

Svendborg, 28 March 2011

STOCK EXCHANGE ANNOUNCEMENT NO. 01-2011

Preliminary Announcement of Financial Statements, Scandinavian Brake Systems (summary)

The board of directors hereby submits the annual report for 2010 for the approval of the company's annual general meeting to be held on 28 April 2011, at 2 p.m. at the company's office in Svendborg.

The SBS Group showed striking gains for its continuing operations in 2010. The consolidated revenue (continuing operations) was DKK 969 m, compared to DKK 862 m in 2009, equating to a 12% increase. The EBIT for continuing operations was DKK 64 m, compared to DKK 43 m in 2009. The profit after tax and discontinuing operations was DKK 1 m in 2010, compared to a loss after tax of DKK -359 m in 2009. Some of the bank debt was converted in 2010 into subordinated loan capital for repayment not later than 31 December 2012. After this, the combined subordinated capital equates to a solvency ratio of 12%.

The success of the SBS Division (continuing operations) was seen across all business areas: Friction, brake calipers and distribution of automotive parts.

This success is attributable to the favourable market trends throughout most of the period, and the fact that SBS successfully adhered to its business concepts, which secured increased market shares. During the period, the division acquired new customers and increased sales to the existing customer portfolio.

In the friction area, gains were seen in both OE and the aftermarket. Within brake calipers, a 23% increase was achieved, making this the highest turnover ever. In the distribution of automotive parts, there was a sharp rise in brake disc sales. Similarly, there was strong growth in sales of automotive parts in East European markets, and great gains were made by the German distribution company.

The Notox Division (discontinuing operations) was scaled back and the manufacturing activities have been put on standby; efforts are currently in progress to sell all or part of the Notox Division. Turnover was limited and related to subcontractor work. The division had a loss before tax of DKK -28 m.

For 2011, consolidated revenue is expected to continue increasing to around DKK 1.0–1.1 bn. EBIT of around DKK 70–80 m is expected. The consolidated profit after tax is expected to be around DKK 5–15 m.

In August 2010, the SBS Group's management and board adopted the strategic basis for the continuing operations of the SBS Division up to and including 2014. This growth-oriented plan is based on the existing business areas. The management and board expect these proactive new initiatives to secure a strong worldwide position for the SBS Division with consolidated competitiveness throughout the period covered by the strategy.

Key figures:

SBS Group

- Revenue of DKK 969 m, compared to DKK 862 m in 2009 (continuing operations).
- EBIT of DKK 64 m, compared to DKK 43 m in 2009 for continuing operations.
- Profit after tax and discontinuing operations of DKK 1 m, compared to a loss after tax of DKK -359 m in 2009.
- Equity, exclusive of subordinated loan capital was DKK -93 m at 31 December 2010, compared to DKK -96 m at 31 December 2009.
- Total equity, inclusive of subordinated loan capital, amounted to 12% of the balance sheet total at 31 December 2010.

SBS Division (continuing operations)

- Revenue of DKK 969 m, compared to DKK 862 m in 2009.
- EBIT of DKK 64 m, compared to DKK 43 m in 2009.
- Profit before tax of DKK 31 m, compared to DKK 21 m in 2009.

Notox Division (discontinuing operations)

- The loss before tax was DKK -28 m.

Forecast for 2011

- Consolidated revenue of around DKK 1.0–1.1 bn.
- EBIT at around DKK 70–80 m.
- A consolidated profit after tax and discontinuing operations of around DKK 5–15 m.

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

This summary is an extract from Scandinavian Brake Systems' Annual Report 2010, and cannot replace it. A copy of the complete annual report can be downloaded from www.sbs.dk or ordered on tel. +45 6321 1515.

FINANCIAL HIGHLIGHTS

DKK 1,000

	2010	2009	2008	2007	2006
Revenue	<u>969,029</u>	<u>862,348</u>	<u>806,832</u>	<u>815,873</u>	<u>777,122</u>
Index	125	111	104	105	100
Other operating income	-	-	25,937	-	-
Operating profit or loss (EBIT)	63,947	43,147	61,293	65,899	77,341
Financials (net)	-32,789	-21,791	-19,766	-12,075	-4,343
Pre-tax profit or loss from continuing operations	31,158	21,356	41,527	46,783	67,332
Profit or loss from dis-continuing operations after tax	-21,045	-373,796	-76,383	-50,579	-25,021
Net profit or loss for the year (after tax)	627	-358,585	-47,004	-4,523	24,534
Non-current assets	260,157	255,919	627,268	554,153	437,845
Current assets	392,916	347,218	551,119	569,426	361,869
Assets specified for sale	124,123	147,853	-	-	-
Total assets	777,196	750,990	1,178,387	1,123,579	799,714
Share capital	32,085	32,085	32,085	32,085	32,085
Equity	-93,435	-96,371	262,054	311,469	323,679
Subordinated loan capital	187,880	-	-	-	-
Total subordinated capital	94,445	-96,371	262,054	311,469	323,679
Non-current liabilities including subordinated loan capital	449,507	83,695	206,154	103,319	93,840
Current liabilities	210,585	524,279	691,020	610,385	382,195
Liabilities concerning assets specified for sale	160,539	239,387	-	-	-
Average number of employees (continuing operations)	522	487	521	570	506
Turnover per employee	1,856	1,771	1,549	1,431	1,536
Cash flow from operating activities (continuing operations)	30,669	82,809	60,009	-48,068	-24,776
Cash flow for investing activities, net	-8,906	-3,619	26,832	-225,140	-32,099
Hereof investment in property, plant and equipment (excl. acquisitions)	7,573	4,679	26,450	32,654	40,504
Cash flow from financing	100,968	-12,969	-4,629	100,128	-17,534
Total net change in cash and cash equivalents	122,137	-14,264	-8,384	-151,219	-74,262

FINANCIAL RATIOS

	2010	2009	2008	2007	2006
EBIT margin	6.6	5.0	7.6	8.1	10.0
Return on invested capital in % (ROIC excl. GW)	16.3	10.6	12.0	11.7	17.8
Return on equity in % (ROE)	-0.7	-432.9	-17.3	-1.7	10.3
Equity interest in %	-12.0	-12.8	22.2	45.1	45.3
Earnings per share in DKK (Basic EPS)	0.2	-111.8	-14.6	-1.4	7.6
Book value per share in DKK (BVPS)	-29.1	-30.0	81.7	87.3	80.4
Price/book value	-1.4	-1.5	0.5	3.0	4.1
Share price, at the end of the year	39.7	32.9	44.0	260.0	333.0

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 2010" of the Danish Society of Financial Analysts. Please also see definitions and terms in the accounting policies of the SBS annual report 2010.