

EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG / Substantial profit improvement in fiscal 2010 - Dividend proposal EUR 1.00 after EUR 0.50

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Ternitz/Vienna, 10 March 2011. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed on the ATX market of the Vienna Stock Exchange, announces final results for fiscal 2010 at its annual press conference.

Due to substantially increased bookings in 2010 amounting to MEUR 358.6 - up 222.7 % compared with the previous year - SBO significantly improved all key performance indicators. In view of the strong sales growth by 22.3 % to MEUR 307.7 (following MEUR 251.6 in 2009) and a steep rise in profit before tax by 82.7 % from MEUR 23.5 to MEUR 42.9 SBO brought fiscal 2010 to a highly satisfying end.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) arrived at MEUR 85.1, up 38.4 % from last year's MEUR 61.5. Earnings before interest and taxes (EBIT) stood at MEUR 49.4, increasing by 74.8 % from MEUR 28.2 in 2009. The EBITDA margin was improved in fiscal 2010 from 24.4 % to 27.6 %, and the EBIT margin by 11.2 % to 16.0 %. Profit after tax came to MEUR 27.3, up 78.7 % from MEUR 15.3 in 2009.

Due to the good result, the Executive Board will propose to the forthcoming Annual General Meeting a dividend increase of EUR 1.00 per share for fiscal 2010 (following EUR 0.50 in the year before). Based on the current share price, this represents a dividend yield of approximately 1.6 %.

Market development 2010

The reasons for the recovery seen in the oilfield service industry were increasing oil consumption due to a more stable worldwide economic development, high demand for energy in the emerging markets and rising oil prices. These factors triggered more spending for production and exploration, which, in turn, was reflected in substantially improved order volumes for the oilfield service industry. However, the rebound did not yet create the market momentum observed in the previous peak of the cycle between 2006 and 2008.

Business performance 2010

SBO rapidly ramped up production capacities to meet the growing number of bookings. All segments of SBO profited from the market recovery. The drilling motor business also recorded a highly positive performance. At some locations additional personnel was hired. In part, skilled labour that had to be dismissed due to the order decline in 2009 could be recruited again.

SBO continued to pursue its strategy for growth also in the challenging year 2009 and to build the new sites in Vietnam and Brazil. Both companies got off to a good start in 2010.

In mid-September 2010 negotiations on the acquisition of Drilling Systems International Ltd. (DSI) were completed successfully. The acquisition was financed by using own resources and existing credit facilities. DSI has been fully consolidated as of the beginning of the fourth quarter of 2010.

Preliminary work on establishing a new production site of US-subsiary Knust-SBO in Singapore started in the fourth quarter of 2010. Knust intends to better cover the growing market for its products (chassis/internals) in the Far East through its own production on the spot. Production is scheduled to start up in stages in the second half of 2011.

Outlook 2011

The tenor of forecasts on global economic development in fiscal 2011 is basically positive. Should the global economy, as expected by the IMF, grow by 4.4 % in 2011, demand for oil and gas will continue to rise. At the same time,

however, the geopolitical development particularly in the Arab region must be closely monitored, as it may have unforeseeable effects on the global economy and the oilfield service industry.

According to IEA forecasts of February 2011, average global demand for oil in 2011 will be 89.3 million barrels per day, representing an increase of 1.7 % compared with 2010. Rebounding demand for oil and gas is the driving force behind increased exploration and production spending. Analysts predict that 2011 will see global capital expenditure in the sector to go up by 11 % from 2010 to USD 490 billion.

For 2011, Schoeller-Bleckmann Oilfield Equipment AG anticipates business performance to remain positive, given a stable global economic development. However, at the beginning of 2011 there are still overcapacities in the market, and some of SBO's customers have not yet fully drawn down their inventories.

As the global market leader in high-precision components for the oilfield service industry Schoeller-Bleckmann Oilfield Equipment AG is perfectly prepared to make full use of a new cyclical upswing. The rapid recovery of the industry cycle in fiscal 2010 after the decline seen in 2009 confirms the long-term tendency within the industry. Declining production rates of existing oil fields and the increasingly challenging and complex search for new oil reservoirs will remain stable drivers of growth in demand for products of Schoeller-Bleckmann Oilfield Equipment AG.

Key financial figures:

	2010	2009	Change in %
Sales MEUR	307.7	251.6	+ 22.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA) MEUR	85.1	61.5	+ 38.4
EBITDA margin %	27.6	24.4	-
Earnings before interest and taxes (EBIT) MEUR	49.4	28.2	+ 74.8
EBIT margin %	16.0	11.2	-
Profit before tax MEUR	42.9	23.5	+ 82.7
Cash-flow from profit MEUR	64.9	49.9	+ 29.9
Earnings per share EUR	1.71	0.96	+ 78.1
Dividend per share EUR	1.00*	0.50	+ 100.0
Headcount Number	1275	1056	+ 20.7

* proposed

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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. As of 31 December 2010, SBO has employed a workforce of 1275 worldwide (31 December 2009: 1056), thereof 370 in Ternitz/Austria and 564 in North America (including Mexico).

SBO financial calendar 2011

28 April 2011 Annual General Meeting
12 May 2011 Ex-dividend day, dividend payment date
18 May 2011 Result Q1 / 2011
18 August 2011 Result H1 / 2011
16 November 2011 Result Q3 / 2011

Further inquiry note:

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