

EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG / Schoeller-Bleckmann Oilfield Equipment AG publishes Q3 results

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Unchanged market environment - Bookings situation starting to stabilize - Order backlog of MEUR 103.3 as basis for next months

Ternitz, 19 November 2009. Business development of Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed on the ATX market of the Vienna Stock Exchange, was characterized in the first nine months of 2009 by declining demand for oil as a consequence of global recession. For this reason, exploration and production activities of oil companies continued to be low, resulting in sustained weak demand for equipment for the oilfield service industry.

Consequently, group sales of SBO in the first nine months amounted to MEUR 188.7 (following MEUR 281.3 in the first nine months of last year), declining by approximately 33 %. EBIT of MEUR 23.6 in the first nine months was clearly positive, but was considerably below the record year figure of MEUR 64.2 achieved last year. The EBIT margin of the first nine months arrived at 12.5 % (following 22.8 % year-on-year). Profit before tax fell by 67.8 % to MEUR 19.4 (following MEUR 60.3). Profit after tax in the first three quarters stood at MEUR 13.6 (following MEUR 42.4), down 68.0 % over the same period of last year. This brought earnings per share in the first nine months to EUR 0.85 (following EUR 2.66), decreasing by 67.9 %.

The weak market development kept bookings at a relatively modest level also in the third quarter of 2009. Accumulated bookings of the first nine months of 2009 arrived at MEUR 74.5. However, following the strong decline in orders in the first half of the year, the situation started to stabilize in the third quarter of 2009. In contrast to early this year, customers no longer cancelled orders. In the past weeks, SBO received an increasing number of delivery inquiries and requests for quotations, which, however, have not turned into bookings yet. The order backlog as at 30 September 2009 was MEUR 103.3 (following MEUR 224.7 year-on-year) and is the backbone of sufficient basic capacity utilisation of SBO's manufacturing plants in the months ahead.

"First signs of economic recovery, notably in the emerging markets, have not yet changed the weak market development in the oilfield service industry. This will come about only when the demand for oil rises considerably", comments Gerald Grohmann, CEO of Schoeller-Bleckmann Oilfield Equipment AG, on the current market situation. However, customers now are spending more money on developing prototypes. Due to its strong technological expertise, SBO was assigned by one of the leading oilfield service companies to manufacture prototypes of a new, highly complex directional drilling tool.

Outlook

In the short run, no change of the current overall conditions can be expected for the international oilfield service industry, even though first signs of drilling activities stabilizing at a low level have been noticed.

In the next months, SBO will respond to the unfavourable market environment by constantly implementing cost-cutting measures and, if required, further capacity adjustments. Business and energy consumption forecasts recently revised upwards and oil prices of around USD 70 a barrel indicate intensifying exploration and production activities over the current level. The fundamental prerequisites for the business of SBO to pick up again remain intact: The currently insufficient number of exploration wells, declining production rates of existing oil fields and development of new deposits requiring more and more complex technologies will trigger increased demand for high-precision components for the oilfield service industry, as soon as customers' inventories have been used up. With SBO's low net debt and presently high equity ratio of 52 %, excellent liquidity and uncontested market position, the company is well equipped to meet all scenarios.

Comparison of key figures in MEUR

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	1-9/2009	1-9/2008	Change
Sales	188.7	281.3	-32.9 %
EBIT	23.6	64.2	-63.3 %
EBIT margin (%)	12.5	22.8	-
Profit before tax	19.4	60.3	-67.8 %
Profit after tax	13.6	42.4	-68.0 %
EPS in EUR *	0.85	2.66	-67.9 %
Headcount**	1,063	1,323	-19.7 %

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* based on average number of shares outstanding

** reporting date September 30

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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. Worldwide, SBO employs a workforce of 1,063, thereof 319 in Ternitz/Austria and 454 in North America (including Mexico).

Further inquiry note:

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Aussendung übermittelt durch euro adhoc
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