

## **EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG / Schoeller-Bleckmann Oilfield Equipment AG announces results of the first three quarters of 2010: Clear increase of all key financial figures - Steep rise in bookings**

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Ternitz/Vienna, 17 November 2010. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed on the ATX market of the Vienna Stock Exchange, clearly improved all relevant financial figures compared to the first nine months of the previous year against the background of a friendly business environment. Compared to the same period a year before, aggregate sales in the first three quarters of 2010 rose by 14.0 % to MEUR 215.2. Bookings in the first nine months of 2010 significantly increased by 249 % to MEUR 260.2, following MEUR 74.5 in the previous year.

"Due to the sustained positive development of the market environment in the oilfield service industry SBO has posted constantly rising sales and profit figures over the year. The third quarter of 2010 ended as the best quarter since the slump of the industry in 2009", comments Gerald Grohmann, CEO of Schoeller-Bleckmann Oilfield Equipment AG, on the favourable business development.

Increasing sales figures allowed for improved fixed cost coverage and, with it, substantial profit improvement. Earnings before interest and tax (EBIT) generated in the first nine months of 2010 stood at MEUR 30.3, substantially outperforming the same period of the year before (MEUR 23.6). The EBIT margin of the first nine months of 2010 was 14.1 % (following 12.5 % in the first nine months of 2009). Profit before tax in the first nine months of 2010 also improved significantly by 33.6 % from MEUR 19.4 to MEUR 25.9. As a result, profit after tax in the first nine months of 2010 climbed to MEUR 17.4 (following MEUR 13.6) and the nine-month earnings per share improved by 28.1 % to EUR 1.09 (following EUR 0.85).

A comparison of the second quarter of 2010 with the third quarter of 2010 provides more evidence of the obvious upturn: Sales improved by 18.4 % from MEUR 74.0 to MEUR 87.6, earnings before interest and tax (EBIT) by 72.6 % from MEUR 9.3 to MEUR 16.1. The quarterly profit before tax almost doubled from MEUR 7.9 to MEUR 14.4. Bookings also improved by 14.2 % from MEUR 82.3 to MEUR 94.0.

"At the end of the day, the incident in the Gulf of Mexico, the Macondo oil spill, had no major effect on SBO. As expected, the decline in drilling activities there resulted in compensatory exploration drilling in other regions and onshore, particularly in the USA", explains Gerald Grohmann.

The considerably improved order situation required personnel upsizing by 138 to now 1,194 employees since the beginning of 2010. In part, SBO could re-hire skilled workers who had to be dismissed during the industry's crisis in 2009.

SBO's equity capital went from MEUR 229.8 at year-end 2009 to MEUR 252.1 as of 30 September 2010. Net debt was reduced to MEUR 10.5 (following MEUR 46.5 at the end of 2009). Before the acquisition of DSI (1 October 2010) the gearing ratio was 4.2 % as of end of September.

With the acquisition of DSI (Dubai), the launch of the new production site in Vietnam and the distribution centre in Brazil, SBO started to operate three new sites and extended its global presence within approximately two years. Additionally, SBO's subsidiary Knust has started to establish a new production site in Singapore. This new location is to cover the growing market for SBO-Knust products in the Far East (chassis/internals). Delivery of the first machinery for this greenfield project is scheduled for the first half of 2011.

### Outlook

The positive environment observed in the past months in the oilfield service industry should continue in the months ahead if global economic development remains stable. Additionally, the robust oil price is a sound pillar for the

industry's progress.

Due to the sustained favourable market development SBO expects to end fiscal 2010 with substantially better results than last year.

Comparison of key figures in MEUR

	1-9/2010	1-9/2009	Change
Sales	215.2	188.7	+14.0 %
EBIT	30.3	23.6	+28.5 %
EBIT margin (%)	14.1	12.5	
Profit before tax	25.9	19.4	+33.6 %
Profit after tax	17.4	13.6	+28.5 %
EPS in EUR *	1.09	0.85	+28.1 %
Headcount **	1194	1063	+12.3 %

\* based on average number of shares outstanding

\*\* reporting date September 30.

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 30 September 2010, SBO has employed a global workforce of 1194 (31 December 2009: 1056), thereof 371 in Ternitz/Austria and 517 in North America (including Mexico).

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