

Svendborg, 25 March 2010

STOCK EXCHANGE ANNOUNCEMENT NO. 04-2010 (extract)

PRELIMINARY ANNOUNCEMENT OF THE ANNUAL ACCOUNTS 01.01.-31.12.2009

Summary:

The board of directors of Scandinavian Brake Systems A/S (SBS) has today considered the accounts for 2009.

Highlights during the period:

The SBS division

- The revenue amounted to DKK 862 million against DKK 806 million in 2008 – an increase of 7%
- EBIT was DKK 43 million against DKK 61 million in 2008 (2008: including revenue from property sale of DKK 26 million)
- Pre-tax profit or loss amounted to DKK 21 million against DKK 41 million in 2008 (2008: including revenue from property sale of DKK 26 million)
- The development in 2009 indicates that SBS succeeds with its business concepts in a difficult market and gains market shares
- Cashflow from operations of DKK 83 million against DKK 60 million in 2008

The Notox division

- Revenue amounted to DKK 39 million against DKK 29 million in 2008
- Pre-tax profit or loss after depreciations was DKK -241 million against DKK -91 million in 2008
- The Notox activity has been scaled down and the production is put on standby
- The activity has come up for sale (wholly or partly) to ensure robustness as to capital and cash position and to provide the optimum framework to utilize the potential

The SBS group

- Revenue amounted to DKK 862 million against DKK 806 million in 2008 excluding discontinued activities – corresponding to index 107.
- EBIT was DKK 43 million against DKK 61 million in 2008 (2008: including revenue from property sale of DKK 26 million) for continued activities
- Profit or loss after tax and discontinued activities amounted to DKK -359 million against DKK -47 million in 2008. The results are extraordinarily affected by depreciations etc. concerning the Notox division of DKK 328 million made in 2009
- Cashflow from operations of DKK 83 million against DKK 60 million in 2008 for continued activities

Expectation for 2010

For 2010 the management expects a group revenue of DKK 860-900 million, a group pre-tax profit or loss before discontinued activities of DKK 20-30 million and a group pre-tax profit or loss after discontinued activities of DKK 0.

Cash position and financing

On 21 February 2010, the management entered into an agreement with the group's banks et al. about refinancing of the group and signed a term sheet concerning a conversion of a part of the existing bank debt to subordinated loan capital of nom. DKK 175 million and the expected capital requirements until 31 December 2012 were provided. This will ensure the expected cash requirements and capital adequacy during the next 3 years.

The accounts are submitted for approval to the annual general meeting to be held at the company's office on Thursday 22 April 2010 at 2 pm.

The printed annual report will be available 8 days before the annual general meeting.

Leif Stiholt
Chairman

Hans Fuglgaard
CEO

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

FINANCIAL HIGHLIGHTS

DKK 1,000

	2009	2008	2007	2006	2005
Revenue	<u>862,348</u>	<u>806,832</u>	<u>815,873</u>	<u>777,122</u>	<u>683,342</u>
Other operating income	-	25,937	-	-	-
Operating profit or loss (EBIT)	43,145	61,293	65,899	77,341	55,730
Financials (net)	-21,791	-19,766	-12,075	-4,343	-1,645
Profit or loss of continued activities	21,354	41,527	46,783	67,332	49,087
Profit or loss of discontinued activities	-373,796	-76,383	-50,579	-25,025	-5,780
Net profit or loss for the year	-358,585	-47,004	-4,523	25,534	29,378
Equity *)	-96,371	262,054	279,922	257,827	216,980
Total assets	768,539	1,178,387	620,603	569,668	480,760
Cash flow from operating activities (continued activities)	82,827	60,009	-48,068	-24,776	15,606
Total net change in cash and cash equivalents	-14,248	-8,384	-151,219	-74,262	-37,077
Investments in property, plant and equipment (excl. acquisitions)	4,679	26,450	32,654	40,504	17,858
Financial ratios					
EBIT margin	5.0	7.6	8.1	10.0	8.2
Return on invested capital in % (ROIC excl. GW)	10.6	12.0	11.7	17.8	14.8
Return on equity in % (ROE)	-432.9	-17.3	-1.7	10.3	16.6
Equity interest in % *)	-12.5	22.2	45.1	45.3	45.1
Earnings per share in DKK (Basic EPS)	-111.8	-14.6	-1.4	7.6	9.2
Book value per share in DKK (BVPS)	-30.0	81.7	87.3	80.4	67.7
Price/book value	-1.5	0.5	3.0	4.1	2.3
Share price, at the end of the year	32.9	44.0	260.0	333.0	157.5

Basic EPS/diluted EPS have been calculated in accordance with IAS 33. Other financial ratios have been calculated in accordance with "The Recommendations and Financial Ratios 2005" of the Danish Society of Financial Analysts. Please also see definitions and terms in the accounting policies of the SBS annual report 2008.

In the financial highlights the discontinued activities i.e. the Notox division, Luxurytime Ltd. and SBS UK Ltd. are collected in the line "Results of discontinued activities after tax".

*) In February 2010 a term sheet agreement concerning conversion of debt to subordinated loan capital of nom. DKK 175 million was signed. Hereafter, the total subordinated capital amounts to DKK 79 million - corresponding to an equity ratio of 10.2%.