

## **FOR IMMEDIATE RELEASE**

### **SBS TECHNOLOGIES, INC. REPORTS THIRD QUARTER RESULTS**

#### **Third Quarter Sales Increased 62% and Net Income Increased 49% Compared To Prior Year**

**Albuquerque, NM – April 17, 2001** – SBS Technologies, Inc. (**Nasdaq: SBSE**), a leading designer and manufacturer of embedded computer solutions for the telecommunications infrastructure, commercial and aerospace markets, today announced the results of its fiscal year 2001 third quarter and nine months ended March 31, 2001.

Sales for the third quarter were \$48.5 million, a 62% increase over the \$29.9 million in sales for the third quarter of the prior fiscal year, and a 1% decline compared to the \$49.1 million in sales for the second quarter of the current fiscal year. Net income for the quarter ended March 31, 2001 was \$4.4 million, a 49% increase over the \$2.9 million reported net income for the third quarter of the prior fiscal year, and a 12% decline compared to the \$4.9 million reported net income for the second quarter of the current fiscal year. Net income per common share – assuming dilution increased 38% to \$0.29, compared to \$0.21 reported for the third quarter of fiscal 2000. On a sequential basis, net income per common share – assuming dilution decreased slightly from \$0.32 reported for the preceding quarter.

Sales for the nine months ended March 31, 2001 were \$141.3 million, a 56% increase over the \$90.3 million in sales for the nine months ended March 31, 2000. Net income for the nine months ended March 31, 2001 was \$13.6 million, an increase of 36% over the \$10.0 million for the nine months of the prior fiscal year. Net income per common share – assuming dilution for the nine months ended March 31, 2001 was \$0.90, compared to \$0.75 for the first nine months of the prior fiscal year.

“We are pleased with our third quarter financial results, as the company continued to perform well during turbulent market conditions. Our broad product line and diverse customer base has again proven to be a real asset. All three of our operating segments experienced good sales growth compared to last year’s third quarter. Although sales from our Communications Group were impacted by a slowdown from several telecommunications infrastructure customers, sales for this segment increased 109% over the third quarter of last year. We enjoyed excellent growth from our Computer Group, as sales increased 40% over the prior year third quarter, with good growth from all product lines. In addition, sales from our Aerospace Group increased 17% compared to last year’s third quarter. New order bookings exceeded quarterly sales for the seventh consecutive quarter. Although we did remove a \$5.1 million order from our backlog that was booked during the last fiscal year from one of our industrial customers, we ended the third quarter with a solid \$66 million in total backlog,” said Grahame Rance, President and Chief Executive Officer of SBS Technologies.

“During the quarter we achieved 13 design wins, 7 by our Communications Group, 5 by our Computer Group, and 1 by our Aerospace Group. I believe the company continues to be extremely strong and well positioned within its markets,” Rance said.

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#### **BUSINESS OUTLOOK**

*The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements do not include the potential impact of any business sales, mergers or acquisitions that may be completed after March 31, 2001.*

“The majority of our year-to-date growth compared to last year is due to our OEM production business with telecommunications infrastructure customers. We continue to be concerned about the slowing of the telecommunications portion of our market and how this slowing may affect the near-term growth of our company. As a result, we remain cautious concerning the balance of this fiscal year. Currently, we expect sales for the quarter ending June 30, 2001 to be in the range of \$44 million to \$47 million, and net income per common share – assuming dilution to be between \$0.23 and \$0.27. This represents approximately a 20% increase in sales and earnings compared to the fourth quarter of last fiscal year. We will update this guidance as appropriate,” Rance said.

“I believe our long term outlook remains favorable. Our customers’ pressures on time-to-market and their trend toward outsourcing will continue. We provide the solutions that meet these needs. Our strategy is to maximize our opportunities by focusing on scalable product lines and OEM production business. We plan to supplement our current capabilities with both internal development and business acquisitions,” Rance said.

SBS will host a conference call to discuss further the results of the quarter at 4:45 p.m. Eastern Time, Tuesday, April 17, 2001. To access the call, dial toll-free (888) 282-8354, or international dial (712) 257-3772. The passcode for the conference call is “SBS.” The call will also be webcast live, and later archived, from the Investor Relations section of the SBS web site at <http://www.sbs.com>. An audio replay of the call is available by dialing (800) 925-3831. There is no passcode for the replay. The replay will be available following the conclusion of the call through May 15, 2001.

#### **ABOUT SBS TECHNOLOGIES, INC.**

SBS Technologies, Inc. (Nasdaq: SBSE) is a leading designer and manufacturer of open-architecture, standard bus embedded computer components that enable system designers to create custom solutions specific to a unique application. SBS embedded computer components are used by original equipment manufacturers (OEMs) in applications such as telecommunications base stations, routers, and optical networking equipment in the build-out of the telecommunications infrastructure; medical electronics; industrial automation and control equipment; and, aerospace devices. SBS product lines include CPU boards, Wide Area Network (WAN) input/output (I/O) modules, general-purpose I/O modules, avionics modules and analyzers, computer interconnection and expansion units, and complete computer systems.

This release contains forward-looking statements regarding future events or the future financial performance of SBS that are subject to a number of risks and other factors which could cause the actual results to differ materially from those contained in the forward-looking statements. Among these factors are: business and economic conditions generally; a high degree of uncertainty and rapid change in the markets addressed by SBS’ products; customer acceptance of and demand for SBS’ products; SBS’ ability to design, test and introduce new products on a timely basis; and the risk factors listed in SBS’ Form 10-K for the year ended June 30, 2000 filed with the Securities and Exchange Commission on September 22, 2000.

#### **TABLES TO FOLLOW**

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Contact: Jennifer D. Wade  
Manager, Investor Relations  
Tel. (505) 875-0600  
Fax. (505) 875-0404  
email: [jwade@sbs.com](mailto:jwade@sbs.com)

**SBS Technologies, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**(Unaudited)**

<u>Assets</u>	<u>March 31, 2001</u>	<u>June 30, 2000</u>
Current assets:		
Cash and cash equivalents	\$ 2,562,396	3,595,078
Receivables, net	32,763,938	29,164,257
Inventories	48,063,345	30,492,779
Deferred income taxes	4,987,666	5,185,853
Income tax receivable	1,774,583	1,022,215
Prepaid expenses	1,196,410	856,399
Other current assets	65,971	431,776
Total current assets	<u>91,414,309</u>	<u>70,748,357</u>
Property and equipment, net	10,229,640	7,320,222
Intangible assets, net	47,689,492	54,961,154
Other assets	617,413	130,524
Total assets	<u>\$ 149,950,854</u>	<u>133,160,257</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Notes payable	\$ 9,500,000	20,000,000
Accounts payable	6,480,226	5,556,479
Accrued representative commissions	695,717	652,397
Accrued salaries	3,007,777	3,171,690
Accrued compensated absences	1,354,440	1,229,307
Other current liabilities	2,458,723	2,603,812
Total current liabilities	<u>23,496,883</u>	<u>33,213,685</u>
Deferred income taxes	434,017	932,809
Total liabilities	<u>23,930,900</u>	<u>34,146,494</u>
Stockholders' equity:		
Common stock, no par value; 200,000,000 shares authorized, 14,162,026 issued and outstanding at March 31, 2001, 13,302,144 issued and outstanding at June 30, 2000	80,687,944	65,384,516
Unearned compensation	(499,219)	-
Accumulated other comprehensive loss	(5,414,006)	(3,967,584)
Retained earnings	51,245,235	37,596,831
Total stockholders' equity	<u>126,019,954</u>	<u>99,013,763</u>
Total liabilities and stockholders' equity	<u>\$ 149,950,854</u>	<u>133,160,257</u>

**SBS Technologies, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	Nine Months Ended March 31		Three Months Ended March 31	
	2001	2000	2001	2000
Sales	\$ 141,284,944	90,341,358	48,490,181	29,888,637
Cost of sales	<u>74,171,601</u>	<u>42,064,813</u>	<u>25,862,695</u>	<u>14,314,636</u>
Gross Profit	67,113,343	48,276,545	22,627,486	15,574,001
Selling, general and administrative expense	24,302,130	18,713,659	8,261,862	6,451,485
Research and development expense	15,004,794	11,241,327	5,077,567	3,703,181
Amortization of intangible assets	<u>5,832,347</u>	<u>3,307,502</u>	<u>1,935,742</u>	<u>1,085,746</u>
Operating income	<u>21,974,072</u>	<u>15,014,057</u>	<u>7,352,315</u>	<u>4,333,589</u>
Interest income (expense), net	(653,017)	272,485	(109,486)	97,698
Foreign exchange losses	<u>(140,176)</u>	<u>(92,359)</u>	<u>(76,936)</u>	<u>(62,377)</u>
	<u>(793,193)</u>	<u>180,126</u>	<u>(186,422)</u>	<u>35,321</u>
Income before income taxes	21,180,879	15,194,183	7,165,893	4,368,910
Income taxes	<u>7,532,475</u>	<u>5,180,170</u>	<u>2,792,445</u>	<u>1,429,877</u>
Net income	<u>\$ 13,648,404</u>	<u>10,014,013</u>	<u>4,373,448</u>	<u>2,939,033</u>
Net income per common share	\$ <u>0.99</u>	<u>0.82</u>	<u>0.31</u>	<u>0.23</u>
Net income per common share - assuming dilution	\$ <u>0.90</u>	<u>0.75</u>	<u>0.29</u>	<u>0.21</u>