number of shares issued	2,024,000	2,017,467
Average number of treasury shares	(9,627)	(13,975)
Number of shares used to calculate earnings per share	**2,014,373**	**2,003,492**
Average dilution effect of warrants outstanding	**0**	**0**
Number of shares used to calculate diluted earnings per share	**2,014,373**	**2,003,492**

DKK'000	Completed development projects	Software	Customer files	Goodwill	Development projects in progress
					GROUP
14. Intangible assets					
Cost at 1 January 2009	5,361	10,578	3,000	105,938	2,183
Value adjustment	0	1	0	(215)	0
Additions	2,044	1,299	0	0	6,711
Disposals	(875)	(29)	0	0	(2044)
Cost at 31 December 2009	**6,530**	**11,849**	**3,000**	**105,723**	**6,850**
Amortisation and impairment losses at 1 January 2009	3,895	8,787	300	1,861	0
Value adjustment	0	4	0	0	0
Amortisation for the year	142	1,474	300	0	0
Reversal relating to disposals	(875)	(29)	0	0	0
Amortisation and impairment losses at 31 December 2009	**3,162**	**10,236**	**600**	**1,861**	**0**
Carrying amount at 31 December 2009	**3,368**	**1,613**	**2,400**	**103,862**	**6,850**
Cost at 1 January 2008	2,870	9,449	0	90,072	1,791
Value adjustment	0	(58)	0	426	0
Reclassification from property, plant and equipment	0	905	0	0	0
Additions	2,491	292	3,000	15,440	2,183
Disposals	0	(10)	0	0	(1,791)
Cost at 31 December 2008	**5,361**	**10,578**	**3,000**	**105,938**	**2,183**
Amortisation and impairment losses at 1 January 2008	2,289	6,786	0	1,861	0
Value adjustment	0	(36)	0	0	0
Reclassification from property, plant and equipment	0	289	0	0	0
Amortisation for the year	1,606	1,758	300	0	0
Reversal relating to disposals	0	(10)	0	0	0
Amortisation and impairment losses at 31 December 2008	**3,895**	**8,787**	**300**	**1,861**	**0**
Carrying amount at 31 December 2008	**1,466**	**1,791**	**2,700**	**104,077**	**2,183**

	PARENT	
DKK'000	**Software 2009**	**Software 2008**

14. Intangible assets (continued)

Cost at 1 January	1,167	1,167
Additions	0	0
Disposals	0	0
Cost at 31 December	**1,167**	**1,167**
Amortisation and impairment losses at 1 January	794	531
Amortisation for the year	263	263
Reversal relating to disposals	0	0
Amortisation and impairment losses at 31 December	**1,057**	**794**
Carrying amount at 31 December	**110**	**373**

Goodwill

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

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

	GROUP	
DKK'000	**2009**	**2008**
Coatings (independent cash-generating unit)	9,823	9,823
Vacuum forming (independent cash-generating unit)	46,413	46,413
Injection moulding (several cash-generating units)	22,969	22,969
Polyurethane (the Ergomat Group) (several cash-generating units)	11,345	11,542
Polyurethane (the TPI Group) (several cash-generating units)	13,312	13,330
	103,862	**104,077**

14. Intangible assets (continued)

Goodwill

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

Goodwill has not been written down in 2008 or 2009.

The recoverable amount of the cash-generating units to which the goodwill amounts relate is calculated on the basis of a calculation of net present value. In this relation the most material uncertainties are connected to the determination of the discount factors and growth rates as well as the expectations for sales on an unstable market.

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

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

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

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

	2009	2008
Discount rate after tax	7.5%	7.5%
Discount rate before tax	10%	10%
Growth rate in the terminal period	3%	3%
Inflation in the terminal period	0%	0%

The parameters used are maintained unchanged from last year as uncertainties are recognised in cash flows.

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

Other intangible assets

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

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

15. Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures, etc	Leasehold improve-ments	Property, plant and equipment in progress
Cost at 1 January 2009	156,042	468,144	55,151	12,514	19,461
Value adjustment	0	(231)	5	5	5
Reclassification	(257)	41	216	0	0
Additions	2,813	27,720	5,577	714	21,161
Disposals	0	(4,741)	(1,028)	0	(25,329)
Cost at 31 December 2009	**158,598**	**490,933**	**59,921**	**13,233**	**15,298**
Depreciation and impairment losses at 1 January 2009	59,381	326,921	40,297	4,578	0
Value adjustment	0	(27)	10	(3)	0
Reclassification	(58)	2	56	0	0
Depreciation for the year	4,479	26,756	4,689	1,637	0
Reversal relating to disposals	0	(4,399)	(681)	0	0
Depreciation and impairment losses at 31 December 2009	**63,802**	**349,253**	**44,371**	**6,212**	**0**
Carrying amount at 31 December 2009	**94,796**	**141,680**	**15,550**	**7,021**	**15,298**
Of this, assets held under finance leases at 31 December 2009	0	879	0	0	0
Cost at 1 January 2008	166,947	446,208	49,814	13,010	8,931
Value adjustment	0	(776)	(161)	(873)	0
Reclassification of non-current assets held for sale	(18,368)	(6,805)	0	0	0
Reclassification to intangible assets	0	0	(905)	0	0
Additions	3,474	40,999	7,124	1,139	25,628
Additions relating to acquisition of enterprise	5,264	6,589	832	0	0
Disposals	(1,275)	(18,071)	(1,553)	(762)	(15,098)
Cost at 31 December 2008	**156,042**	**468,144**	**55,151**	**12,514**	**19,461**
Depreciation and impairment losses at 1 January 2008	57,603	310,148	35,864	4,150	0
Value adjustment	0	12	(80)	(305)	0
Reclassification of non-current assets held for sale	(2,449)	(567)	0	0	0
Reclassification to intangible assets	0	0	(289)	0	0
Depreciation for the year	4,751	26,896	5,615	1,495	0
Reversal relating to disposals	(524)	(9,568)	(813)	(762)	0
Depreciation and impairment losses at 31 December 2008	**59,381**	**326,921**	**40,297**	**4,578**	**0**
Carrying amount at 31 December 2008	**96,661**	**141,223**	**14,854**	**7,936**	**19,461**
Of this, assets held under finance leases at 31 December 2009	0	989	0	0	0

DKK'000	Land and buildings	Other fixtures, etc	PARENT Property, plant and equipment in progress
15. Property, plant and equipment (continued)			
Cost at 1 January 2009	22,416	1,135	353
Additions	708	8	303
Disposals	0	0	(656)
Cost at 31 December 2009	**23,124**	**1,143**	**0**
Depreciation and impairment losses at 1 January 2009	4,027	233	0
Depreciation for the year	866	187	0
Reversal relating to disposals	0	0	0
Depreciation and impairment losses at 31 December 2009	**4,893**	**420**	**0**
Carrying amount at 31 December 2009	**18,231**	**723**	**0**
Cost at 1 January 2008	22,416	103	231
Additions	0	1,032	407
Disposals	0	0	(285)
Cost at 31 December 2008	**22,416**	**1,135**	**353**
Depreciation and impairment losses at 1 January 2008	3,172	74	0
Depreciation for the year	855	159	0
Reversal relating to disposals	0	0	0
Depreciation and impairment losses at 31 December 2008	**4,027**	**233**	**0**
Carrying amount at 31 December 2008	**18,389**	**902**	**353**

PARENT		
2008	2009	DKK'000
		16. Investments in subsidiaries
525,019	540,288	Cost at 1 January
5,269	0	Additions relating to acquisition of enterprises
10,000	0	Capital increase in subsidiaries
540,288	**540,288**	**Cost at 31 December**
(240,835)	(240,835)	Impairment losses at 1 January
0	0	Impairment losses for the year
(240,835)	**(240,835)**	**Impairment losses at 31 December**
299,453	**299,453**	**Carrying amount at 31 December**

Investments in subsidiaries comprise:

	Registered office	Ownership interest		Share of voting rights		Activity
		2009	2008	2009	2008	
SP Moulding A/S	Denmark	100%	100%	100%	100%	Production and sale of injection-moulded items
Accoat A/S	Denmark	100%	100%	100%	100%	Production and sale of coatings
Gibo Plast A/S	Denmark	100%	100%	100%	100%	Production and sale of vacuum-formed items
Tinby A/S	Denmark	100%	100%	100%	100%	Production and sale of polyurethane products
Ergomat A/S	Denmark	100%	100%	100%	100%	Production and sale of polyurethane products
Tinby GmbH	Germany	100%	100%	100%	100%	Lease of property
TPI Polytechniek B.V.	Netherlands	80%	80%	80%	80%	Sale of polyurethane products

There has been no change in ownership interest in 2009.

In 2008, there have been the following changes in ownership interest:
TPI Polytechniek B.V., 10%

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		17. Other securities		
0	0	Cost at 1 January	11	11
0	**0**	**Cost at 31 December**	**11**	**11**
0	**0**	**Carrying amount at 31 December**	**11**	**11**
		18. Inventories		
0	0	Raw materials and consumables	52,858	60,366
0	0	Work in progress	5,389	5,962
0	0	Manufactured goods and goods for resale	68,216	88,656
0	**0**		**126,463**	**154,984**
		19. Trade receivables		
0	**0**	Writedown for the year is recognised in the income statement.	**2,351**	**227**

Trade receivables are written down directly if, based on an individual assessment of the debtors' ability to pay, the value has depreciated, e.g. in case of suspension of payments, bankruptcy, etc. Trade receivables are written down to net realisable value.

The carrying amount of receivables written down to net realisable value based on an individual assessment amounts to DKK 0 (2008: DKK 226).

An allowance account is used to reduce the carrying amount of other receivables the value of which has depreciated due to risk of loss. Amounts in the allowance account are recognised based on expectations for bad debt of which credit insurance is cancelled.

PARENT 2008	PARENT 2009	DKK'000	GROUP 2009	GROUP 2008
0	0	Allowance account at 1 January	0	0
0	0	Bad debt provisions for the year	2,000	0
0	**0**	**Allowance account at 31 December**	**2,000**	**0**

20. Other receivables

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

21. Cash

The Group's and the Parent's cash primarily consists of bank deposits. Consequently, cash is not considered to be subject to any special credit risk. Bank deposits and bank debt carry a floating interest rate. The carrying amounts are equal to the fair values of the assets. The Group has undrawn credit facilities totalling DKK 40 million (at 31 December 2008: DKK 63 million).

22. Non-current assets held for sale

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

In 2009, the Group sold a property which was classified as an asset held for sale at 31 December 2008. The sale generated a profit of DKK 8.6 million, which is included in the item Other operating income.

In 2009, a property classified as held for sale was written down by DKK 550 thousand and plant and machinery were written down by DKK 1,500 thousand.

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
0	0	Properties	17,080	20,808
0	0	Plant and machinery	4,738	6,238
0	0	Mortgage debt	(7,593)	(11,568)
0	**0**	**Cost at 31 December**	**14,225**	**15,478**

23. Share capital

Share capital consists of 2,024,000 shares. In 2009 the denomination of shares was changed from DKK 100 to DKK 10. The shares are fully paid. The shares have not been divided into classes. The shares do not carry any special rights.

PARENT		
2008	**2009**	Number
2,000,000	2,024,000	Number of shares at 1 January
24,000	0	Capital increase by cash payment
2,024,000	**2,024,000**	

						PARENT
	Number		**Nominal value DKK'000**		**% of share capital**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Treasury shares						
Treasury shares at 1 January	13,975	13,975	1,398	1,398	0.69	0.70
Sale during the year	(13,975)	-	(1,398)	-	(0.69)	-
Change resulting from the capital increase	-	-	-	-	-	(0.01)
Treasury shares at 31 December	**0**	**13,975**	**0**	**1,398**	**0**	**0.69**

Treasury shares had been acquired to cover incentive programmes made.

The sales price of treasury shares amounts to DKK 628 thousand in 2009.

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

24. Other reserves

Reserve at 1 January 2008	0	(1,101)	1,567	466
Share premium account	84	0	0	84
Share premium transferred to distributable reserves	(84)	0	0	(84)
Exchange adjustment relating to foreign enterprises	0	699	0	699
Recognition of share-based remuneration, net	0	0	2,126	2,126
Share-based remuneration, schemes expired	0	0	(850)	(850)
Reserve at 31 December 2008	**0**	**(402)**	**2,843**	**2,441**
Exchange adjustment relating to foreign enterprises	0	544	0	544
Recognition of share-based remuneration, net	0	0	1,260	1,260
Reserve at 31 December 2009	**0**	**142**	**4,103**	**4,245**

DKK'000	Share premium account	Reserve for share-based remuneration	PARENT Total
Reserve at 1 January 2008	0	1,567	1,567
Share premium account	84	0	0
Share premium transferred to distributable reserves	(84)	0	0
Recognition of share-based remuneration, net	0	2,126	2,126
Share-based remuneration, schemes expired	0	(850)	(850)
Reserve at 31 December 2008	**0**	**2,843**	**2,843**
Recognition of share-based remuneration, net	0	1,260	1,260
Reserve at 31 December 2009	**0**	**4,103**	**4,103**

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

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

						GROUP
	Bank debt		Finance lease obligations (minimum lease payments)		Financial institutions	
DKK'000	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
25. Non-current liabilities						
Non-current liabilities are due as follows:						
Within one year from the balance sheet date	13,000	11,657	134	317	6,722	5,581
Between one and two years from the balance sheet date	12,518	12,468	0	134	7,602	5,471
Between two and three years from the balance sheet date	12,518	12,468	0	0	8,525	5,212
Between three and four years from the balance sheet date	12,518	12,468	0	0	7,816	5,394
Between four and five years from the balance sheet date	12,518	12,468	0	0	5,789	5,036
After five years from the balance sheet date	45,437	57,694	0	0	61,409	76,412
	108,509	**119,223**	**134**	**451**	**97,863**	**103,106**
Liabilities are recognised in the balance sheet as follows:						
Current liabilities	13,000	11,657	134	317	6,722	5,581
Non-current liabilities	95,509	107,566	0	134	91,141	97,525
	108,509	**119,223**	**134**	**451**	**97,863**	**103,106**
Fair value	**108,509**	**119,223**	**134**	**451**	**98,115**	**103,399**

The fair value of fixed-rate debt is calculated at the present value of the future payments of interest and instalments using the current market rate.

	GROUP	
	Present value of minimum lease payments	
DKK'000	2009	2008

25. Non-current liabilities (continued)

DKK'000	2009	2008
Due within one year from the balance sheet date	125	299
Due between one and five years from the balance sheet date	0	120
	125	**419**

	PARENT			
	Bank debt		Financial institutions	
DKK'000	2009	2008	2009	2008
Non-current liabilities are due as follows:				
Within one year from the balance sheet date	11,640	11,151	741	1,322
Between one and two years from the balance sheet date	11,201	11,151	753	976
Between two and three years from the balance sheet date	11,201	11,151	765	582
Between three and four years from the balance sheet date	11,201	11,151	777	611
Between four and five years from the balance sheet date	11,201	11,151	789	642
After five years from the balance sheet date	44,800	55,751	11,698	13,201
	101,244	**111,506**	**15,523**	**17,334**
Liabilities are recognised in the balance sheet as follows:				
Current liabilities	11,640	11,150	741	1,322
Non-current liabilities	89,604	100,356	14,782	16,012
	101,244	**111,506**	**15,523**	**17,334**
Fair value	**101,244**	**111,506**	**15,523**	**17,334**

PARENT			GROUP	
Deferred tax assets	Deferred tax liabilities	DKK'000	Deferred tax assets	Deferred tax liabilities
		26. Deferred tax		
3,703	0	Deferred tax at 1 January 2008	570	18,508
0	0	Additions relating to acquisition of enterprise	0	792
6,656	0	Change in deferred tax recognised in the income statement	(310)	(7,173)
(366)	0	Change in deferred tax recognised in equity	0	(366)
(2,958)	0	Transfer, subsidiaries	0	0
7,035	**0**	**Deferred tax at 31 December 2008**	**260**	**11,761**
0	0	Exchange adjustment	0	(21)
2,530	0	Change in deferred tax recognised in the income statement	(35)	(5,266)
(420)	0	Change in deferred tax recognised in equity	0	420
(3027)	0	Transfer, subsidiaries	0	0
6,118	**0**	**Deferred tax at 31 December 2009**	**225**	**6,894**

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		Deferred tax is recognised in the balance sheet as follows:		
7,035	6,118	Deferred tax assets	225	260
0	0	Deferred tax liabilities	(6,894)	(11,761)
7,035	**6,118**		**(6,669)**	**(11,501)**
0	0	Tax loss carryforwards	0	396
0	**0**	**Non-recognised deferred tax assets**	**0**	**396**

The tax base of tax losses is not recognised when it is assessed that the losses are not sufficiently likely to be used in the foreseeable future.

GROUP					
DKK'000	**1 January**	**Additions relating to acquisitions**	**Recognised in the income statement**	**Recognised in equity**	**31 December**

26. Deferred tax (continued)

2009					
Intangible assets	9,567	0	1,369	0	10,936
Property, plant and equipment	13,682	0	1,834	0	15,516
Inventories	4,000	0	36	0	4,036
Receivables	622	0	(223)	0	399
Liabilities	172	0	46	0	218
Share-based remuneration	0	0	522	420	942
Tax loss carryforwards	(16,542)	0	(8,836)	0	(25,378)
	11,501	**0**	**(5,252)**	**420**	**6,669**
2008					
Intangible assets	8,357	0	1,210	0	9,567
Property, plant and equipment	17,237	735	(4,290)	0	13,682
Inventories	3,390	243	367	0	4,000
Receivables	(526)	(3)	1,151	0	622
Liabilities	(247)	(183)	602	0	172
Share-based remuneration	522	0	(156)	(366)	0
Tax loss carryforwards	(10,795)	0	(5,747)	0	(16,542)
	17,938	**792**	**(6,863)**	**(366)**	**11,501**

PARENT					
DKK'000	**1 January**	**Transfer, subsi-diaries**	**Recognised in the income statement**	**Recognised in equity**	**31 December**
2009					
Intangible assets	(30)	0	(4)	0	(34)
Property, plant and equipment	(769)	0	231	0	(538)
Liabilities	260	0	(10)	0	250
Share-based remuneration	0	0	522	420	942
Tax loss carryforwards	(6,496)	3,027	(3,269)	0	(6,738)
	(7,035)	**3,027**	**(2,530)**	**420**	**(6,118)**
2008					
Intangible assets	158	0	(188)	0	(30)
Property, plant and equipment	(916)	373	(226)	0	(769)
Liabilities	(150)	0	410	0	260
Share-based remuneration	522	0	(156)	(366)	0
Tax loss carryforwards	(3,317)	3,317	(6,496)	0	(6,496)
	(3,703)	**3,690**	**(6,656)**	**(366)**	**(7,035)**

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		27. Trade payables		
0	**0**	Trade payables	**56,766**	**57,868**
		The carrying amount is equal to the fair value of the liabilities.		
		28. Other payables		
		Other payables comprise items payable relating to payroll, withholding taxes, social contributions, holiday pay, derivatives, VAT and duties as well as other expenses payable. Carrying amount is equivalent to the fair market value of the liabilities.		
		The holiday pay obligation represents the Group's obligation to pay salaries in the employees' holidays for which they have qualified at the balance sheet date to take in the subsequent financial year.		
		29. Assets charged		
		Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the properties.		
18,046	**17,835**	Carrying amount of mortgaged properties	**105,055**	**112,121**
		Loans with credit institutions are secured by way of a letter of indemnity on real property and mortgages registered to the mortgagor with secondary liability.		
18,046	**17,835**	Carrying amount of mortgaged properties	**105,055**	**58,249**
		Loans with credit institutions are secured by way of a letter of indemnity and mortgages on movable property registered to the mortgagor secured upon operating equipment and fixtures and fittings, tools and equipment of a nominal amount of DKK 13,000 thousand.		
0	**0**	Carrying amount of mortgaged operating equipment	**19,337**	**23,004**
		Bank debt is secured by way of mortgage on shares in the Group's Danish subsidiaries.		
0	**293,795**	Carrying amount of mortgaged shares (cost)		
		Carrying amount of mortgaged enterprises (equity value)	**287,396**	**0**

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		30. Rental and lease obligations		
		For the years 2010-2021, the Group has entered into operating leases on buildings. The leases have fixed lease payments which are indexed annually. Future minimum lease payments in accordance with intermi-nable lease contract fall due as follows:		
0	0	Within one year from the balance sheet date	4.139	2.819
0	0	Between one and five years from the balance sheet date	17.553	11.998
0	0	After five years from the balance sheet date	30.142	23.762
0	**0**		**51.834**	**38.579**
		The leases include options to purchase in the lease period at agreed fixed prices. If the options are not exercised, the leases will continue until 2021.		
		For the years 2010-2014, the Group has entered into operating leases on operating equipment and cars. Future minimum lease payments in accordance with interminable leases fall due as follows:		
135	142	Within one year from the balance sheet date	2.299	2.589
156	70	Between one and five years from the balance sheet date	1.075	2.660
291	**212**		**3.374**	**5.249**
		For the years 2010-2015, the Group has entered into operating leases on production machines. Future minimum lease payments in accord-ance with interminable leases fall due as follows:		
0	0	Within one year from the balance sheet date	4.318	4.639
0	0	Between one and five years from the balance sheet date	10.216	14.270
0	0	After five years from the balance sheet date	709	2.144
0	**0**		**15.243**	**21.053**
135	**172**	Minimum lease payments recognised in the income statement for the year	**10.389**	**9.823**
		The Group has entered into rental contracts on office and production facilities. Rental obligation in the period of interminability amounts to:		
0	0	Within one year from the balance sheet date	7,294	5,648
0	0	Between one and five years from the balance sheet date	13,342	7,210
0	0	After five years from the balance sheet date	2,856	787
0	**0**		**23,492**	**13,645**
0	**0**	Minimum lease payment recognised in income statement for the year	**7,003**	**6,166**

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		31. Recourse guarantee commitments and contingent liabilities		
		Together with its subsidiaries, the Parent has entered into bank commitments in which the Parent is liable for the total bank overdraft withdrawal.		
159,466	**163,261**	Subsidiaries' bank debt		
		The Parent has guaranteed the subsidiaries' debt to financial institutions or has joint and several liability.		
55,318	**66,717**	Surety, guarantee and liability		
		The Parent is jointly and severally liable for the subsidiaries' lease obligations.		
44,272	**53,151**	Minimum lease payments		
		32. Net working capital changes		
0	0	Change in inventories	28,521	3,038
969	(6,324)	Change in receivables	8,911	1,650
(26,310)	(3,708)	Change in trade payables, etc	(6,939)	(14,885)
(25,341)	**(10,032)**		**30,493**	**(10,197)**

33. Acquisition of enterprises and activities

2009

No enterprises and activities have been acquired in 2009.

2008

The Group acquired the following enterprises and activities in 2008:

				GROUP
	Primary activity	**Date of acquisition**	**Ownership interest acquired**	**Voting share acquired**
DKI Plast Spentrup A/S	Production and sale of vacuum formed items	1 January 2008	100%	100%
TPI Polytechniek B.V.	Sale of polyurethane products	1 January 2008	10%	10%

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

TPI Polytechniek B.V. was already included in the consolidation as the Group's ownership interest also exceeded 50% before the acquisition.

				PARENT
	Primary activity	**Date of acquisition**	**Ownership interest acquired**	**Voting share acquired**
TPI Polytechniek B.V.	Sale of polyurethane products	1 January 2008	10%	10%

PARENT			GROUP	
2008	2009	DKK'000	2009	2008
		33. Acquisition of enterprises and activities (continued)		
0	0	Intangible assets	0	3,000
0	0	Property, plant and equipment	0	13,459
0	0	Inventories	0	9,400
0	0	Receivables	0	10,654
0	0	Cash	0	1,234
0	0	Deferred tax liabilities	0	(793)
0	0	Mortgage debt	0	(9,055)
0	0	Long-term bank debt	0	(3,142)
0	0	Lease commitments	0	(451)
0	0	Business credit	0	(3,773)
0	0	Trade payables	0	(8,001)
0	0	Other payables	0	(4,001)
0	**0**		**0**	**8,531**
0	0	Calculated goodwill	0	11,869
0	**0**	**Cost paid in cash**	**0**	**20,400**

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

	GROUP	
DKK'000	2009	2008
Cash flow effect of the acquisition:		
Cost paid in cash	0	20,400
Cash at bank and in hand taken over	0	2,539
	0	**22,939**

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

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		34. Non-cash items		
		Sale of property, plant and equipment		
0	0	Selling price	14,173	0
0	0	Debt taken over	(7,540)	0
0	**0**		**6,633**	**0**
		35. Cash and cash equivalents		
51,257	40,845	Cash	19,025	13,019
(88,472)	(90,714)	Short-term bank debt	(194,876)	(182,071)
(37,215)	**(49,869)**		**(175,851)**	**(169,052)**
		36. Fees to the Parent's auditor appointed by the general meeting		
		External expenses include fees to the Parent's auditor appointed by the general meeting.		
		Deloitte		
205	205	Statutory audit	970	970
10	10	Other assurance engagements	25	27
40	40	Tax advisory services	55	118
55	148	Non-audit services	381	189
-	-	Non-audit services, abroad	230	230
310	**403**		**1,661**	**1,534**

37. Related parties

Controlling related parties

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

For an outline of subsidiaries, see group chart.

Related party transactions

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

DKK'000	Rental income	Sale of services	Purchase of services	Interest income	Interest expenses	Receiv-ables	Payables
From subsidiaries	2,135	1,118	189	83	531	12,170	2,723
2009	**2,135**	**1,118**	**189**	**83**	**531**	**12,170**	**2,723**
From subsidiaries	2,668	817	942	134	327	3,079	2,248
2008	**2,668**	**817**	**942**	**134**	**327**	**3,079**	**2,248**

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

The Group has not had any transactions with related parties in 2008 and 2009 apart from remuneration to the Supervisory Board and the Executive Board.

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

Sale of services relates to assistance provided to subsidiaries.

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

Remuneration to the Supervisory and Executive Boards

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

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		38. Financial risks and financial instruments		
		Classes of financial instruments		
0	0	Deposits	13,086	10,000
0	0	Trade receivables	88,922	84,426
3,079	12,170	Receivables from subsidiaries	-	-
0	0	Income taxes receivable	237	557
809	64	Other receivables	8,493	20,407
51,257	40,845	Cash	19,025	13,019
55,145	**53,079**	**Loans and receivables**	**129,763**	**128,409**
0	960	Derivative financial instruments entered into to hedge the fair value of recognised assets and liabilities	960	0
0	**960**	**Financial assets applied as hedging instruments**	**960**	**0**
17,333	15,523	Financial institutions	97,863	103,106
199,979	191,958	Bank debt	303,385	301,295
0	0	Finance lease obligations	134	451
0	0	Trade payables	56,766	57,868
2,248	2,723	Payables to subsidiaries	-	-
0	0	Income taxes	896	4,731
5,763	1,581	Other payables	39,613	40,162
0	0	Liabilities related to assets held for sale	7,593	11,568
225,323	**211,785**	**Financial liabilities measured at amortised cost**	**506,250**	**519,181**

38. Financial risks and financial instruments (continued)

The Parent's and the Group's exchange risks and interest risks are shown on the next page. The individual risks, including the Group's policy for control of financial risks and sensitivity provisions are further described in management commentary.

Currency exposure – recognised assets and liabilities

The Group uses hedging instruments such as forward contracts and options to hedge recognised transactions. Hedging of recognised assets and liabilities primarily includes receivables as well as financial liabilities.

At the balance sheet date, the fair value of the Group's derivatives entered into to hedge recognised financial assets and liabilities totals DKK 960 thousand (at 31 December 2008: DKK 0). The fair value of the derivative financial instruments is recognised under other receivables and set off in the comprehensive income statement against exchange adjustments of the assets and liabilities hedged.

					GROUP
DKK'000	**Cash**	**Receivables**	**Liabilities**	**Of this hedged**	**Net position**
EUR	10,303	18,313	169,991	(100,807)	(242,182)
PLN	54	6,589	10,901	0	(4,258)
USD	4,226	6,746	4,553	0	6,419
CAD	312	705	447	0	570
SEK	584	1,515	1,113	0	986
NOK	0	0	0	0	0
JPY	44	0	0	0	44
RMB	832	3,713	4,899	0	(354)
CHF	0	0	100,807	100,807	0
GBP	0	6	166	0	(160)
31 December 2009	**16,355**	**37,587**	**292,877**	**0**	**(238,935)**
EUR	9,626	16,549	181,257	0	(155,082)
PLN	444	12,538	15,277	0	(2,295)
USD	2,094	10,636	13,190	0	(460)
CAD	1,140	1,283	1,667	0	756
SEK	620	1,431	790	0	1,261
NOK	0	0	127	0	(127)
JPY	19	0	0	0	19
RMB	0	4,735	6,192	0	(1,457)
CHF	0	13	111,506	0	(111,493)
31 December 2008	**13,943**	**47,185**	**330,006**	**0**	**(268,878)**

				PARENT
DKK'000	**Cash**	**Liabilities**	**Of this hedged**	**Net position**
EUR	0	80,253	(100,807)	(181,060)
USD	0	505	0	(505)
CHF	0	100,807	100,807	0
31 December 2009	**0**	**181,565**	**0**	**181,565**
EUR	0	83,928	0	(83,928)
USD	1,386	0	0	1,386
CHF	0	111,506	0	(111,506)
31 December 2008	**1,386**	**195,434**	**0**	**(194,048)**

38. Financial risks and financial instruments (continued)

Interest rate exposure

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

GROUP

DKK'000	Time of interest adjustment or maturity Within 1 year	Between 1 and 5 years	After 5 years	Total	Of this fixed interest	Effective interest
Bank deposit	19,025	0	0	19,025	0	0.5%
Deposit	13,086	0	0	13,086	10,000	6.3%
Financial institutions	(97,348)	(6,908)	(1,200)	(105,456)	(10,526)	2.5%
Lease obligation	(134)	0	0	(134)	0	5.0%
Bank debt	(303,385)	0	0	(303,385)	0	3.6%
31 December 2009	**(368,756)**	**(6,908)**	**(1,200)**	**(376,864)**	**(526)**	
Bank deposit	13,019	0	0	13,019	0	3.7%
Deposit	10,000	0	0	10,000	10,000	6.3%
Financial institutions	(101,727)	(9,830)	(3,117)	(114,674)	(13,144)	5.8%
Lease obligation	(317)	(134)	0	(451)	0	7.4%
Bank debt	(301,294)	0	0	(301,294)	(101)	4.0%
31 December 2008	**(380,319)**	**(9,964)**	**(3,117)**	**(393,400)**	**(3,245)**	

PARENT

DKK'000	Time of interest adjustment or maturity Within 1 year	Between 1 and 5 years	After 5 years	Total	Of this fixed interest	Effective interest
Bank deposit	40,845	0	0	40,845	0	4.4%
Financial institutions	(15,523)	0	0	(15,523)	0	2.3%
Bank debt	(191,958)	0	0	(191,958)	0	3.1%
31 December 2009	**(166,636)**	**0**	**0**	**(166,636)**	**0**	
Bank deposit	51,257	0	0	51,257	0	3.9%
Financial institutions	(17,333)	0	0	(17,333)	(197)	6.0%
Bank debt	(199,979)	0	0	(199,979)	0	3.5%
31 December 2008	**(166,055)**	**0**	**0**	**(166,055)**	**(197)**	

38. Financial risks and financial instruments (continued)

Credit risks

The Company's primary credit risk is related to trade receivables. The Company is not exposed to material risks in relation to a single customer. All major customers are currently credit rated, and credit insurance is taken out. No special credit risks are assessed to be associated with specific groups of debtors.

PARENT			GROUP	
2008	**2009**	DKK'000	**2009**	**2008**
		Due receivables not written down:		
0	0	Due by up to one month	10,376	14,525
0	0	Due between one and three months	2,846	2,549
0	0	Due by more than three months	418	1,285
0	**0**		**13,640**	**18,359**

The maximum credit risk relating to trade receivables is equal to their carrying amounts.

Liquidity risks

The time of maturity of financial liabilities is specified below. The amounts specified represent the amounts falling due exclusive of interest, etc.

				GROUP
DKK'000	**Within 1 year**	**Between 1 and 5 years**	**After 5 years**	**Total**
2009				
Non-derivative financial liabilities				
Bank debt	207,876	50,072	45,437	303,385
Financial institutions	6,722	29,732	61,409	97,863
Finance lease obligations	134	0	0	134
Trade payables	56,766	0	0	56,766
Income taxes	896	0	0	896
Other payables	39,613	0	0	39,613
Liabilities related to assets held for sale	7,593	0	0	7,593
	319,600	**79,804**	**106,846**	**506,250**
Derivative financial instruments				
Derivative financial instruments entered into to hedge the fair value of recognised assets and liabilities	(960)	0	0	(960)
	318,640	**79,804**	**106,846**	**505,290**
2008				
Non-derivative financial liabilities				
Bank debt	193,728	49,872	57,694	301,294
Financial institutions	5,581	21,113	76,412	103,106
Finance lease obligations	317	134	0	451
Trade payables	57,868	0	0	57,868
Income taxes	4,731	0	0	4,731
Other payables	40,162	0	0	40,162
Liabilities related to assets held for sale	11,568	0	0	11,568
	313,955	**71,119**	**134,106**	**519,180**

38. Financial risks and financial instruments (continued)

Liquidity risks

				PARENT
DKK'000	Within 1 year	Between 1 and 5 years	After 5 years	Total
2009				
Non-derivative financial liabilities				
Bank debt	102,354	44,804	44,800	191,958
Financial institutions	741	3,084	11,698	15,523
Other payables	1,581	0	0	1,581
	104,676	**47,888**	**56,498**	**209,062**
Derivative financial instruments				
Derivative financial instruments entered into to hedge the fair value of recognised assets and liabilities	(960)	0	0	(960)
	103,716	**47,888**	**56,498**	**208,102**
2008				
Non-derivative financial liabilities				
Bank debt	99,623	44,604	55,751	199,978
Financial institutions	1,322	2,811	13,201	17,334
Other payables	5,763	0	0	5,763
	106,708	**47,415**	**68,952**	**223,075**

In compliance with IFRS, the level used for the measurement of fair value of financial instruments shall be disclosed. Derivative financial instruments are measured using a valuation method in which all material data are based on observable market data. Apart from this, the Group has no assets and liabilities measured at fair value.

39. Segment information of the Group

Segments

Segments are reported in accordance with the internal reporting to the top decision-maker. The top decision-maker is identified as the Supervisory Board.

The segments are specified on the basis of the financial and operational reporting reviewed by the Executive Board. The segments are disaggregated by differences in products and services.

The segment information is prepared in compliance with the Group's accounting policies and is based on the Group's internal management reporting.

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

The activity in the four business segments is as follows:

Polyurethane manufactures moulded products in solid, foamed, flexible and light-foam PUR for a number of industries, including the cleantech industry. Moreover, it manufactures ventilation equipment, ergonomic mats and striping products.

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

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

Coatings develops and produces fluoroplastic coatings (Teflon®), PTFE and other noble materials for a number of customers' products and production plants. The customers are primarily in the medical device industry, the oil and gas industry as well as the cleantech industry.

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

	Poly-urethane	Injection moulding	Vacuum forming	Coatings	Other*)	Group
DKK'000	**2009**	**2009**	**2009**	**2009**	**2009**	**2009**
Revenue, external customers	117,574	342,887	92,028	128,195	0	680,685
Revenue among segments	1,752	3,116	1,070	5,872	(10,552)	1,258
Revenue	**119,326**	**346,003**	**93,098**	**134,067**	**(10,552)**	**681,943**
Profit/loss before depreciation, amortisation and impairment losses (EBITDA)	**10,403**	**19,288**	**6,141**	**16,196**	**(11,812)**	**40,216**
Depreciation, amortisation and impairment losses	(6,197)	(21,148)	(5,962)	(6,586)	(1,316)	(41,209)
Profit/loss before net financials (EBIT)	**4,206**	**(1,860)**	**179**	**9,610**	**(13,128)**	**(993)**
Net financials						(13,465)
Profit/loss before tax						**(14,458)**
Tax on profit/loss for the year						2,063
Profit/loss for the year						**(12,395)**
Additions of non-current property, plant and equipment and intangible assets	4,175	13,927	1,953	20,249	363	40,668
Segment assets	116,809	286,952	107,950	113,508	16,701	641,920
Segment liabilities, non-interest bearing	20,289	45,314	13,310	26,671	(220)	105,364
Non-allocated liabilities						409,172
						514,536

*) Comprises eliminations and non-allocated overhead costs.

Disclosure on significant customers

Of the Group's revenue from the segments injection moulding and coatings, DKK 115 million (2008: DKK 88 million) originates from sale to the Group's most important customer. Sales to this customer account for more than 10% of the Group's total revenue.

39. Segment information of the Group (continued)

	Poly-urethane	Injection moulding	Vacuum forming	Coatings	Other*)	Group
DKK'000	**2008**	**2008**	**2008**	**2008**	**2008**	**2008**
Revenue, external customers	169,171	464,323	120,463	108,363	1,385	863,705
Revenue among segments	1,196	6,273	1,263	5,443	(14,175)	0
Revenue	**170,367**	**470,596**	**121,726**	**113,806**	**(12,790)**	**863,705**
Profit/loss before depreciation, amortisation and impairment losses (EBITDA)	**27,402**	**29,100**	**(542)**	**16,075**	**(11,724)**	**60,311**
Depreciation, amortisation and impairment losses	(6,470)	(24,566)	(5,454)	(5,386)	(1,441)	(43,317)
Profit/loss before net financials (EBIT)	**20,932**	**4,534**	**(5,996)**	**10,689**	**(13,165)**	**16,994**
Net financials						(31,855)
Profit/loss before tax						**(14,861)**
Tax on profit/loss for the year						4,547
Profit/loss for the year						**(10,314)**
Additions of non-current property, plant and equipment and intangible assets	6,446	27,116	20,081	11,806	1,154	66,602
Segment assets	120,960	324,444	128,123	88,887	22,102	684,516
Segment liabilities, non-interest bearing	24,409	53,785	18,357	19,989	(260)	116,279
Non-allocated liabilities						421,342
						537,621

*) Comprises eliminations and non-allocated overhead costs.

39. Segment information of the Group (continued)

Revenue and non-current assets by geographical market

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

DKK'000	2009	2008
Denmark	390,029	485,185
Other Scandinavian countries	55,208	83,770
Germany	64,055	82,825
North America	26,222	40,426
Other countries	146,429	171,499
	681,943	**863,705**

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

	Non-current assets		Additions of non-current intangible assets and property, plant and equipment	
DKK'000	2009	2008	2009	2008
Denmark	331,165	296,822	33,305	46,855
Other Scandinavian countries	44	106	0	8
Germany	81	72	33	37
North America	11,330	11,561	106	231
Poland	31,151	42,062	14,221	9,610
China	12,948	31,965	2,471	2,409
Other countries	19,041	20,035	724	7,452
Intragroup transfer	0	0	(10,192)	0
	405,760	**402,623**	**40,668**	**66,602**

This annual report is an unauthorised translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.

Companies in SP Group 1 March 2010

			Nominal share capital ('000)	Ownership
SP Group A/S	**Denmark**	**DKK**	**20,400**	
SP Moulding A/S	Denmark	DKK	50,000	100%
SP Medical Poland Sp. z o.o.	Poland	PLN	1,000	100%
SP Moulding Poland Sp. z o.o.	Poland	PLN	1,100	100%
SP International A/S	Denmark	DKK	5,600	75%
SP Moulding (Suzhou) Co., Ltd.	China	USD	4,080	100%
Gibo Plast A/S	Denmark	DKK	26,000	100%
Accoat A/S	Denmark	DKK	10,000	100%
Accoat do Brazil	Brasil	BRL	392	100%
Tech-Plast ApS	Denmark	DKK	200	100%
Ergomat A/S	Denmark	DKK	10,000	100%
Ergomat-Nederland B.V.	Netherlands	EUR	75	100%
Ergomat Deutschland GmbH	Germany	EUR	50	60%
Ergomat Sweden AB	Sweden	SEK	100	60%
Tinby USA, Inc.	USA	USD	360	100%
Ergomat LLC	USA	USD	582	100%
Ergomat Canada Inc.	Canada	CAD	0	100%
Tinby A/S	Denmark	DKK	10,000	100%
Tinby Sp. z o.o.	Poland	PLN	50	100%
TPI Polytechniek B.V.	Netherlands	EUR	113	80%
TPI Polytechniek ApS	Denmark	DKK	125	100%
Tinby GmbH	Germany	EUR	154	100%

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