

Svendborg, 22 April 2010

**STOCK EXCHANGE ANNOUNCEMENT NO. 09-2010**

**INTERIM FINANCIAL STATEMENT**

- **Progress in all areas**
- **14% increase in revenue**
- **Notox activity-level adapted**
- **Agreement with the group's banks etc. for refinancing of the group**
- **Expectations for the net profit or loss for the year are as announced in the annual report for 2009 – a smaller positive profit or loss**

**Financial and operating data**

<i>DKK million</i>	<b>Q1 – 2010</b>	<b>Q1 – 2009</b>	<b>31.12.2009</b>
<b>The SBS Group</b>			
Revenue	223.8	195.9	862.3
Operating profit or loss	13.9	10.3	43.1
Financials (net)	-5.8	-6.7	-21.8
Pre-tax profit or loss from continuing operations	8.1	3.6	21.4
Profit or loss from discontinuing operations after tax	-8.4	-17.5	-373.8
Profit or loss after tax	-2.3	-14.9	-358.6

**Financial ratios**

	<b>Q1 – 2010</b>	<b>Q1 – 2009</b>	<b>Whole year 2009</b>
Profit margin in % (EBIT margin)	6.2	5.2	5.0
Equity ratio	-12.5	21.4	-12.5
Earnings per share in DKK (basic EPS)	-1.0	-6.2	-111.8
Book value per share in DKK (BVPS)	-31.0	77.0	-30.0
Price/book value (P/BV)	-1.4	0.4	-1.5
Share price, at the end of the year	45.0	30.5	32.9

### **The most important events of the period**

The management has entered into an agreement with the groups' banks etc. on the refinancing of the group and has signed an agreement converting a proportion of the existing bank loan into subordinated loan capital with a nominal value of DKK 175 million, together with the provision of the expected financing requirements until 31 December 2012. In relation to the prepared budgets and forecasts, this will ensure there is sufficient liquidity and capital for the next three years. The agreement has been negotiated during the first quarter and finally signed in April.

As announced in the stock exchange announcement 03-2010, Notox has sold its activities within the retrofit market segment based on Silicon Carbide (R-Sic) filters, effective from 1 February 2010. The new owners have leased the Notox facilities in Aakirkeby for a 7 year period with a call option within 5 years.

As was the case for the annual report for 2009 for the Notox division, discontinuing operations include Luxurytime Ltd. and SBS UK Ltd.

The SBS division (continuing activity), which covers friction products and related wearing parts, has continued the positive development from 2009, which has resulted in a revenue increase of 14% compared to Q1 2010 and an improvement in the EBIT margin from 5.0% to 6.2%.

### **Profit or loss**

In the first quarter of 2010 consolidated revenue (continuing operations) amounted to DKK 223.8 million against DKK 195.9 million during the same period in 2009. Pre-tax profit or loss (continuing activity) increased from DKK 3.6 million for the first quarter of 2009 to DKK 8.1 million for the first quarter of 2010 – equivalent to an increase of 225%.

The consolidated results after tax for the first quarter of 2010 amounted to a loss of DKK 2.3 million, against a loss of DKK 14.9 million for the first quarter of 2009. In March 2010 the group as a whole has achieved a profit after tax.

### **Balance sheet**

As at 31 March 2010 the group's total assets amounted to DKK 811.3 million against DKK 1,152.4 million at the same time last year. As at 31 March 2010 equity excluding subordinate loan capital amounted to DKK -101.0 against DKK 246.5 million the previous year. The equity interest was -12.5% as at 31 March 2010.

If the conversion of the subordinate loan was recognized as at 31 March 2010, the total equity including capital base would constitute 9.1% of the balance sheet total.

### **Expectations**

As announced in the annual report for 2009, SBS expectations for 2010 are for consolidated revenue in the region of DKK 860-900, and consolidated results before tax and discontinuing operations in the region of DKK 20-30 million, as well as a profit before tax for the group.

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