

Svendborg, 18 November 2010

STOCK EXCHANGE ANNOUNCEMENT NO. 16-2010 (extract)

QUARTERLY REPORT 1 January – 30 September 2010

The board of directors of Scandinavian Brake Systems A/S (SBS) has today considered and approved the financial statements for the period 1 January - 30 September 2010.

Summary:

In the first 9 months of the year, the SBS group made significant progress compared to the similar period in 2009. In the SBS division (friction and spare parts) EBIT was in the period DKK 59 million against DKK 43 million in 2009 for continuing operations.

Profit or loss of the period shows a surplus for the group of DKK 11 million after tax. This amount includes a deficit of DKK 17 million from discontinuing operations in the Notox division (diesel particulate filters), which is still for sale. Profit or loss is significantly improved compared to the same period in 2009, which showed a deficit of DKK 132 million after tax.

Also significant progress in Q3 2010: Profit or loss increased to a surplus of DKK 6 million after tax against a deficit of DKK 105 million in Q3 2009. Consolidated revenue increased to DKK 260 million against DKK 245 million in Q3 2009.

A proportion of the bank debt is now converted into subordinated loan capital to be paid not later than 31 December 2012. Thus the subordinated capital amounts to a solvency ratio of approx. 11%.

The most important events of the SBS group during this period are:

- Consolidated profit or loss after tax was DKK 11 million against DKK –132 million in the first 9 months of 2009. Profit or loss for the SBS division (continuing operations) was DKK 28 million after tax against DKK 19 million in the same period 2009, whereas profit or loss for the Notox division (discontinuing operations) was DKK –17 million against DKK –152 million in the first 9 months of 2009
- Consolidated revenue was DKK 767 million against DKK 673 million in the first 9 months of 2009, equivalent to an increase of 14%
- EBIT was DKK 59 million against DKK 43 million in the similar period 2009 for continuing operations, equivalent to an increase of 37%
- Pre-tax profit or loss of continuing operations was DKK 38 million against DKK 26 million in the same period 2009
- On 30 September 2010 equity was DKK –93 million. Equity is supplemented by the subordinated loan capital with a book value of DKK 181 million (nom. DKK 175 million) on 30 September 2010. Equity and subordinated loan capital amount to a total of approx. 11% of the balance sum.
- The efforts to sell the Notox division (diesel particulate filters) whole or in part continue unchanged. After the scaling down in the last 3 months of 2009, the operations are now concentrated about sub-contractor work.

- As previously announced, in April 2010 the management entered an agreement with the group's banks etc. on the refinancing of the group and signed an agreement converting a proportion of the existing bank loan into subordinated loan capital and provisions of the expected financing requirements until 31 December 2012
- For the financial year 2010, the management expects a revenue of DKK 930-970 million against DKK 900-940 million as announced in the interim report for the period 1 January – 30 June 2010
- The management expects consolidated results before tax and discontinuing operations of DKK 25-31 million against DKK 20-30 million, as previously announced, and positive consolidated results

Further information:

For further information regarding this announcement, please contact Hans Fuggaard, CEO, phone: +45 63 21 15 15 – website: www.sbs.dk

FINANCIAL HIGHLIGHTS

DKK million SBS group	Q1-Q3 – 2010	Q1-Q3 – 2009	31.12.2009
Revenue	766.8	673.3	862.3
Operating profit or loss	59.2	42.6	43.1
Financial items (net)	-21.0	-16.8	-21.8
Pre-tax profit or loss from continuing operations	38.2	25.8	21.4
Profit or loss from discontinuing operations after tax	-16.9	-151.8	-373.8
Profit or loss after tax	11.4	-132.4	-358.6
Equity	-93.0	129.2	-96.4
Total assets	813.7	1.005.1	769.5

DKK million SBS group	Q3 – 2010	Q3 – 2009
Revenue	260.4	244.9
Operating profit or loss	19.1	13.4
Financial items (net)	-6.1	-6.6
Pre-tax profit or loss from continuing operations	13.0	6.8
Profit or loss from discontinuing operations after tax	-3.2	-110.6
Profit or loss after tax	6.2	-105.4

Financial ratios

	Q1-Q3 – 2010	Q1-Q3 – 2009	All year 2009
Profit ratio in % (EBIT margin)	7.7	6.3	5.0
Equity in %	-11.4	12.9	-12.5
Earnings per share in DKK (EPS basic)	3.6	-41.3	-111.8
Book value per share in DKK (BVPS)	-29.0	40.3	-30.0
Price/book value (P/BV)	-1.7	1.0	-1.5
Share price at the end of the year	48.0	39.0	32.9
	Q3 – 2010	Q3 – 2009	
Profit ratio in % (EBIT-margin)	7.3	5.5	
Earnings per share in DKK (EPS basic)	1.9	-32.9	