

Svendborg, 25 August 2011

STOCK EXCHANGE ANNOUNCEMENT NO. 05-2011 (extract)**INTERIM REPORT FOR THE PERIOD 1 JANUARY – 30 JUNE 2011**

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 June 2011.

Summary:

The group made progress in the first half of 2011. This growth can be related to the continuing operations of the SBS division which showed growth in all business areas (friction, calipers and distribution of automotive spare parts).

The consolidated revenue increased from DKK 506 million to DKK 550 million. EBIT from continuing operations was DKK 45 million against DKK 40 million in the previous year and profit after tax and discontinued operations (Notox division) was DKK 9 million against DKK 5 million in the same period in 2010.

As expected, the operation has contributed to improved equity in the period. Equity is complemented by the subordinated loan capital of nom. DKK 175 million, which was concluded with the company's banks in the spring of 2010.

SBS expects consolidated revenue of around DKK 1 billion against the previously announced DKK 1.0 to 1.1 billion. EBIT of around DKK 65-75 million against the previously announced DKK 70-80 million and a consolidated profit after tax of DKK 0-10 million against DKK 5-15 million as previously announced. The change in expectation is primarily due to lack of brake discs due to the reduction of the quota of electricity at the Chinese factories and the consequent lack of capacity.

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

The SBS group

- Turnover for the period was DKK 550 million against DKK 506 million in the same period in 2010, corresponding to an increase of 9%
- EBITDA for continuing operations (SBS division) was DKK 55 million against DKK 49 million last year
- EBIT for continuing operations (SBS division) was DKK 45 million against DKK 40 million last year
- Profit after tax and discontinued operations (Notox division) was DKK 9 million against DKK 5 million in the same period in 2010
- Equity amounted to DKK -83 million on 30 June 2011 against DKK -91 million at the same time in 2010. Equity is complemented by the subordinated loan capital and the accounts value amounts to DKK 201 million (nom. DKK 175 million) on 30 June 2011. Equity and subordinated loan capital amount to about 15% of the balance sum
- SBS expects consolidated revenue of around DKK 1.0 billion against the previously announced DKK 1.0-1.1 billion. EBIT of around DKK 65-75 million against the previously announced DKK 70-80 million and a consolidated profit after tax of DKK 0-10 million against the previously announced DKK 5-15 million.

The SBS division (continuing operations)

- The SBS division had growth in all business areas: Friction, brake calipers and distribution of automotive spare parts
- Revenue for the period was DKK 550 million against DKK 506 million in the corresponding period in 2010
- EBITDA was DKK 55 million against DKK 49 million in 2010
- EBIT was DKK 45 million against DKK 40 million in 2010
- Pre-tax profit was DKK 25 million, which is at the same level as in the corresponding period in 2010

The Notox division (discontinued operations)

- The business areas has been scaled down and subcontractor work is carried out to a limited extent. The efforts to sell the Notox division whole or in part continue
- Pre-tax profit was DKK –10 million against DKK -18 million in the period in 2010

Financial highlights

<i>DKK million</i>	2011	2010	2011	2010	2010
The SBS group	1 half year	1 half year	Q2	Q2	All year
Revenue	550	506	287	283	969
Operating profit or loss (EBIT)	45	40	26	26	64
Financial items, net	-20	-15	-10	-9	-33
Pre-tax profit or loss from continuing operations	25	25	16	17	31
Profit or loss from discontinued operations after tax	-8	-14	-3	-3	-21
Profit or loss after tax	9	5	8	8	1
Equity *)	-83	-91	-83	-91	-93
Total assets	804	823	804	823	777
Cash flow from operating activities (continuing operations)	-9	-14	22	-32	31
Net change in cash and cash equivalents	-31	78	6	-14	122
Investments in property, plant and equipment	9	2	5	1	9

*) The total subordinated capital amounts to DKK 118 million on 30 June 2011, corresponding to a solvency ratio of 15%.

Financial ratios

<i>DKK million</i>	2011	2010	2011	2010	2010
	1 half year	1 half year	Q2	Q2	All year
EBIT-margin	8,3	7,9	9,1	9,3	6,6
Return on investment in % (ROIC excl. GW)	10,0	9,1	5,8	5,9	16,3
Equity ratio %	-10,4	-11,0	-10,4	-11,0	-12,0
Earnings per share in DKK (EPS basic)	2,8	1,6	2,4	2,4	0,2
Book value per share in DKK (BVPS)	-26,0	-28,3	-26,0	-28,3	-29,1
Share price, at the end of the year	35,1	50,0	35,1	50,0	39,7