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STOCK EXCHANGE ANNOUNCEMENT NO. 08-2012

Split-up of the SBS group into three divisions

The board of Scandinavian Brake Systems A/S has today decided to make a legal split-up of the SBS group so that in future it will consist of three business areas.

The decision has been made due to expected market and development scenarios. In the next few years, significant uncertainty and major changes in the global economy are expected. The financial crisis and the general development of the world's major economies in the USA, China and Europe will affect the overall business climate of the SBS group. The consequences will i.a. be increased competition as a result of overcapacity, changes in distribution structures as a result of the need for faster distribution and reduction of the distributors' working capital. Furthermore due to acquisitions and mergers, increased structure rationalizations and consolidations among both customers and suppliers are expected.

The management of SBS anticipates that the market development will need further focus and optimisation of each of the group's business areas, among others by increasing focus on innovation and development, optimisation of the balance between own production and outsourcing and also development of the most efficient logistics solutions. In this way, it will be possible to utilise the growth potential of each single area.

In future, the SBS group will include three business areas:

1. SBS Automotive A/S

The group's activities within the automotive area, primarily remanufacture of brake calipers and sourcing, completion and distribution of brake parts and related wearing parts for cars. The activities of the division are located in Støvring and Holstebro, Denmark and Presov, Slovakia, and also on locations in Germany, France and Russia. The head office is located in Støvring, Denmark.

2. SBS Friction A/S

This company comprises the group's activities within development, production and sale of friction technological products for motorcycles, wind turbines and a number of special areas. The activities and the head office are located in Svendborg, Denmark.

3. Notox A/S

Production of diesel particulate filters on subcontracting basis with head office and production in Svendborg, Denmark.

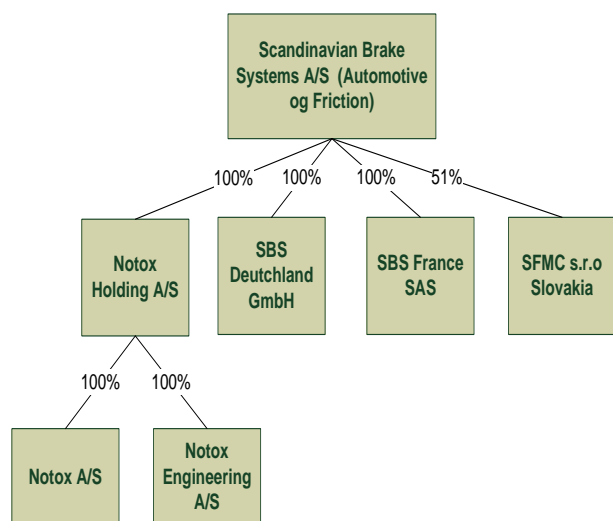
The group management, finances and other group related special functions will be placed in Scandinavian Brake Systems A/S. The head office of this company will still be located in Svendborg, Denmark.

Short description of the transaction

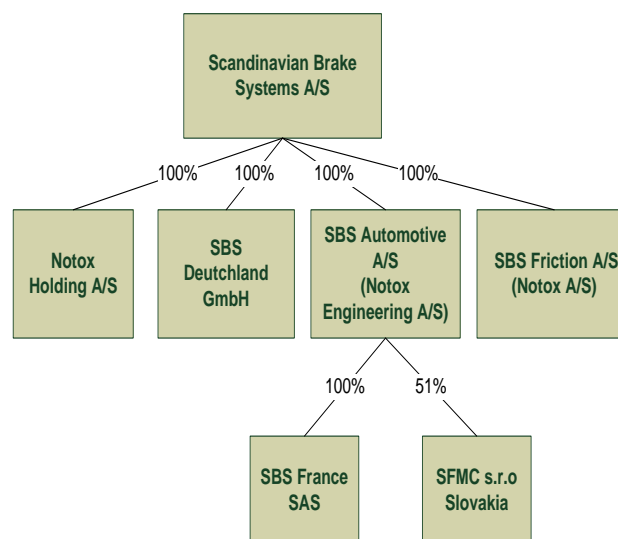
The existing companies SBS Automotive A/S (previously Notox Engineering A/S) and SBS Friction A/S (previously Notox A/S) are transferred from Notox Holding A/S to Scandinavian Brake Systems A/S. A transfer of the activities "SBS Automotive" and "SBS Friction" from Scandinavian Brake Systems A/S to SBS Automotive A/S and SBS Friction A/S respectively will subsequently be made. The activities form independent businesses and will be transferred with all related assets, liabilities, employees etc. The transactions will be carried out as capital increases by non-cash contributions at general meetings in SBS Automotive A/S and SBS Friction A/S. SBS Deutschland will not be transferred at this stage but the company is expected to be transferred from Scandinavian Brake Systems A/S to SBS Automotive A/S at a later time.

The group structure before and after can be illustrated as follows;

Before



After



Valuation

The transfer of the activities "SBS Automotive" and "SBS Friction" from Scandinavian Brake Systems A/S to SBS Automotive A/S and SBS Friction A/S will take place at fair market value.

The management has valued the activity "SBS Automotive" (exclusive of SBS Deutschland GmbH) at an enterprise value (value on debt free basis) in the level of DKK 375 million (exclusive of SBS Deutschland), corresponding to an increase in value (goodwill, know-how, brand/trademarks etc.) in the level of DKK 160 million compared to the net asset value made up on 01.10.2012. The activity "SBS Friction" is valued at an enterprise value (value on debt free basis) in the level of DKK 100 million, corresponding to an increase in value (goodwill, know-how, brand/trademarks etc.) in the level DKK 45 million compared to the net asset value made up on 01.10.2012. The valuation is made on the basis of a report made by a recognised corporate finance house.

Accounting consequences

The consolidated annual accounts

The consolidated annual accounts for Scandinavian Brake Systems A/S will not be affected by this intergroup transaction. The transaction entails that the special tax loss down writes in SBS Automotive A/S and SBS Friction A/S for accounting purposes will be reinstated as a deferred tax asset, as the tax loss is expected to be used by set-off in positive earnings in the next 3-5 years. The deferred tax asset amounts to DKK 18 million and will be recognised in the consolidated annual accounts as of 31.12.2012. Recognising the deferred tax asset in the consolidated annual accounts will mean an improvement of DKK 18 million of the result after tax in 2012 and of the equity as of 31.12.2012.

Unchanged expectations for 2012

The management's expectations for 2012 are unchanged. A consolidated turnover of DKK 950-1,000 million and an EBITDA of DKK 60-70 million in 2012 are therefore still expected.

For further information: Please contact CEO Hans Fuglgaard, telephone: +45 63 21 15 15

The company's website: www.sbs.dk