

EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG: Solid result despite extremely difficult market environment- Further capacity adjustments planned - Very weak industry cycle expected in 2009

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Ternitz/Vienna, 19 May 2009. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed in the ATX segment of the Vienna Stock Exchange, generated a solid result despite the extremely difficult market environment in the first quarter of 2009, although the considerable downturn of the industry cycle was already reflected in the company's key financial figures.

Quarterly sales went down around 9 % from MEUR 88.6 in the first quarter of 2008 to MEUR 80.8. EBIT arrived at MEUR 15.6, decreasing by 23 % over the same quarter of last year (31 March 2008: MEUR 20.2). As a result, the EBIT margin dropped to 19.3 % (31 March 2008: 22.7 %). Profit before tax of MEUR 13.9 was down 26 % compared with the same quarter of last year (MEUR 18.9). In line with this development, profit after tax also fell from MEUR 13.3 to MEUR 9.7 (down 27 %). Earnings per share dropped 27 % quarter-on-quarter from EUR 0.83 to EUR 0.61 per share.

This decline was mainly due to the lower operating income, one-off expenses for required capacity adjustments and the price pressure resulting from the very weak market environment in the oilfield service industry.

Cautious review of backlog - basic capacity utilisation secured
In line with the industry cycle, bookings of SBO were extremely low in the first quarter of 2009. As further economic development remains highly uncertain, many customers reduced their inventories and hesitated to place orders. Negotiations on delivery postponements and cancellation of existing orders were conducted. For reasons of commercial prudence, the existing order backlog was verified for its validity with particular caution. Orders currently under negotiation with customers for postponement or cancellation were deleted from the backlog for the time being. Due to the above precautions total numbers of bookings and cancellations were roughly equal in the first quarter.

The order backlog as at the end of the first quarter of 2009 was approximately MEUR 146 (following MEUR 212 at the end of the first quarter of 2008 and MEUR 214 at the end of 2008) and safeguards basic capacity utilisation for the large part of 2009.

Outlook - continuation of very weak industry cycle expected for 2009
In the next months, no major change in the hesitant order behaviour of SBO's customers is expected due to the very weak industry cycle in the oilfield service industry.

Therefore, further capacity adjustments at all sites cannot be ruled out, which may result in additional personnel downsizing. Short time working in Ternitz beginning with July was agreed with the workers council, subject to the formal approval of the Austrian Social Partners. In the past, SBO repeatedly demonstrated its ability to master economically difficult times with utmost flexibility. Moreover, financing of current business is very well secured.

As long-term prospects for the oilfield service industry and SBO remain fully intact, SBO adheres to the strategic expansion projects in Vietnam (MWD/LWD component manufacture) and in Brazil (Service & Supply).

Comparison of key figures in MEUR

	1-3/2009	1-3/2008	Change
Sales	80.8	88.6	- 9 %
EBIT	15.6	20.2	- 23 %
EBIT margin (%)	19.3	22.7	
Profit before tax	13.9	18.9	- 26 %
Profit after tax	9.7	13.3	- 27 %
EPS in EUR *	0.61	0.83	- 27 %
Headcount **	1224	1249	- 2 %

* based on average shares outstanding

** reporting date 31 March.

Schoeller-Bleckmann Oilfield Equipment AG is the global market leader in high-precision components for the oilfield service industry. The business focus is on non-magnetic drillstring components for directional drilling. As at the end of March 2009, SBO employed a workforce of 1224 worldwide after 1394 at the end of 2008, 379 in Ternitz/Austria and 539 in North America (including Mexico).

Further inquiry note:

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