

Svendborg, 19 August 2010

STOCK EXCHANGE ANNOUNCEMENT NO. 15-2010 (extract)**INTERIM REPORT FOR THE PERIOD 1 JANUARY – 30 JUNE 2010**

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 2010.

Summary:

The group makes progress in the SBS division (friction and automotive spare parts). EBIT was in the period DKK 40 million against DKK 29 million in 2009 for continuing operations.

Profit or loss of the period shows a surplus for the group of DKK 5 million after tax. This amount includes a deficit of DKK 14 million from discontinuing operations in the diesel particulate filter division (Notox), which is still for sale. Profit or loss is significantly improved compared to the same period in 2009, which showed a deficit of DKK 27 million.

A proportion of the bank debt is now converted into subordinated loan capital to be paid not later than 31 December 2012. Thus the subordinated capital amounts to a solvency ratio of upwards of 10%.

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

- Consolidated profit or loss after tax of the period was DKK 5 million against DKK -27 million in the same period of 2009. Profit or loss for the SBS division (continuing operations) was DKK 19 million against DKK 14 million in the first 6 months of 2009, whereas profit or loss for the Notox division (discontinuing operation) was DKK -14 million against DKK -41 million in the first 6 months of 2009.
- Consolidated revenue was DKK 506 million against DKK 428 million in the first 6 months of 2009, equivalent to an increase of upwards of 18%.
- EBIT was DKK 40 million against DKK 29 million in the first 6 months of 2009 for continuing operations.
- Equity amounts to DKK -91 million on 30 June 2010. Equity is supplemented by subordinated loan capital, and the discounted value of this subordinated loan capital amounts to DKK 176 million (nom. DKK 175 million) on 30 June 2010. Equity and subordinated loan capital amount to totally upwards of 10% of the balance sum.
- Pre-tax profit or loss of continuing operations was DKK 25 million against DKK 19 million in the same period of 2009.
- The efforts to sell the Notox division (diesel particulate filters) whole or in part continue unchanged. After the scaling down in the last 3 months of 2009, the activities are now concentrated about subcontractor work.

- As previously announced, in April 2010 the management entered an agreement with the group's banks etc. on the refinancing of the group and signed an agreement, converting a proportion of the existing bank loan into subordinated loan capital, and provision of the expected financing requirements until 31 December 2012.
- For the financial year 2010, the management expects revenue of DKK 900-940 million against previously announced DKK 860-900 million.
- As previously announced, the management expects consolidated results before tax and discontinuing operations of DKK 20-30 million and positive consolidated results.

Further information:

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

FINANCIAL HIGHLIGHTS

SBS GROUP

<i>DKK 1,000</i>	2010 1 half year	2009 1 half year	2010 Q2	2009 Q2	2009 All year
Revenue	506,419	428,370	282,575	232,474	862,348
Operating profit or loss (EBIT)	40,127	29,189	26,208	18,906	43,147
Financial items (net)	-14,879	-10,209	-9,065	-3,538	21,791
Pre-tax profit of loss from continuing operations	25,248	18,980	17,143	15,368	21,356
Profit or loss from discontinuing operations after tax	-13,717	-41,240	-2,525	-23,706	-373,796
Profit or loss after tax	5,276	-26,995	7,591	-12,066	-358,585
Equity *)	-90,670	235,974	-77,959	235,974	-96,371
Total assets	841,072	1,127,372	841,072	1,127,372	768,539
Cash flow from operating activities (cont.)	-14,172	34,492	-31,621	28,269	82,827
Net change in cash and cash equivalents	-30,126	-14,902	-13,636	13,477	-14,248
Investments in property, plant and equipment (excl. acquisitions)	2,337	294	1,340	294	4,679

*) Total subordinated capital amounts to DKK 86 million on 30 June 2010, equivalent to a solvency ratio of upwards of 10%

Financial ratios	2010 1 half year	2009 1 half year	2010 Q2	2009 Q2	2009 All year
EBIT-margin	7.9	6.8	9.3	8.1	5.0
Return on investment in % (ROIC excl. GW)	8.9	6.7	5.8	4.3	10.6
Return on equity in % (ROE)	-5.6	-10.8	-8.7	-4.8	-432.9
Equity ratio in %	-10.8	20.9	-9.3	20.9	-12.5
Earnings per share in DKK (EPS Basic)	1.6	-8.4	2.4	-3.8	-111.8
Book value per share in DKK (BVPS)	-28.0	73.6	-24.0	73.6	-30.0
Price/book value	-1.6	0.7	-1.8	0.7	-1.5
Share price, at the end of the year	50.0	48.0	50.0	48.0	32.9