

EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG: Significant profit improvement in 2011 - Dividend proposal EUR 1.20 following EUR 1.00 - Major investment programme adopted for Ternitz site

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Ternitz/Vienna, 8 March 2012. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed on the ATX market of the Vienna Stock Exchange, in fiscal 2011 seamlessly followed on the sound upwards development of the preceding financial year. Bookings, consolidated sales, EBITDA and EBIT not only significantly exceeded last year's levels, but also the relevant figures in the former record year 2008.

Growing by 28.4 % to MEUR 460.5 (following MEUR 358.6 in 2010) bookings climbed to a new high in 2011. Consolidated sales generated in 2011 went to MEUR 408.6, up 32.8 % (MEUR 307.7) from 2010.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of MEUR 125.0 were 46.9 % above previous year's MEUR 85.1. Earnings before interest and taxes (EBIT) arrived at MEUR 90.2, increasing by 82.7 % from MEUR 49.4 in 2010. The 2011 EBITDA margin grew from 27.6 % to 30.6 %, the EBIT margin from 16.0 % to 22.1 %. Annual profit after tax arrived at MEUR 53.4, up 95.5 % from MEUR 27.3 in 2010.

Due to the strong result, the Executive Board will propose to the forthcoming Annual General Meeting a dividend increase to EUR 1.20 (following EUR 1.00) per share for fiscal 2011. Based on the current share price, this represents a dividend yield of approximately 1.8 %.

Market development 2011

Given the growing demand for oil and gas, the oilfield service industry remained largely unaffected by the global economic slowdown in 2011. Oil demand in the emerging markets more than offset the declining demand in OECD countries. Additionally, oil companies ramped up their spending for developing new oil and gas reservoirs in 2011. Also, the global rig count, the parameter of globally active drilling rigs, grew by 12 % from December 2010 to December 2011.

Business performance 2011

Growing order volumes resulted in constantly increasing capacity utilisation in the course of the year. Strong bookings were recorded essentially in all segments of SBO. While the order backlog had been MEUR 137.1 in mid-2011, it was climbing to MEUR 176.4 (up 34.8 % from year-end 2010) at the end of the year, reaching far into the first half of 2012. The rising order volume was accommodated in 2011 by personnel upsizing, expanding shift operations, and additional overtime.

In the segment of high-precision components, SBO benefited from its global market leadership and growth in directional drilling.

As for high-performance drilling motors, SBO's subsidiary BICO continued to expand market leadership through the new high-performance drilling motor "Spiro Star Supreme". Moreover, very strong demand for drilling motors was generally seen in North America as a result of growing shale drilling activities.

Knust-SBO Far East in Singapore started operations in December 2011 as planned. Like SBO's subsidiary in Vietnam, which went operational in 2010, the company will cover the growing local demand for SBO products in the Far East.

Outlook 2012

According to forecasts of OPEC and the International Energy Agency (IEA), oil demand from the emerging markets will result in further growth of global oil consumption in 2012.

This is why Schoeller-Bleckmann Oilfield Equipment AG generally expects to see a positive industry development also in 2012, following the sound development in 2011.

Due to the low gas price in the United States SBO expects the rig count to remain at a stable level there, if the decreasing number of gas wells continues to be offset by growing oil drilling activity. Internationally, notably the rising numbers of deepwater drilling projects should have a positive effect on drilling activity, for instance in the North Sea, Brazil or West Africa.

At the same time, however, SBO is also aware of the cyclical uncertainties that might have repercussions on the oilfield service industry above all in the emerging markets, if a sustained economic slowdown should set in. However, Schoeller-Bleckmann Oilfield Equipment AG currently does not consider this scenario as the most likely one to occur. Low OPEC spare capacity and the robust oil consumption expected for 2012 should have a continued positive effect on oil drilling activity.

The long-term growth tendency for the oilfield service industry is beyond any doubt, as was again evidenced by the favourable development of the industry in 2011. While global demand for energy is constantly growing, production rates of existing oilfields are declining. Development of new oil and gas reservoirs requires increasingly challenging technological efforts. This fact has been, and will be, the driving force behind the growth of Schoeller-Bleckmann Oilfield Equipment AG in the years ahead.

New major investment to be implemented at Ternitz site

Due to the positive market prospects SBO's executive board has decided to implement a new large-scale investment programme for the Ternitz site. The investment volume of approximately EUR 54 will be spent on building a new machining centre for non-magnetic oilfield service drillstring components. The investment is scheduled for staged implementation over a period of about two years.

"The positive demand and market assessment of our customers prompts us to take this investment decision. This programme is the prerequisite of further growing our core business", says Gerald Grohmann, CEO of SBO. The new production facility will also help to unbundle the existing plants at the site in Ternitz, which no longer meet the growing demands in terms of material flow and logistics. The large-scale project will be financed primarily from the company's cash-flow.

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Key financial figures:	2011	2010	Change in %
Sales MEUR	408.6	307.7	+ 32.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA) MEUR	125.0	85.1	+ 46.9
EBITDA margin %	30.6	27.6	-
Earnings before interest and taxes (EBIT) MEUR	90.2	49.4	+ 82.7
EBIT margin %	22.1	16.0	-
Profit before tax MEUR	78.2	42.9	+ 82.5
Profit after tax MEUR	53.4	27.3	+ 95.5
Cash-flow from profit MEUR	91.7	64.9	+ 41.3
Earnings per share EUR	3.33	1.71	+ 94.4
Dividend per share EUR	1.20*	1.00	+ 20.0
Headcount Number	1,459	1,275	+ 14.4

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* 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 2011, SBO has employed a workforce of 1459 worldwide (31 December 2010: 1275), thereof 412 in Ternitz/Austria and 635 in North America (including Mexico).

SBO financial calendar 2012

25 April 2012 - Annual General Meeting

9 May 2012 - Ex-dividend day, dividend payment date

23 May 2012 - Result Q1 / 2012

22 August 2012 - Result H1 / 2012

21 November 2012 - Result Q3 / 2012

Further inquiry note:

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