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SBE Inc. (dba SB Electronics) announces preliminary results for the 2004 year. Sales increased 35% and exciting New Technology was introduced.

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Barre, Vermont: SBE Inc (dba S B Electronics) announced today the results of their 2004 Fiscal Year. The company posted growth of 35% for the year, \$2,802,000 vs. 2003, launched an exciting New Technology during the year, and beat internal projections of cash flow.

4th quarter sales were \$776,000 up 47% over the same period in 2003 and up 8% over the 3rd quarter of 2004. The company recorded its 16th consecutive month of increased monthly sales in December of 2004. Preliminary Net Income for the Fiscal Year of 2004 was a loss (\$43,268) vs. (\$108,000) for the Fiscal Year 2003. The final Net Income will be available in March of 2005. Increases in Operating Margins helped reduce the loss for the year. The loss was expected but less than projected. Better than expected sales growth; raw material cost reductions; and lower G S & A expenses contributed to the improved results.

Growth is occurring across the industry but major contributors include Taser International and Motorola, our Contract Manufacturing customers, and our international customers (which are up over 50%). Shipments to Taser International continued to grow, month over month, for every month of 2004.

The company filed 2 new provisional patents during 2004 as a result of our R & D efforts. One of the filings, for the innovative Power Ring™, has generated significant and immediate market interest. The technology will be featured in the company's 2005 marketing and sales efforts and is expected to add greatly to our growth over the next few years.

During 2004, SBE had a very successful capital raising effort providing the needed resources to fund our exciting growth and new technology. Investments came from Angel Investors from around New England as well as from VEDA (Vermont Economic Development Agency). VEDA's investment in SBE was the first ever investment into a company from the Vermont Jobs fund in 2004.

SBE has added many new employees over the past 12 months. These new jobs have been in all areas of the company: technical, production, and office/administration. The company continues to look for additional skilled people to keep up with the market demand.

The company has been investing in new technology development and winning product design-ins at new and existing customers. This strategy has allowed SBE to continue a transformation from high volume commodity supplier of capacitors into a leading supplier of application solutions in the energy and power electronics industry using its capacitor products and proprietary technology. This process started in the late 1990s and has become more and more successful in the past few years. In an industry known for continuous price pressures, SBE has been able to maintain, and even increase, our prices due to a superior "solution value equation".

SBE Inc. designs and manufactures Capacitors and Capacitor Assemblies for the Electrical and Electronics Industries from its facilities in Barre, Vermont. Originally a Sprague Electric Plant, SBE has been a leader in the Film Capacitor market for over 50 years producing over a Billion Capacitors over the years in the Barre facility. The company continues to produce many of its industry leading standard Orange Drop® products while developing exciting new technology in the field of High Energy, Pulse, and High Voltage Capacitors. More information is available at our website www.sbelectronics.com.

Certain statements contained in this release contain forward looking statements which are not to be considered a projection of future improvements in the company's financial position or increased value in the company's stock valuation.