

**Scandinavian Brake Systems A/S**

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OMX Nordic Exchange Copenhagen A/S

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STOCK EXCHANGE ANNOUNCEMENT NO. 07-2014**INTERIM FINANCIAL REPORT FOR THE PERIOD 1 JANUARY – 30 JUNI 2014 (extract)**

The board of Scandinavian Brake Systems A/S (SBS) have today discussed and approved the interim financial report for the period 1 January – 30 June 2014.

Summary

- Group turnover for continuing operations totalled DKK 561.2 m compared to DKK 535.5 m in the first six months of 2013 - corresponding to an increase of approx. 5%.
- The improvement can be related to both business areas: SBS Automotive and SBS Friction.
- EBITDA for continuing operations was DKK 45.2 m against DKK 40.4 m in the same period last year - corresponding to an increase of 12%
- Pre-tax profit for continuing operations was DKK 23.1 m compared to DKK 16.2 m in the first six months of 2013.
- Group profit after tax was DKK 11.4 m against DKK 3.5 m in the same period 2013.
- Group profit is in line with expectations.

Forecast for 2014

For 2014, the Group still expects turnover to be around DKK 1,000-1,100 m and EBITDA to be around DKK 75-85 m for continuing operations.

Key figures

<i>DKK million</i>	2014*	2013*	2014*	2013*	2013
	Q1-Q2	Q1-Q2	Q2	Q2	The year
Group					
Revenue	561.2	535.5	295.8	294.5	1,033.3
Operating profit or loss before depreciations (EBITDA)	45.2	40.4	27.5	23.5	74.7
Operating profit or loss (EBIT)	37.2	32.4	23.2	19.6	58.7
Financials, net	-11.6	-15.8	-6.1	-7.4	-30.0
Pre-tax profit or loss from continuing operations	23.1	16.2	15.9	12.2	26.8
Profit or loss from discontinuing operations after tax	-5.2	-7.5	-2.8	-5.3	-13.4
Net profit or loss (after tax)	11.4	3.5	8.7	2.7	0.3
Equity	-78.1	-86.2	-78.1	-86.2	-89.3
Subordinate loan capital	195.8	213.8	195.8	213.8	190.9
Total subordinate loan capital	117.7	127.6	117.7	127.6	101.6
Total assets	849.5	806.3	849.5	806.3	767.3
Cash flow from operations (continuing operations)	-68.3	40.1	6.5	47.0	73.8
Cash flow from investment, net	-3.6	-3.1	-1.7	-2.3	-9.8
Total cash flow for the period	0.2	-	0.1	-	-
Net interest-bearing debt including subordinate loan capital (Group)	719.9	660.1	719.9	660.1	631.3

Financial ratios

	2014*	2013*	2014*	2013*	2013
	Q1-Q2	Q1-Q2	Q2	Q2	The year
<i>DKK million.</i>					
EBITDA margin	8.1	7.5	9.3	8.0	7.2
EBIT margin	6.6	6.0	7.9	6.7	5.7
Return on investment in % (ROIC excl. GW)	8.8	9.2	5.5	5.5	18.0
Return on equity in % (ROE)	NA	NA	NA	NA	NA
Equity interest in %	-9.2	-10.7	-9.2	-10.7	-11.6
Earnings per share in DKK (basic EPS)	3.5	1.1	2.7	0.9	0.1
Book value per share in DKK (BVPS)	-24.4	-26.9	-24.4	-26.9	-27.8
Price/book value	-1.7	-0.6	-1.7	-0.6	-1.0
Share price, at the end of the year	40.2	16.2	40.2	16.2	28.3

The profit/diluted profit per share was calculated pursuant to IAS 33 "Earnings Per Share". Other financial ratios were prepared pursuant to Recommendations & Key Figures 2010 (Anbefalinger & Nøgletal 2010) of the Danish Association of Financial Analysts (Den Danske Finansanalytikerforening). Please refer to definitions and concepts under Accounting Policies in the SBS 2013 Annual Report.

* The interim financial report has not been audited or reviewed.

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