



## **SBE, Inc.**

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## **SBE, Inc. Reports on its 2005 Year End Results and its Most Recent Update on New Technology Developments**

### **May 31, 2006 – For immediate release**

**Barre, Vermont:** Today, May 31, 2006, SBE Inc. (dba S B Electronics) is announcing its results for its 2005 Fiscal Year. Sales for the period were \$2,693,000, a 4% decrease from FY2004. Reduction of Taser International shipments during 2005 was significantly larger than the overall decrease in yearly sales of \$109,000. The remaining business increased, but not enough to fully overcome the Taser decrease. Taser's business slowdown is well documented on its web site [www.taser.com](http://www.taser.com).

The company posted significant losses during the FY 2005 primarily due to investments in its new Power Ring technology and market development. These efforts have been extremely successful but we do not expect for some time sufficient revenue to offset development expenses. Because of competitive concerns while this technology is being developed, the Board has elected to end public disclosure of its P & L. Information is available to interested investors by contacting Edward Sawyer, President & CEO.

Audit of SBE's 2005 financials has been completed. The audit found no material discrepancies of any published consolidated company financials.

Because of significant capital needs to fund the Power Ring™ technology, SBE is currently raising additional funds by selling Series B Preferred Stock to qualified investors. A full information package is available to any interested investors.

#### Technology updates:

Interest in the company's technology is increasing. The pulse patent technology has wide use and application. Numerous dialogs and design-in activity are resulting from the market exposure of this important pulse enhancing improvement to film capacitors. The company expects it to fuel growth for the future across all of its product lines, including the new Power Ring.

Updates on the Power Ring: the Hybrid and Fuel Cell Transportation market is extremely interested in the improvements in performance and space efficiency that the technology brings to designers. GM has taken delivery of the first Power Ring capacitors for inclusion in their latest Fuel Cell concept vehicle. Many other dialogs and design-in activity are on-going with key players in this exciting market. Market research was conducted in this very important sector a copy of which can be made available to interested investors. Further announcements will be made during the year as they occur.

It is exciting to see how many other markets are expressing interest in the Power Ring technical advantages. Laser, Medical, Avionics, and Scientific applications are all being addressed. Numerous orders have been placed by interested customers as they experiment with "the Leading Edge of Film Capacitor Technology". The outlook for growth is very positive.

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 more than two billion capacitors in the facility. The company continues to produce many of its widely-recognized Orange Drop® products while developing exciting LEADING EDGE TECHNOLOGY in the field of High Energy, Pulse Current, and High Voltage capacitors.

For more information, contact Ed Sawyer, President & CEO, at [edsawyer@sbelectronics.com](mailto:edsawyer@sbelectronics.com) or visit our website at: [www.sbelectronics.com](http://www.sbelectronics.com).

This Press Release contains forward looking statements and should not be relied upon for any investment decisions. Investments in any security of SBE Inc. should only be made based on information contained in the company's Private Placement Memorandum and financial information or other information supplied directly by the company.