

Svendborg, 28 April 2011

**STOCK EXCHANGE ANNOUNCEMENT NO. 03-2011**

**QUARTERLY REPORT, Q1-2011**

**Summary**

- The success of the SBS Group continues across all business areas
- Increase in turnover of 17%
- Joint Venture within brake calipers
- Distribution agreement for motorcycle disc brake pads in the USA
- Forecast for 2011 as announced in the annual report for 2010

**Financial highlights**

| <i>DKK million</i>                                     | <b>Q1-2011</b> | <b>Q1-2010</b> | <b>31.12.2010</b> |
|--|----------------|----------------|-------------------|
| <b>SBS Group</b>                                       |                |                |                   |
| Revenue  | 262.7          | 223.8          | 969.0             |
| Operating profit or loss (EBIT)                        | 19.2           | 13.9           | 63.9              |
| Financial items (net)                                  | -10.2          | -5.8           | -32.8             |
| Pre-tax profit or loss from continuing operations      | 9.0            | 8.1            | 31.2              |
| Profit or loss from continuing operations after tax    | 5.6            | 6.0            | 21.7              |
| Profit or loss from discontinuing operations after tax | -3.2           | -8.4           | -21.0             |
| Profit or loss after tax                               | 2.4            | -2.3           | 0.6               |

**Financial ratios**

| <i>DKK million</i>                    | <b>Q1-2011</b> | <b>Q1-2010</b> | <b>31.12.2010</b> |
|---------------------------------------|----------------|----------------|-------------------|
| Profit ratio in % (EBIT-margin)       | 7.3            | 6.2            | 6.6               |
| Equity ratio in %                     | -11.1          | -12.5          | -12.0             |
| Earnings per share in DKK (EPS basic) | 0.7            | -0.7           | 0.2               |
| Book value per share in DKK (BVPS)    | -27.9          | -31.5          | -29.1             |
| Price/book value (P/BV)               | -1.4           | -1.4           | -1.4              |
| Share price at the end of the year    | 39.2           | 45.0           | 39.7              |

### **Important events during the period**

The positive progress of the SBS Division (continuing operations) has continued with an increase in turnover of 17% compared to Q1, 2010. Progress across all three business areas, i.e. "Friction – MC og special products", "Automotive calipers" and "Automotive distribution".

On 28 March SBS entered into a joint venture agreement with FTE Automotive GmbH, Germany. The joint venture agreement includes the establishment of the production company SBS-FTE Manufacturing Corporation in Presov, Slovakia. The new factory will remanufacture brake calipers.

Within brake pads for motorcycles, SBS has entered into new distribution agreements on the US market, and these agreements are expected to result in increased market shares on the long term.

Within the Automotive distribution, both the German and the French distribution centres showed increase in turnover. During Q1 SBS Deutschland took the first steps to increase its logistics concepts to selected neighbouring countries.

### **Results**

The consolidated turnover (continuing operations) was in Q1 2011 DKK 262.7 million against DKK 223.8 million in the same period 2010, equating to a 17% increase.

Profit before tax (continuing operations) was DKK 9.0 million against DKK 8.1 million in Q1 2010, equating to a 11% increase.

Consolidated profit after tax was in Q1 2011 DKK 2.4 million against a loss of DKK -2.3 million in Q1 2010.

### **Balance sheet**

On 31 March 2011 total assets of the Group was DKK 807.6 million against DKK 811.3 million on 31 March 2010.

On 31 March 2011 equity excluding subordinated loan capital was DKK -89.5 million against DKK -101.0 million on 31 March 2010. On 31 March 2011 the equity ratio was -11.1%. Total equity including subordinated capital is 13%.

### **Expectations**

As announced in the annual report 2010, management expects for 2011 consolidated turnover of around DKK 1.0-1.1 billion.

The EBIT is expected at around DKK 70-80 million and consolidated profit after tax of around DKK 5-15 million.

*For further details, please contact Hans Fuglgard, CEO, tel. +45 6321 1515.*