UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

Commission File Number 1-10981

SBS Technologies, Inc.

(Exact name of Registrant as Specified in its Charter)

New Mexico	**85-0359415**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

2400 Louisiana Blvd. NE AFC Building 5, Suite 600
Albuquerque, New Mexico 87110

(Address of Principal Executive Offices including Zip Code)

(505) 875-0600

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES [✓] NO [_]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
YES [✓] NO [_]

The total number of shares outstanding of the registrant's Common Stock as of April 30, 2005 was 15,639,679.

SBS Technologies, Inc. and Subsidiaries
Form 10-Q for the Quarter Ended March 31, 2005
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FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements with respect to the financial condition, results of operations, and business of SBS Technologies, Inc. and subsidiaries (referred to variously as “SBS”, “we”, “us” and “our”). You may find many of these statements by looking for words like “intends,” “expects,” “projects,” “believes,” “anticipates” or similar expressions in this Form 10-Q. We consider all statements regarding anticipated or future matters, including the following, to be forward-looking statements:

- statements about future events and our future financial performance, including delays in production from government programs as a result of the timing of follow-on orders;
- expected sales and gross margin, including the continuation of the business conditions we experienced in the third quarter;
- financing plans and expectations of internally-generated cash flows, including cash flows from employee stock option exercises;
- new product introductions, including increasing our intellectual property;
- growth of the markets we serve;
- business strategy and competitive position;
- plans and objectives of management for future operations;
- growth opportunities for existing products and services; and
- benefits from new technology.

These statements are not guarantees of our future performance. They are based upon our assumptions and assessments only on the date we made them and in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors we believe to be appropriate. Our assumptions and assessments include the volume and product mix of sales, estimates of costs, inventory and receivable levels based on preliminary information, and others. Risks, uncertainties, and other important factors could cause actual performance or achievements to be materially different from those we may project. These risks, uncertainties, and factors include:

- general business and economic conditions affecting our customers and their end customers, may be less favorable than we expect, resulting in lower sales and earnings;
- a high degree of uncertainty and rapid change in the markets addressed by our products, which may affect the timing and amount of future sales levels or cause the market value of our inventory to decline, resulting in reduced gross profit levels;
- customer demand for and acceptance of our products, which may be less than we expect, which may decrease both sales and margins;
- our ability to design, test, and introduce new products on a timely basis, which if not timely, may decrease both sales and margins;
- changes in foreign currency exchange rates, which could impact our financial results;
- changes in U.S. and foreign laws and regulations, which could result in increased costs, lowered sales, or reduced earnings; and
- the other risk factors listed under “Risk Factors” included in SBS’ Annual Report on Form 10-K for the year ended June 30, 2004.

Many of the factors that will determine these items are beyond our ability to control or predict. We caution you not to place undue reliance on our forward-looking statements, which speak only as of the date of this Form 10-Q. We do not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

SBS Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets
Thousands (except share amounts)
(Unaudited)

		March 31, 2005	June 30, 2004
Assets			
Current assets:			
Cash and cash equivalents	$	55,014	47,943
Receivables, net		23,575	23,776
Inventories		26,930	26,249
Income taxes receivable		--	983
Deferred income taxes		1,346	1,351
Prepaid expenses		1,905	1,573
Other current assets		1,106	332
Total current assets		109,876	102,207
Property and equipment, net		7,795	7,979
Goodwill		17,934	16,734
Intangible assets, net		3,564	4,764
Deferred income taxes		13,430	13,173
Other assets		349	279
Total assets	$	152,948	145,136
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	$	3,559	6,854
Accrued representative commissions		662	889
Income taxes payable		2,065	--
Accrued compensation		5,313	4,893
Accrued severance and consolidation costs		541	870
Other current liabilities		2,697	1,986
Total current liabilities		14,837	15,492
Other long-term liabilities		12	17
Total liabilities		14,849	15,509
Stockholders' equity:			
Common stock, no par value; 200,000,000 shares authorized; 15,642,929 issued and outstanding at March 31, 2005, 15,496,949 issued and outstanding at June 30, 2004		98,337	96,601
Unearned compensation		(146)	(29)
Accumulated other comprehensive income		5,087	1,891
Retained earnings		34,821	31,164
Total stockholders' equity		138,099	129,627
Total liabilities and stockholders' equity	$	152,948	145,136

See accompanying notes to condensed consolidated financial statements

SBS Technologies, Inc. and Subsidiaries
Consolidated Statements of Operations
Thousands (except per share amounts)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
Sales	$ 37,334	36,592	114,464	95,672
Cost of sales	21,465	18,888	63,544	49,001
Gross profit	15,869	17,704	50,920	46,671
Selling, general and administrative expense	8,900	8,307	26,044	23,924
Research and development expense	6,556	5,471	18,163	15,029
Employee severance and consolidation costs	--	165	--	2,495
Amortization of intangible assets	439	538	1,407	1,638
Operating income (loss)	(26)	3,223	5,306	3,585
Interest and other income, net	265	95	610	541
Foreign exchange gains (losses)	159	(38)	(285)	(320)
	424	57	325	221
Income before income taxes	398	3,280	5,631	3,806
Income tax expense	142	1,148	1,974	1,332
Net income	$ 256	2,132	3,657	2,474
Earnings per share data:				
Net income per share	$ 0.02	0.14	0.24	0.16
Net income per share - assuming dilution	$ 0.02	0.14	0.23	0.16
Weighted average shares outstanding used in net income per share computation	15,587	15,162	15,541	15,083
Weighted average shares outstanding used in net income per share - assuming dilution computation	15,763	15,581	15,732	15,369

See accompanying notes to condensed consolidated financial statements

SBS Technologies, Inc. and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity
For Nine Months Ended March 31, 2005
Thousands (except share amounts)
(Unaudited)

	Common stock Shares	Common stock Amount	Unearned compen-sation	Accumulated other compre-hensive income	Retained earnings	Total stock-holders' equity	Compre-hensive income
Balances at June 30, 2004	15,496,949	$ 96,601	(29)	1,891	31,164	129,627	
Exercise of stock options	139,730	1,345	--	--	--	1,345	
Stock-based compensation	--	--	131	--	--	131	
Restricted stock awards issued to directors	6,250	248	(248)	--	--	--	
Income tax benefit from stock option exercises	--	143	--	--	--	143	
Net income	--	--	--	--	3,657	3,657	$ 3,657
Other comprehensive income:							
Foreign currency translation adjustments	--	--	--	3,196	--	3,196	3,196
Comprehensive income							$ 6,853
Balances at March 31, 2005	15,642,929	$ 98,337	(146)	5,087	34,821	138,099	

See accompanying notes to condensed consolidated financial statements

SBS Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Thousands
(Unaudited)

	Nine months ended March 31, 2005	2004
Cash flows from operating activities:		
Net income	$ 3,657	2,474
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,338	4,601
Bad debt expense	69	17
Deferred income taxes	(122)	455
Income tax benefit from stock option exercises	143	237
(Gain) loss on disposition of assets	(7)	3
Non-cash compensation	--	80
Foreign exchange (gains) losses	285	320
Stock-based compensation	131	95
Changes in assets and liabilities:		
Receivables	655	(579)
Inventories	71	(9,734)
Income taxes	3,019	1,624
Prepaid expenses and other	(1,160)	(304)
Accounts payable	(3,720)	1,072
Accrued representative commissions	(249)	328
Accrued compensation	322	(638)
Accrued severance and consolidation costs	(329)	796
Other liabilities	691	(815)
Net cash provided by operating activities	7,794	32
Cash flows from investing activities:		
Acquisition of property and equipment	(2,596)	(2,373)
Purchase of license agreement	(27)	--
Other	--	104
Net cash used by investing activities	(2,623)	(2,269)
Cash flows from financing activities:		
Proceeds from exercise of stock options	1,345	2,330
Net cash provided by financing activities	1,345	2,330
Effect of exchange rate changes on cash	555	268
Net change in cash and cash equivalents	7,071	361
Cash and cash equivalents at beginning of period	47,943	37,130
Cash and cash equivalents at end of period	$ 55,014	37,491
Supplemental disclosure of cash flow information:		
Income taxes received, net	$ 113	118

See accompanying notes to condensed consolidated financial statements

1) Summary of Significant Accounting Policies

The accounting policies as set forth in SBS Technologies, Inc.'s (SBS or the Company) Annual Report on Form 10-K for the year ended June 30, 2004 have been adhered to in preparing the accompanying interim condensed consolidated financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. Actual results could differ from these estimates. These statements are unaudited but include all adjustments, consisting of normal recurring adjustments, that SBS considers necessary for a fair presentation of the financial position, results of operations, and cash flows for such interim periods. Results for such interim periods are not necessarily indicative of results for the full fiscal year 2005 or any other future periods.

Stock Based Compensation

The Company applies the intrinsic-value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations, to account for its fixed-plan stock options. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. Substantially all stock-based compensation reflected in reported net income relates to restricted stock award grants to members of the Company's Board of Directors, as all employee stock options granted under the Company's stock option plans had an exercise price equal to the market value of the underlying common stock on the grant date. Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. As permitted by SFAS 123, the Company has elected to continue to apply the intrinsic-value-based method of accounting described above and has adopted only the disclosure requirements of SFAS 123. The following table illustrates the effect on net income and net income per common share if the Company had applied the fair value recognition provisions of SFAS 123 to stock-based employee compensation.

	Three Months Ended March 31,		Nine Months Ended March 31,	
Thousands (except per share amounts)	**2005**	**2004**	**2005**	**2004**
Net income, as reported	$ 256	$ 2,132	$ 3,657	$ 2,474
Stock-based compensation, net of tax effects:				
Add: compensation included in reported net income	38	21	80	58
Deduct: compensation determined under fair value method	(878)	(590)	(1,940)	(1,202)
Pro forma net income (loss)	$ (584)	$ 1,563	$ 1,797	$ 1,330
Net income per common share - as reported	$ 0.02	$ 0.14	$ 0.24	$ 0.16
Net income (loss) per common share - pro forma	$ (0.04)	$ 0.10	$ 0.12	$ 0.09
Net income per common share assuming dilution - as reported	$ 0.02	$ 0.14	$ 0.23	$ 0.16
Net income (loss) per common share assuming dilution - pro forma	$ (0.04)	$ 0.10	$ 0.11	$ 0.09

On April 21, 2005, in response to SFAS No. 123 (Revised 2004), *Share Based Payment*, issued in December 2004, the Board of Directors of SBS approved the acceleration of the vesting of all outstanding unvested stock options with an exercise price greater than $9.22 (the Acceleration). The Acceleration was effective on April 21, 2005, and resulted in the immediate vesting of 1,299,258 stock options. Under APB 25, the Acceleration will not result in recognition of stock-based compensation expense because the exercise price for all stock options subject to the Acceleration was in excess of the then current market price.

2) Receivables, net

Receivables, net consist of the following:

Thousands		March 31, 2005	June 30, 2004
Accounts receivable	$	23,918	24,335
Less allowance for doubtful accounts		(343)	(559)
	$	23,575	23,776

3) Inventories

Inventories consist of the following:

Thousands		March 31, 2005	June 30, 2004
Raw materials	$	12,870	11,444
Work in process		3,672	6,596
Finished goods		10,388	8,209
	$	26,930	26,249

4) Goodwill and Intangible Assets

The Company completed the required annual goodwill impairment analysis for the fiscal year ended June 30, 2004, as of April 1, 2004, and the estimated fair value of goodwill was determined to be in excess of its carrying value, indicating the underlying goodwill was not impaired at that date.

Changes in the carrying amount of goodwill for the nine months ended March 31, 2005 are as follows:

	Total Goodwill by Operating Segment					
Thousands		Americas	Europe		Total
Balance at June 30, 2004	$	3,416	13,318	$	16,734
Foreign currency translation adjustments		312	888		1,200
Balance at March 31, 2005	$	3,728	14,206	$	17,934

The following table discloses information regarding the carrying amounts and associated accumulated amortization for intangible assets subject to amortization.

Amortized Intangible Assets

Thousands	Estimated useful life	Gross carrying amount	Accumulated amortization	Net carrying amount
As of March 31, 2005				
Core developed technology	2 - 7 yrs	$ 9,826	7,525	2,301
License agreements	2 - 5 yrs	2,452	2,226	226
Covenant not to compete	3 - 5 yrs	2,988	2,125	863
Other intangibles	8 - 17 yrs	377	203	174
Total		$ 15,643	12,079	3,564
As of June 30, 2004				
Core developed technology	2 - 7 yrs	$ 9,724	6,767	2,957
License agreements	2 - 5 yrs	2,425	1,781	644
Covenant not to compete	3 - 5 yrs	2,852	1,890	962
Other intangibles	8 - 17 yrs	368	167	201
Total		$ 15,369	10,605	4,764

The net change in the gross carrying amount and accumulated amortization balances reflected above are the result of foreign currency translation adjustments. Accordingly, the net change in accumulated amortization for the period does not agree to amortization expense reported in the accompanying statements of operations for the period. The following table summarizes estimated amortization expense for future periods as follows:

Estimated amortization expense:	Thousands
Remainder of fiscal year ending June 30, 2005	$ 440
For the fiscal years ending:	
June 30, 2006	1,352
June 30, 2007	1,218
June 30, 2008	508
June 30, 2009 and thereafter	46
	$ 3,564

5) Product Warranty Liability

The Company's customers receive a warranty, generally for a period of two years, upon purchase of products. The Company accrues estimated costs to repair or replace potentially defective products when products are shipped and revenue is recognized. Estimated warranty costs are based on prior warranty costs for substantially similar products. The following table presents the activity in the Company's product warranty liability for the nine months ended March 31:

Thousands	2005	2004
Balance at beginning of period	$ 599	548
Estimated warranty costs for product sales	648	704
Adjustments to settle warranty activity	(543)	(649)
Balance at end of period	$ 704	603

6) Revolving Line of Credit

On March 30, 2005, SBS entered into a revolving line of credit agreement (Credit Agreement) with Wells Fargo Bank National Association. The Credit Agreement provides for borrowings for working capital and general corporate purposes of up to $20 million and any outstanding borrowings are due and payable in full on March 28, 2006. As of March 31, 2005, there were no borrowings outstanding under the terms of the credit agreement.

7) Earnings Per Share

Net income per share is based on weighted average shares outstanding. Net income per share – assuming dilution includes the dilutive effects of potential common shares outstanding during the period.

	Three Months Ended March 31,		Nine Months Ended March 31,	
Thousands (except per share amounts)	**2005**	**2004**	**2005**	**2004**
Net income	$ 256	2,132	3,657	2,474
Net income per share:				
Weighted-average common shares outstanding used in earnings per share computations	15,587	15,162	15,541	15,083
Net income per share	$ 0.02	0.14	0.24	0.16
Net income per share - assuming dilution:				
Weighted-average common shares outstanding used in earnings per share computations	15,763	15,581	15,732	15,369
Net income per share - assuming dilution	$ 0.02	0.14	0.23	0.16
Shares Used in Per Share Computations:				
Weighted average common shares outstanding	15,587	15,162	15,541	15,083
Incremental shares from assumed conversions - potential common shares	176	419	191	286
Shares used in computations - assuming dilution	15,763	15,581	15,732	15,369

For the three and nine month periods ended March 31, 2005, options to purchase 1,815,393 and 1,637,212 shares of common stock, respectively, were outstanding but were not included in the computation of earnings per share – assuming dilution because the options' exercise prices were greater than the average market price of the common shares. For the three and nine month periods ended March 31, 2004, options to purchase 998,591 and 1,650,682 shares of common stock, respectively, were outstanding but were not included in the computation of earnings per share – assuming dilution because the options' exercise prices were greater than the average market price of the common shares.

8) Comprehensive Income

Comprehensive income (loss) for the three and nine month periods ended March 31, 2005 was ($2.3) million and $6.9 million, respectively. Comprehensive income for the three and nine month periods ended March 31, 2004 was $1.0 million and $4.5 million, respectively. The difference between comprehensive income and net income was related to foreign currency translation adjustments.

9) Segment Financial Data

The Company is engaged in the design, research, development, integration and production of embedded computer products. We operate worldwide through two operating segments: the Americas Group and the Europe Group. Both the Americas Group and the Europe Group offer our complete portfolio of embedded computer products to customers in the government, commercial and communications end markets. Each segment has management who report directly to the Company's Chief Executive Officer and its own sales and distribution channels. The Americas Group consists of the Company's operations based in the United States and Canada including the engineering, test, and assembly activities in Albuquerque, New Mexico; Mansfield, Massachusetts; Newark, California; Raleigh, North Carolina; St. Paul, Minnesota; and Waterloo, Ontario, Canada; the manufacturing operations located in St. Paul, Minnesota; and the sales and support activities based in Shenzhen, China. The Europe Group consists of the Company's operations based in Germany, which include the engineering, test, assembly, and manufacturing activities located in Augsburg and Mindelheim, Germany.

SBS measures the results of operations for segments (segment profit (loss)) based on income before income taxes and prior to (a) the allocation of corporate overhead expenses other than marketing costs, (b) substantially all amortization associated with acquisitions and (c) interest income and interest expense from our U.S. operations. The accounting policies used to measure segment profit (loss) are the same as those referred to in note 1.

Thousands		**Americas Group**	**Europe Group**	**Corporate & Unallocated (1)**	**Total**
Three month periods ended March 31					
Gross sales	**2005**	$ 24,759	17,258	--	$ 42,017
Inter-segment sales		(1,889)	(2,794)	--	(4,683)
Sales to external customers		$ 22,870	14,464	--	$ 37,334
Gross sales	**2004**	$ 27,835	11,903	--	$ 39,738
Inter-segment sales		(1,585)	(1,561)	--	(3,146)
Sales to external customers		$ 26,250	10,342	--	$ 36,592
Segment profit (loss)	**2005**	$ 183	3,043	(2,828)	$ 398
	2004	$ 4,578	2,105	(3,403)	$ 3,280

Thousands			**Americas Group**	**Europe Group**	**Corporate & Unallocated (1)**		**Total**
Nine month periods ended March 31							
Gross sales..	**2005**	$	78,574	49,479	--	$	128,053
Inter-segment sales..			(5,231)	(8,358)	--		(13,589)
Sales to external customers.............................		$	73,343	41,121	--	$	114,464
Gross sales..	**2004**	$	74,102	30,454	--	$	104,556
Inter-segment sales..			(4,135)	(4,749)	--		(8,884)
Sales to external customers.............................		$	69,967	25,705	--	$	95,672
Segment profit (loss)	**2005**	$	5,613	9,309	(9,291)	$	5,631
	2004	$	8,058	5,481	(9,733)	$	3,806
Total Assets							
As of March 31, 2005		$	34,115	37,215	81,618	$	152,948
As of June 30, 2004		$	39,640	26,531	78,965	$	145,136

(1) The corporate and unallocated column includes amounts for corporate items. With regard to results of operations, corporate and unallocated includes corporate overhead expenses other than corporate marketing costs, interest income and interest expense from our U.S. operations, and substantially all amortization associated with acquisitions. Corporate assets primarily include cash and cash equivalents from our U.S. operations, deferred and current income tax assets, goodwill and intangible assets.

10) Employee Severance and Consolidation Costs

On June 12, 2003, the Company announced the closure of its Carlsbad, California facility and the consolidation of its manufacturing operations into the Company's St. Paul, Minnesota facility, centralizing all manufacturing in the United States to one facility. The total employee severance and consolidation costs incurred as a result of the consolidation were approximately $3.6 million. The total costs included employee severance and related costs recorded over the remaining service period, consolidation costs recorded as incurred, lease termination costs recorded on the cease use date (all in accordance with SFAS 146), and leasehold improvement impairment charges recorded as a result of the announcement in accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets.*

The following table summarizes the accounting for the consolidation and closure of the Company's Carlsbad, California facility:

Thousands **Activity during the nine months ended March 31, 2004:**		**Employee severance and related costs**	**Lease termination charge**	**Other costs**		**Total**
Balance at June 30, 2003	$	224	--	--	$	224
Nine months ended March 31, 2004						
Employee severance and consolidation costs	$	470	1,495	530	$	2,495
Cash payments		(694)	(474)	(530)		(1,698)
Balance accrued at March 31, 2004	$	--	1,021	--	$	1,021
Activity during the nine months ended March 31, 2005:						
Balance at June 30, 2004	$	--	870	--	$	870
Nine months ended March 31, 2005						
Cash payments	$	--	(329)	--	$	(329)
Balance accrued at March 31, 2005	$	--	541	--	$	541

The lease termination charge, recorded on the cease use date as a result of closure of the Company's Carlsbad, California facility, represents the estimated fair value of the remaining future lease payments and related obligations, net of estimated sublease income, over the term of the lease. The remaining costs represent primarily lease obligations expected to be paid monthly through April 2006.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

For a description of SBS' critical accounting policies and an understanding of the significant factors that influenced SBS' performance during the three and nine months ended March 31, 2005 and 2004, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A) should be read in conjunction with the consolidated financial statements, including the related notes, appearing in Item 1 of this Form 10-Q, as well as our Annual Report on Form 10-K for the year ended June 30, 2004.

Company Overview

We design and build open-architecture embedded computer products that enable OEMs to serve the government, commercial, and communications end markets. Embedded computer products are put inside or made part of larger systems to process information, control machines, move computer data between machines, and interact with people. The companies that use our products manufacture very sophisticated, expensive devices, for example, MRI machines, flight simulators, wireless networks, fighter jets and industrial robots.

The SBS product line is strategically focused on embedded computing, and we serve almost all parts of the market. We currently list more than 500 products in the product section of our website, www.sbs.com. We offer components like I/O modules, bus adapters, carrier cards, system enclosures, FPGA boards and single board computers, as well as network switches, blades and fully integrated systems. Many of these products are available in ruggedized versions, which can operate in conditions of extreme temperature, vibration, shock and humidity.

We serve a broad range of customers. We help our customers get to market faster, more reliably and more economically, by providing a wide range of standard and customized embedded computer products. Our products have application in diverse industries, including space and aviation, telecommunications, military and government, transportation, telemetry, robotics, networking, broadcasting, wireless communications and medical imaging.

We have grown because we understand our role in the embedded computing process: we make components which are part of larger, more complicated devices. As embedded computer applications expand, we broaden our product line to meet our customers' needs and to attract new customers. We invest in technology and customer service so that we can grow with our customers.

We have grown organically and through strategic acquisitions, acquiring companies that supplement our core competencies – a pattern we expect to continue. Our organic growth is driven by adding new products, improving existing products through our research and development program, and attracting new customers with our products and service. We also completed eleven acquisitions between 1992 and March 2005 that broadened our product offerings and our customer base.

Executive Summary

Although our financial results for the past quarter were below our original expectations, our nine months sales are up 20% over the first nine months of last fiscal year and our nine month book-to-bill ratio is 1.02 to 1. Sales for the quarter were below our original expectations due to a decrease in sales to key customers in the semiconductor manufacturing equipment industry, and softness in the Company's quick-turn, short lead time business. Also, several government programs that we anticipated to start production in this fiscal year continue to be delayed. Additionally, continued sales of lower margin, production business, competitive pricing primarily driven by commercial and communications customers, and the softness in our higher margin, quick-turn business lowered gross margin as a percentage of sales.

During the quarter and nine months ended March 31, 2005:

- Sales for the quarter were $37.3 million and sales for the nine months were $114.5 million;

  On a sequential basis, total sales decreased 12%, compared to $42.2 million in sales for the quarter ended December 31, 2004. Sales for the nine months ended March 31, 2005 increased 20% from the $95.7 million in sales for the same period of the prior fiscal year.

- Net income for the quarter was $256,000 and net income for the nine months was $3.7 million. Net income per share – assuming dilution for the quarter was $0.02, compared to $0.14 for the comparable period of the prior year. Net income per share – assuming dilution for the nine months was $0.23, compared to $0.16 for the comparable period of the prior year.

  Included in the results for the quarter and nine months ended March 31, 2004 were employee severance and consolidation costs associated with the closure of the Carlsbad, California facility of approximately $0.2 million and

$2.5 million, respectively, which negatively impacted net income per common share – assuming dilution by ($0.01) and ($0.11) on an after tax basis.

- Customer orders received and booked during the quarter and nine months were $36.8 million and $116.3 million, respectively. This resulted in a book-to-bill ratio of .99 to 1 for the quarter and a nine-month book-to-bill ratio of 1.02 to 1.

  Book-to-bill ratio represents the net value of customer orders received and booked each period divided by total sales.

- Order backlog was $45.1 million as of March 31, 2005, compared to $44.4 million as of March 31, 2004 and $45.9 million for the preceding quarter ended December 31, 2004;

  Order backlog represents customer orders that have been contracted for future delivery. Accordingly, these orders have not yet been recognized as revenue, but represent potential future revenue.

- We achieved five design wins during the quarter and a total of 21 design wins for the first three quarters of this fiscal year.

  Our business development efforts in all markets continue to show an increase in opportunities, but these opportunities are taking longer than expected to turn into design wins and then into production.

  Each reported design win represents an initial purchase order of a minimum of $100,000 and is forecasted to produce a minimum of $500,000 in sales annually when in production.

  By end market, the design wins included three in the government market, one in the commercial market and one in the communications market.

- For the quarter ended March 31, 2005, as a percentage of total sales, sales to one communications customer, Ericsson, represented 17%; and sales to one commercial customer, Applied Materials, represented 8%. No other customer represented more than 5% of sales.

Financial Highlights

Selected financial highlights during the three and nine month periods ended March 31, 2005 compared to the three and nine month periods ended March 31, 2004 and the quarter ended December 31, 2004 follows:

Thousands (except per share amounts)	Three Months Ended					Nine Months Ended		
	March 31,		%	Dec. 31,	%	March 31,		%
	2005	2004	change	2004	change	2005	2004	change
Sales	$ 37,334	36,592	2.0%	$ 42,246	-11.6%	$ 114,464	$ 95,672	19.6%
Net income	$ 256	2,132	-88.0%	$ 2,156	-88.1%	$ 3,657	$ 2,474	47.8%
Net income per share - assuming dilution	$ 0.02	0.14		$ 0.14		$ 0.23	$ 0.16	

See detailed analysis of the financial results below.

Results of Operations
(references to fiscal 2005 and fiscal 2004 relate to interim periods of the fiscal years ending on June 30)

The following table sets forth for the periods indicated certain operating data as a percentage of sales:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
Sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	57.5 %	51.6 %	55.5 %	51.2 %
Gross profit	42.5 %	48.4 %	44.5 %	48.8 %
Selling, general and administrative expense	23.8 %	22.7 %	22.8 %	25.0 %
Research and development expense	17.6 %	15.0 %	15.9 %	15.7 %
Employee severance and consolidation costs	-- %	0.5 %	-- %	2.6 %
Amortization of intangible assets	1.2 %	1.4 %	1.2 %	1.8 %
Operating income (loss)	(0.1)%	8.8 %	4.6 %	3.7 %
Interest and other income, net	0.7 %	0.3 %	0.5 %	0.6 %
Foreign exchange gains (losses)	0.5 %	(0.1)%	(0.2)%	(0.3)%
	1.2 %	0.2 %	0.3 %	0.3 %
Income before income taxes	1.1 %	9.0 %	4.9 %	4.0 %
Income tax expense	0.4 %	3.2 %	1.7 %	1.4 %
Net income	0.7 %	5.8 %	3.2 %	2.6 %

Three and Nine Month Periods Ended March 31, 2005 compared to the Three and Nine Month Periods Ended March 31, 2004

SALES

Our total sales during the three and nine month periods ended March 31, 2005 compared to the three and nine month periods ended March 31, 2004 and the quarter ended December 31, 2004 follows:

	Three Months Ended					Nine Months Ended		
	March 31,		%	Dec. 31,	%	March 31,		%
Thousands	2005	2004	change	2004	change	2005	2004	change
Sales	$ 37,334	36,592	2.0%	$ 42,246	-11.6%	$ 114,464	$ 95,672	19.6%

For the quarter ended March 31, 2005, sales increased when compared to the same period of the prior fiscal year as a result of increased sales of lower margin, production rate business to Ericsson, and approximately $734,000 resulting from the impact of a weakening U.S. dollar on the translation of our Europe Group financial statements. These increases were offset by a decrease in sales to key customers in the semiconductor manufacturing equipment industry, and softness in the Company's quick-turn, short lead time business. On a sequential basis, sales decreased $4.9 million compared to sales for the preceding quarter ended December 31, 2004 for the same reasons.

For the nine months ended March 31, 2005, sales increased $18.8 million as a result of increased sales of lower margin, production rate business to Applied Materials and Ericsson compared to prior year levels of approximately $14 million. The increase in sales for the nine months also includes approximately $2.7 million resulting from the impact of a weakening U.S.

dollar on the translation of our Europe Group financial statements.

Sales by end market for the three and nine month periods ended March 31, 2005 compare to the three and nine month periods ended March 31, 2004 and the prior fiscal quarter ended December 31, 2004 as indicated below:

SALES BY END MARKET
(dollars in thousands)

		Mar. 31, 2005	% of total		Mar. 31, 2004	% of total		Dec. 31, 2004	% of total
Three months ended:									
Government	$	17,400	47%	$	17,806	49%	$	18,805	45%
Commercial		9,052	24%		11,676	32%		12,000	28%
Communications		10,882	29%		7,110	19%		11,441	27%
Total	$	37,334	100%	$	36,592	100%	$	42,246	100%

		Mar. 31, 2005	% of total		Mar. 31, 2004	% of total
Nine months ended:						
Government	$	51,504	45%	$	48,864	51%
Commercial		31,291	27%		29,203	31%
Communications		31,669	28%		17,605	18%
Total	$	114,464	100%	$	95,672	100%

For the three months ended March 31, 2005, sales to government customers decreased 2.3%, sales to commercial customers decreased 22.5% and sales to communications customers increased 53.0%, all compared to the comparable period of the prior fiscal year. On a sequential basis, sales to government customers decreased 7.5%, sales to commercial customers decreased 24.6% and sales to communications customers decreased 4.9%, all compared to the preceding quarter ended December 31, 2004. For the nine months ended March 31, 2005, sales to government customers increased 5.4%, sales to commercial customers increased 7.2%, and sales to communications customers increased 79.9%, all compared to the comparable period of the prior fiscal year.

Looking forward, we believe the business conditions we experienced in the third quarter will continue through the balance of our fiscal year. Based on our forecasts, current backlog, and timing of new orders, we expect sales for the fourth quarter ending June 30, 2005 to be between $35 million and $37 million; however, actual results may vary. For the fiscal year ending June 30, 2005, we expect our sales will be approximately $150 million; however, actual results may vary.

GROSS PROFIT

Gross profit during the three and nine month periods ended March 31, 2005 compared to the three and nine month periods ended March 31, 2004 and the quarter ended December 31, 2004 follows:

	Three months ended					Nine Months Ended		
	March 31,		Incr/	Dec. 31,	Incr/	March 31,		Incr/
Thousands	**2005**	**2004**	**(decr)**	**2004**	**(decr)**	**2005**	**2004**	**(decr)**
Gross profit	$ 15,869	17,704	$ (1,835)	$ 19,207	$ (3,338)	$ 50,920	$ 46,671	$ 4,249
Gross profit as a percent of sales	42.5%	48.4%		45.5%		44.5%	48.8%	

Gross profit as a percent of sales for the quarter ended March 31, 2005 was 42.5%, compared to 48.4% for the third quarter of the prior fiscal year, and 45.5% for the preceding quarter. Further, gross profit as a percent of sales for the nine months ended March 31, 2005 was 44.5%, compared to 48.8% for the same period of the prior fiscal year. The continued growth in sales of lower margin, production rate business, primarily driven by communications and commercial customers, competitive pricing primarily from commercial and communications customers, and the softness in our higher margin, quick-turn business has lowered our overall gross margin as a percentage of sales. We believe the business conditions we experienced in the third quarter will continue through the balance of our fiscal year; however, actual results may vary.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

Selling, general and administrative (SG&A) expense during the three and nine month periods ended March 31, 2005 compared to the three and nine month periods ended March 31, 2004 and the preceding quarter follows:

	Three Months Ended					Nine Months Ended		
	March 31,		Incr/	Dec. 31,	Incr/	March 31,		Incr/
Thousands	2005	2004	(decr)	2004	(decr)	2005	2004	(decr)
SG&A expense..................	$ 8,900	8,307	$ 593	$ 9,121	$ (221)	$ 26,044	$ 23,924	$ 2,120
As a percent of sales...........	23.8%	22.7%		21.6%		22.8%	25.0%	

The increase in SG&A expense for the three and nine months of fiscal 2005 compared to the same periods of the prior fiscal year is primarily the result of general wage increases effective October 1, 2004, selective staff increases to support growth, and the timing of certain discretionary expenses. For these reasons, SG&A expense for the three months ended March 31, 2005 increased to 23.8% compared to 22.7% for the same period of the prior fiscal year. In addition, SG&A expense as a percent of sales for the nine months of fiscal 2005 was 22.8%, compared to 25.0% in the prior fiscal year, as the increase in sales more than offset the increase in SG&A expense.

RESEARCH AND DEVELOPMENT EXPENSE

Research and development (R&D) expense during the three and nine month periods ended March 31, 2005 compared to the three and nine month periods ended March 31, 2004 and the preceding quarter follows:

	Three Months Ended					Nine Months Ended		
	March 31,		Incr/	Dec. 31,	Incr/	March 31,		Incr/
Thousands	2005	2004	(decr)	2004	(decr)	2005	2004	(decr)
R&D expense.....................	$ 6,556	5,471	$ 1,085	$ 6,102	$ 454	$ 18,163	$ 15,029	$ 3,134
As a percent of sales...........	17.6%	15.0%		14.4%		15.9%	15.7%	

Increasing our intellectual property is a key element of our growth strategy. During the quarter ended March 31, 2005, we introduced 12 new products as we continue to implement this segment of our strategy. Consistent with SG&A, the increase in R&D expense for the three and nine month periods of fiscal 2005 compared to the same periods of the prior fiscal year and the preceding quarter is primarily the result of general wage increases effective October 1, 2004, our recent investment in additional engineering resources to serve the government and international markets, and the timing of outside development costs associated with our product development efforts. For these reasons, R&D expense for the three months ended March 31, 2005 increased to 17.6% compared to 15.0% for the same period of the prior fiscal year. R&D expense as a percent of sales for the nine months of fiscal 2005 was consistent with the same period of the prior fiscal year as the increase in sales offset the increase in R&D expense.

EMPLOYEE SEVERANCE AND CONSOLIDATION COSTS

We recorded no employee severance and consolidation costs during the three and nine month periods ended March 31, 2005.

On June 12, 2003, we announced that we would be closing our Carlsbad, California facility and consolidating its manufacturing operations into our St. Paul, Minnesota facility, centralizing all manufacturing in the United States to one facility. This consolidation was completed in August, 2003. As a result of these actions, we recorded employee severance and consolidation costs totaling $165,000 and $2.5 million during the three and nine month periods ended March 31, 2004. The following table summarizes the accounting for the consolidation and closure of the Company's Carlsbad, California facility:

Thousands **Activity during the nine months ended March 31, 2004:**	**Employee severance and related costs**	**Lease termination charge**	**Other costs**	**Total**
Balance at June 30, 2003	$ 224	--	--	$ 224
Nine months ended March 31, 2004				
Employee severance and consolidation costs	$ 470	1,495	530	$ 2,495
Cash payments	(694)	(474)	(530)	(1,698)
Balance accrued at March 31, 2004	$ --	1,021	--	$ 1,021
Activity during the nine months ended March 31, 2005:				
Balance at June 30, 2004	$ --	870	--	$ 870
Nine months ended March 31, 2005				
Cash payments	$ --	(329)	--	$ (329)
Balance accrued at March 31, 2005	$ --	541	--	$ 541

AMORTIZATION OF INTANGIBLE ASSETS

For the three and nine months ended March 31, 2005, amortization of intangible assets was $439,000 and $1.4 million, respectively, compared to $538,000 and $1.6 million for the comparable periods of fiscal 2004. Amortization expense for the nine months ended March 31, 2005 includes a charge of approximately $85,000 recorded in connection with the write-down of the remaining unamortized balance of a prepaid license agreement for products that SBS determined, during the second quarter, would no longer be marketed. Total amortization expense decreased in fiscal 2005 from fiscal 2004 levels primarily as a result of the completion of the amortization of certain purchased identifiable intangible assets recorded in connection with an asset acquisition in March 2002.

INTEREST AND OTHER INCOME, NET

Net interest and other income of $265,000 and $610,000 for the three and nine months ended March 31, 2005 represented an increase from fiscal 2004 levels, excluding interest income in connection with income tax refunds of payments made in prior periods of approximately $250,000 received in September 2003, due primarily to increased cash balances.

FOREIGN EXCHANGE GAINS (LOSSES)

Foreign exchange gains (losses) in fiscal 2005, which represent primarily realized and unrealized losses on transactions denominated in non-functional currencies, decreased from fiscal 2004 levels primarily as a result of changes in the Euro to U.S. dollar exchange rates during the period.

INCOME TAX EXPENSE

We record income tax expense based on our estimated worldwide effective tax rates for the respective fiscal years. For fiscal 2005 and 2004, our estimated worldwide effective tax rate was approximately 35.0%. Our estimated worldwide effective income tax rate incorporates a projected mix of pre-tax income from domestic and foreign sources, together with benefits from certain income tax planning strategies, including benefits from foreign sales and research and experimentation tax credits.

Our estimated annual effective tax rate for fiscal 2005 does not include any impact of the recently enacted Americans Jobs Creation Act of 2004 (the Act), which was signed into law by the U.S. President in October 2004. We continue to evaluate the impact of several provisions of the Act on our annual worldwide effective tax rate.

In assessing the realizability of our deferred tax assets, management considers projected future sources of taxable income together with tax planning strategies. A valuation allowance has been established that applies to certain U.S. State operating loss and tax credit carryforwards that, in the opinion of management, may expire unused due to uncertainty regarding future taxable income. Based on SBS' historical taxable transactions, the timing of the reversal of existing temporary differences, and the evaluation of tax planning strategies, management believes it is more likely than not that SBS' future taxable income will be sufficient to realize the benefit of the remaining deferred tax assets existing at March 31, 2005.

We generally do not record deferred income taxes on the undistributed earnings of our foreign subsidiaries in accordance with the indefinite reversal criterion in APB Opinion No. 23, "Accounting for Income Taxes – Special Areas", because we currently do not expect those unremitted earnings to reverse and become taxable in the foreseeable future. Upon distribution of these earnings, which amounted to approximately $26.4 million at June 30, 2004, we may be subject to U.S. income taxes and foreign withholding taxes. It is not practical, however, to estimate the amount of taxes that may be payable on the eventual remittance of these earnings.

EARNINGS PER SHARE

For the three and nine months ended March 31, 2005 (fiscal 2005), net income per common share and net income per common share – assuming dilution were $0.02 and $0.23, respectively. This compares to net income per common share and net income per common share – assuming dilution of $0.14 and $0.16 for the comparable periods of fiscal 2004 ended March 31, 2004. Fiscal 2004 results include employee severance and consolidation costs of approximately $165,000 and $2.5 million, respectively, which negatively impacted earnings per common share – assuming dilution by approximately $(0.01) and $(0.11) on an after tax basis.

Review of Business Segments

We are engaged in the design, research, development, integration and production of embedded computer products. We operate worldwide through two operating segments: the Americas Group and the Europe Group. Both the Americas Group and the Europe Group offer our complete portfolio of embedded computer products to customers in the government, commercial and communications end markets. Each segment has management who report directly to the Company's Chief Executive Officer and its own sales and distribution channels. The Americas Group consists of our operations based in the United States and Canada, including the engineering, test, and assembly activities in Albuquerque, New Mexico; Mansfield, Massachusetts; Newark, California; Raleigh, North Carolina; St. Paul, Minnesota; and Waterloo, Ontario, Canada; the manufacturing operations located in St. Paul, Minnesota; and the sales and support activities based in Shenzhen, China. The Europe Group consists of our operations based in Germany, which include the engineering, test, assembly, and manufacturing activities located in Augsburg and Mindelheim, Germany.

The following is a discussion of sales to external customers and segment profit for each reportable segment. We measure the results of operations for segments (Segment Profit) based on income before income taxes and before:

- the allocation of corporate overhead expenses other than marketing costs;
- substantially all amortization expense associated with acquisitions; and
- interest income and interest expense from our U.S. operations.

AMERICAS GROUP

Thousands	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004	% change	Dec. 31, 2004	% change	Nine Months Ended March 31, 2005	Nine Months Ended March 31, 2004	% change
Sales to External Customers	$ 22,870	26,250	-12.9%	$ 27,052	-15.5%	$ 73,343	69,967	4.8%
Segment Profit	$ 183	4,578	-96.0%	$ 2,935	-93.8%	$ 5,613	8,058	-30.3%

Note – Segment profit for the three and nine months ended March 31, 2004 includes approximately $0.2 million and $2.5 million, respectively, of employee severance and consolidation costs as a result of the consolidation of our communications operations that resulted in the closure of our Carlsbad, California facility in August 2003.

Sales to External Customers. For the three months ended March 31, 2005, sales to external customers decreased approximately $3.4 million compared to the comparable period of the prior fiscal year. Sales were negatively impacted by a decrease in sales to key customers in the semiconductor manufacturing equipment industry, and softness in quick-turn, short lead time business. On a sequential basis, sales to external customers also decreased approximately 15.5% compared to the prior quarter for the same reasons. For the nine months ended March 31, 2005, sales to external customers increased approximately $3.4 million compared to the comparable period of the prior fiscal year as a result of growth in sales for lower margin, production rate business, primarily to the Group's commercial customers.

Segment Profit. For the three months ended March 31, 2005, segment profit was negatively impacted primarily by a reduction in gross margin as a percent of sales, from approximately 48% in the prior fiscal year to approximately 41% in fiscal 2005, as well as increased R&D expenses. The decrease in gross margin was primarily the result of an increased proportion of sales from lower margin, production rate business, competitive pricing primarily from commercial and communications customers, and softness in the Group's higher margin, quick-turn business during the quarter. R&D costs increased as a result of our recent investment in additional engineering resources to serve the government market and the timing of outside development costs associated with our product development efforts. For the nine months ended March 31, 2005, the Group's segment profit was negatively impacted primarily by reduced gross profits together with increased SG&A and R&D expenses. The decrease in gross margin as a percent of sales, from approximately 47% in the prior fiscal year to approximately 43% in fiscal 2005, was primarily the result of higher mix of sales from lower margin, production rate business and the other factors discussed previously. SG&A expenses increased due to staff increases to support growth, and the timing of certain discretionary expenses while R&D expenses increased as a result of the factors discussed previously. In the comparable periods of the prior fiscal year, employee severance and consolidation costs recorded from the consolidation of our communications operations that resulted in the closure of our Carlsbad, California facility in August 2003 of approximately $0.2 million and $2.5 million, respectively, negatively impacted segment profit. For these reasons, segment profit as a percentage of sales to external customers was 0.8% and 7.7% for the three and nine month periods ended March 31, 2005, respectively, compared to 17.4% and 11.5%, respectively, for the same periods of fiscal 2004.

EUROPE GROUP

Thousands	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004	% change	Dec. 31, 2004	% change	Nine Months Ended March 31, 2005	Nine Months Ended March 31, 2004	% change
Sales to External Customers	$ 14,464	10,342	39.9%	$ 15,194	-4.8%	$ 41,121	25,705	60.0%
Segment Profit	$ 3,043	2,105	44.6%	$ 3,877	-21.5%	$ 9,309	5,481	69.8%

Sales to External Customers. For the three and nine months ended March 31, 2005, sales to external customers increased $4.1 million and $15.4 million, respectively, compared to the comparable periods of the prior fiscal year, of which $734,000 and $2.7 million, respectively, resulted from changes in currency exchange rates used to translate the Group's financial statements to U.S. dollars. During the three and nine months ended March 31, 2005, sales to one communications customer, Ericsson, represented $6.5 million and $17.4 million, respectively, compared to $2.8 million and $6.2 million, respectively, in the same periods of the prior fiscal year ended March 31, 2004. On a sequential basis, sales to external customers decreased slightly compared with the prior quarter.

Segment Profit. For the three and nine month periods ended March 31, 2005, segment profit increased $938,000 and $3.8 million, respectively, compared to the comparable periods of the prior fiscal year, due primarily to the increase in sales, offset by reduced gross profit as a result of a higher mix of lower margin production orders and an increase in SG&A and R&D expenses commensurate with the growth in the business. For these reasons, segment profit as a percentage of sales was 21.0% and 22.6% for the three and nine month periods of fiscal 2005, respectively, compared to 20.4% and 21.3% for the same periods of fiscal 2004.

Liquidity, Capital Resources and Financial Condition

Our objective is to maintain adequate financial resources and liquidity to finance our operations. We use a combination of proceeds from the sale or issuance of equity securities and internally generated funds to finance our working capital requirements, capital expenditures, and operations.

Our cash balance of $55.0 million at March 31, 2005 represents an increase of $7.1 million during the nine months ended March 31, 2005. Net cash flows from operating activities and proceeds from the exercise of employee stock options were the principal sources of funding, and cash was used for a mix of activities including working capital needs and capital expenditures. We anticipate that this trend will continue during the remainder of the fiscal year ending June 30, 2005; however, future cash inflows from employee stock option exercises are generally dependent upon the amount of excess, if any, between the current market price of our common stock and the price the employee must pay to exercise the option and are therefore difficult to predict with certainty.

Cash Flows

Changes to our cash balance during the nine months ended March 31, 2005, and 2004 follows:

Comparison of Condensed
Consolidated Statements of Cash Flows

	Nine Months Ended March 31,	
	2005	**2004**
Cash Flow Provided by (Used in)	*Thousands*	
Operating activities	$ 7,794	$ 32
Investing activities	(2,623)	(2,269)
Financing activities	1,345	2,330
Net effect on cash from:		
Exchange rate changes	555	268

Operating Activities

Cash flows from operating activities during the nine months ended March 31, 2005, were principally the result of net income, changes in working capital and the impact of certain non-cash and non-operating activities including depreciation and amortization of $4.3 million.

The underlying drivers of the changes in working capital during the first nine months of fiscal 2005 were as follows:

- The decrease in accounts receivable provided operating cash of $655,000, before foreign currency translation adjustments of approximately $523,000, due to cash collections during the period.
- The increase in prepaid and other expenses used cash from operations of $1.2 million, due primarily to the timing of payments for our annual insurance renewals and other costs.
- U.S. income tax refunds of approximately $3.1 million were received from the carryback of tax losses to prior tax years.

- The decrease in total liabilities, excluding income taxes payable, used cash from operations of $3.3 million, before foreign currency translation adjustments of $0.6 million, due principally to the timing of payments.

Investing Activities

Our principal recurring investing activity is the funding of capital expenditures necessary to support the growth of our business and to enhance the productivity of our operations. During the nine months ended March 31, 2005, we used $2.6 million for the purchase of property and equipment.

Financing Activities

We received proceeds of $1.3 million from the issuance of common stock associated with the exercise of employee stock options during the nine months ended March 31, 2005.

Exchange Rates

Changes in foreign currency exchange rates during the nine months ended March 31, 2005 impacted our cash balances by $555,000. Due to our international operations, where transactions are recorded in functional currencies other than the U.S. dollar, the effects of changes in foreign currency exchange rates on existing cash balances during any given period results in amounts on the consolidated statements of cash flows that may not reflect the changes in the corresponding accounts on the consolidated balance sheets.

Cash Requirements

On March 30, 2005, SBS Technologies, Inc. entered into a revolving line of credit agreement (Credit Agreement) with Wells Fargo Bank National Association. The credit agreement provides for borrowings for working capital and general corporate purposes of up to $20 million and any outstanding borrowings are due and payable in full on March 28, 2006.

Effective on May 9, 2005, the Credit Agreement was amended (First Amendment to Credit Agreement) to modify the minimum tangible net worth requirement defined in Section 4.9(a) of the agreement to exclude the impact of foreign currency translation adjustments from the minimum required balance.

The terms of the Credit Agreement, as amended, require SBS to comply with certain financial and other covenants, including but not limited to:

- an Adjusted Tangible Net Worth balance of not less than $109,129,000, plus 50% of quarterly net income beginning with the quarter ended March 31, 2005, excluding any loss quarters, plus all proceeds from equity offerings;
  (*Adjusted Tangible Net Worth defined as total stockholders' equity minus the aggregate of any intangible assets; any treasury stock; any receivables from stockholders', employees and/or affiliates; and foreign currency translation adjustments*)
- a Leverage Ratio of not greater than 0.50 to 1;
  (*Leverage Ratio defined as total liabilities divided by Tangible Net Worth. Tangible Net Worth defined as total stockholders' equity minus the aggregate of any intangible assets; any treasury stock; and any receivables from stockholders', employees and/or affiliates*)
- a Quick Ratio of not less than 1.75 to 1;
  (*Quick Ratio calculated as total current assets excluding inventory, divided by total current liabilities*)
- an average Accounts Receivable Days Outstanding balance of no more than 90 days; and
  (*Accounts Receivable Days Outstanding calculated as average net trade receivables divided by net sales for the period times the number of days in reporting period*)
- a requirement to maintain profitable operations defined as no more than two (2) consecutive loss quarters or a net loss for the total fiscal year.

As of May 10, 2005, we have no borrowings outstanding under the Credit Agreement and SBS is in compliance with all financial covenants required under the terms of the amended Credit Agreement.

We believe the funds available under the revolving line of credit agreement and our internally generated cash flows will provide us with sufficient capital resources and liquidity to manage our operations, meet our contractual obligations, and fund capital expenditures, excluding acquisitions, for at least the next twelve months. Because long-term cash flow cannot be predicted with certainty, it is possible that SBS could require additional external financing in the future and that the financing may not be available on terms acceptable to SBS or at all.

Capital Resources

In July 2004, we entered into a lease agreement with a third party which requires the landlord to construct a new building. We currently anticipate moving our Albuquerque, New Mexico operations into the new facility at the end of May 2005. In connection with the lease agreement, we received a tenant improvement allowance to be used to pay for certain tenant improvements related to the new facility. As of April 30, 2005, we anticipate that our tenant improvement expenditures will exceed our allowance, and the potential excess could range from $1.5 million to $2 million.

As of the date of this report, we do not have any material capital expenditure commitments. However, we estimate that we could incur obligations for potential excess tenant improvements during construction of our new facility through June 2005.

Contractual Obligations

SBS is committed under non-cancelable operating leases for buildings and equipment that expire at various dates through fiscal 2015. The following is a schedule of our contractual obligations at March 31, 2005:

	CONTRACTUAL OBLIGATIONS				
	Payments due by fiscal years ending June 30,				
Thousands	**Total**	**Remainder of 2005**	**2006 - 2007**	**2008 - 2009**	**2010 & beyond**
Operating lease obligations....................	$ 11,158	590	3,566	2,225	4,777
Total	$ 11,158	590	3,566	2,225	4,777

Off-Balance Sheet Arrangements

As of March 31, 2005, we had no transactions that would be considered off-balance sheet arrangements in accordance with the definition under SEC rules.

Inflation

For the three and nine month periods ended March 31, 2005 and 2004, we experienced no significant impact from inflation.

Business Outlook

In summary, we have seen a reduction in sales from the semiconductor manufacturing equipment sector, quick-turn business, and delays in production from government programs. However, we are confident we are taking the right actions to develop our business. We are maintaining our strong focus on product and global business development as evidenced by the growth in our European business, our recent investments in Asia, and our aggressive new product introductions. We believe that these actions will continue our long term growth.

In the government market, opportunities continue to be based on upgrade programs as well as new applications in unmanned vehicles. Our systems business is still the majority of our government opportunities, and the delays in production from government programs we have experienced are primarily a matter of timing of follow-on orders. As previously announced, we have invested in additional resources to accelerate growth in this market.

The commercial market is flat-to-slow growth with the key areas for SBS being semiconductor manufacturing equipment and medical. The strength of our company and market diversity enables us to weather the fluctuations of the cyclical semiconductor manufacturing market. We remain committed to this market and we continue to work with our customers on their current and next generation systems. Advanced medical applications require higher performance data transfer capabilities. Our InfiniBand® product line is being evaluated for several of these applications.

Communications sales in the wireless area are strong, with Ericsson still being our largest customer. To support continued growth in this market, we have extensive development efforts underway for Advanced Mezzanine Card-based products for the emerging ATCA market. Feedback from our customers who have reviewed our Advanced Mezzanine products has validated our product plans. At SUPERCOMM® in June, we will be announcing several new additions to our Advanced Mezzanine Card product family. We believe that this product family will be a significant contributor to our long term growth.

Looking forward, we believe the business conditions we experienced in the third quarter will continue through the balance of our fiscal year. Based on our forecasts, current backlog, and timing of new orders, we expect sales for the fourth quarter ending June 30, 2005 to be between $35 million and $37 million; however, actual results may vary. For the fiscal year ending June 30, 2005, we expect our sales will be approximately $150 million; however, actual results may vary. Since we currently are conducting our annual evaluation of our business plans, we have removed the financial model from our web site until this process is completed.

Management expects that corporate representatives of SBS will meet privately during the quarter with investors, investment analysts, the media and others and may reiterate the Business Outlook published in this Form 10-Q. Unless a notice stating otherwise is published or filed with the Securities and Exchange Commission on Form 8-K, the public can continue to rely on this Business Outlook as representing our current expectations on matters covered. At the same time, this Form 10-Q and the included Business Outlook will remain publicly available on our Web site (www.sbs.com).

Recently Issued Accounting Standards

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 151 (SFAS 151), Inventory Costs. SFAS 151 amends the guidance in ARB No. 43, Chapter 4, Inventory Pricing, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling charges and wasted material (spoilage). SFAS 151 requires all such (abnormal) costs to be treated as current-period charges under all circumstances. In addition, fixed production overhead should be allocated based on the normal capacity of the production facilities, with unallocated overhead charged to expense when incurred. SFAS 151 shall be effective for inventory costs incurred during fiscal years beginning after June 15, 2005, however, earlier application is permitted for fiscal years beginning after the date SFAS 151 was issued. We do not believe the adoption of SFAS 151 will have a material impact on our financial condition, results of operations or cash flows.

In December 2004, the FASB issued FASB Staff Position No. FAS 109-1, Application of FASB Statement No. 109, Accounting for Income Taxes, to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004 (FSP 109-1) and FASB Staff Position No. FAS 109-2, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 (FSP 109-2). FSP 109-1 clarifies the guidance in SFAS No. 109, Accounting for Income Taxes (SFAS 109) that applies to the new deduction for qualified domestic production activities under the American Jobs Creation Act of 2004 (the Act). FSP 109-1 clarifies that the deduction should be accounted for as a special deduction under Statement 109, not as a tax-rate reduction, because the deduction is contingent on performing activities identified in the Act. As a result, companies qualifying for the special deduction will not have a one-time adjustment of deferred tax assets and liabilities in the period the Act is enacted. FSP 109-2 addresses the effect of the Act's one-time deduction for qualifying repatriations of foreign earnings. FSP 109-2 allows additional time for companies to determine whether any foreign earnings will be repatriated under the Act's one-time deduction for repatriated earnings and how the Act affects whether undistributed earnings continue to qualify for SFAS 109's exception from recognizing deferred tax liabilities. FSP 109-1 and FSP 109-2 were both effective upon issuance. The adoption of FSP 109-1 and FSP 109-2 did not have any material impact on our financial condition, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 123 (Revised 2004), Share Based Payment: an amendment of SFAS 123 and SFAS 95 (SFAS 123R). SFAS 123R replaces SFAS 123, supersedes APB 25, and amends SFAS No. 95, "Statement of Cash Flows". SFAS 123R requires companies to recognize in the income statement the grant-date fair value of stock options and other equity-based compensation issued to employees. While the fair value method under SFAS 123R is very similar to the fair value method under SFAS 123 with respect to measurement and recognition of stock-based compensation, management is currently evaluating the impact of several of the key differences between the two standards on our financial statements. For example, SFAS 123 permits us to recognize forfeitures as they occur, while SFAS 123R will require us to estimate future forfeitures and adjust our estimate on a quarterly basis. SFAS 123R will also require a classification change in the statement of cash flows; whereby, a portion of the tax benefit from stock options will move from operating cash flows to financing cash flows (total cash flows will remain unchanged). We are required to adopt SFAS 123R during the first quarter of our fiscal year ending June 30, 2006, which ends September 30, 2005. While we continue to evaluate the impact of SFAS 123R on our financial statements, we do not expect the adoption of Statement 123R to have a significant effect on our financial position or cash flows, but adoption will impact our results of operations. An illustration of the impact on our net income and net income per share, assuming we had applied the fair value recognition provisions of SFAS 123 using the Black-Scholes methodology, is presented in note 1 to the condensed consolidated financial statements included elsewhere in this Form 10-Q. We have not yet determined whether we will use the Black-Scholes method in our adoption of Statement 123R.

In response to SFAS 123R, on April 21, 2005, the Board of Directors of SBS approved the acceleration of the vesting of all outstanding unvested stock options with an exercise price greater than $9.22 (the Acceleration). The Acceleration was effective for all such options outstanding on April 21, 2005, all of which were granted by the Company when the accounting rules permitted use of the intrinsic-value method of accounting for stock options. All of the other terms and conditions applicable to such outstanding stock option grants still apply. SBS' decision to accelerate the vesting of these options was in anticipation of compensation expense to be recorded subsequent to the effective date of SFAS 123R on July 1, 2005 in connection with outstanding unvested stock options issued to employees. As a result of the Acceleration, options to purchase approximately 1.3 million shares of SBS' common stock became immediately exercisable. Due to the Acceleration, SBS will not recognize future compensation expense totaling approximately $2.5 million in fiscal years ending June 30, 2006 and beyond (estimated using the Black-Scholes fair value model). The stock-based compensation expense which otherwise would have been reported in future periods, will be reported in the Company's fiscal year ended June 30, 2005 financial statements in the pro forma footnote disclosures, as permitted under the provisions of SFAS 123 prior to its revision.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

Our principal investment is cash invested in either money market accounts or in overnight repurchase agreements. Due to the nature of these investments, we believe that the market risk related to these investments is minimal. As a result of our German and Canadian operating and financing activities, we are exposed to market risk from changes in foreign currency exchange rates. At present we do not utilize any derivative instruments to manage this risk.

Currency translation. The results of operations of our foreign subsidiaries are translated into U.S. dollars at the average exchange rates for each period concerned. The balance sheets of foreign subsidiaries are translated into U.S. dollars at the closing exchange rates. Any adjustments resulting from the translation are recorded as translation adjustments in other comprehensive income. Foreign currency exchange rate exposure is most significant with respect to the euro. For the nine months ended March 31, 2005 compared to the same period of the prior fiscal year, net sales were positively impacted by the change in foreign currencies, primarily the euro, due to the weakening of the U.S. dollar, by approximately $2.7 million.

Currency transaction exposure. Currency transaction exposure arises where a business or company makes actual sales and purchases in a currency other than its own functional currency. We generally source raw materials and sell our products within our local markets in their functional currencies and therefore have limited currency transaction exposure.

Item 4 – Controls and Procedures

Quarterly Controls Evaluation and Related CEO and CFO Certifications

As of the end of the period covered by this Quarterly Report on Form 10-Q, we evaluated the effectiveness of the design and operation of "disclosure controls and procedures" (Disclosure Controls). The controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

Attached as Exhibits to this Quarterly Report on Form 10-Q are certifications of the CEO (Exhibit 31.1) and the CFO (Exhibit 31.2), which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934 (the Exchange Act). This Controls and Procedures section includes the information concerning the controls evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Disclosure Controls and Internal Controls

Disclosure Controls are procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms. Disclosure Controls are also designed to ensure that the information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting (Internal Controls) are procedures which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of SBS; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of SBS are being made only in accordance with authorizations of management and directors of SBS; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of SBS' assets that could have a material effect on the financial statements. To the extent that components of our Internal Controls are included in our Disclosure Controls, they are included in the scope of our quarterly controls evaluation.

Limitations on the Effectiveness of Controls

Our management, including the CEO and CFO, does not expect that our Disclosure Controls or Internal Controls will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and we cannot assure that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Compliance with Section 404 of Sarbanes-Oxley Act

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the Act), beginning with our Annual Report on Form 10-K for the fiscal year ending June 30, 2005, we will be required to furnish a report by our management on our internal control over financial reporting. This report will contain, among other matters, an assessment of the effectiveness of our internal control over financial reporting as of the end of our fiscal year, including a statement as to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management. If we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert our internal control over financial reporting is effective. This report will also contain a statement that our independent registered public accountants have issued an attestation report on management's assessment of such internal controls and a conclusion on the operating effectiveness of those controls.

Management acknowledges its responsibility for internal controls over financial reporting and seeks to continually improve those controls. In order to achieve compliance with Section 404 of the Act within the prescribed period, we are currently performing the system and process documentation and evaluation needed to comply with Section 404, which is both costly and challenging. We believe our process, which began in fiscal 2004 and is continuing in fiscal 2005 for documenting, evaluating and monitoring our internal control over financial reporting is consistent with the objectives of Section 404 of the Act.

Conclusions

Based on our controls evaluation (with the participation of our CEO and CFO), as of the end of the period covered by this report, our CEO and CFO have concluded that, subject to the limitations noted above, our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

There was no change in our internal control over financial reporting during our recently completed quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 5 – Other Information

On May 9, 2005, SBS Technologies, Inc. and Wells Fargo Bank National Association entered into an amendment to the Company's revolving line of credit agreement (First Amendment to Credit Agreement). The credit agreement provides for borrowings for working capital and general corporate purposes of up to $20 million and any outstanding borrowings are due and payable in full on March 28, 2006. The revolving line of credit agreement was amended to modify the minimum tangible net worth requirement (Adjusted Tangible Net Worth) defined in Section 4.9(a) of the agreement to exclude the impact of foreign currency translation adjustments from the minimum required balance.

As of May 10, 2005, there were no borrowings outstanding under the agreement.

A copy of the First Amendment to Credit Agreement between SBS Technologies, Inc., and Wells Fargo Bank National Association effective May 9, 2005 is attached hereto as Exhibit 10-cr.

Item 6 – Exhibits

(a) Exhibits (exhibit reference numbers refer to Item 601 of Regulation S-K)

03.i	(1)	Restated Articles of Incorporation.
03.ii	(1)	Second Restated and Amended Bylaws.
04.a	(1)	Article VI of the Restated Articles of Incorporation, as included in the Restated Articles of Incorporation of SBS Technologies, Inc.
04.b	(1)	Articles I and II of the Second Restated and Amended Bylaws of SBS Technologies, Inc.
04.c	(1)	Form of certificate evidencing Common Stock.
04.1	(1)	Rights Agreement dated September 15, 1997 between SBS Technologies, Inc. and First Security Bank (now Wells Fargo), National Association, as Rights Agent, which includes the form of Right Certificate as Exhibit A and the Summary of Rights to Purchase Common Stock as Exhibit B.2 and Agreement to Serve as Rights Agent; on January 21, 1998, pursuant to Section 21 of the Shareholder Rights Agreement dated September 15, 1997, we appointed Norwest Bank Minnesota N.A. (now Wells Fargo) as Successor Rights Agent.
10.1	(1)	Addendum to Lease Agreement between Edwin Mair KG and SBS Technologies, GmbH & Co. KG (a wholly-owned subsidiary of SBS Technologies, Inc., German Holdings LLC, a wholly-owned subsidiary of SBS Technologies, Inc.) dated September 14, 2004.
10.cj	(1)	Form of Indemnification Agreement between SBS Technologies, Inc. and Directors and Executive Officers.
10.ck	(1)	Form of Option Agreement for option grants to executive officers of SBS Technologies, Inc. under the 1993 Director and Officer Stock Option Plan.
10.cm	(1)	Lease between SBS Technologies, Inc. and Brunacini Development Ltd. Co. dated July 12, 2004.
10-cm	(1)	Lease agreement between SBS Technologies, Inc. and West Street Associates, LP dated March 18, 2005.
10-cn	(1)	Credit Agreement between SBS Technologies, Inc. and Wells Fargo Bank National Association, effective March 30, 2005.
10-co	(1)	Revolving Line of Credit Note with Wells Fargo Bank National Association, effective March 30, 2005.
10-cp	(1)	Security Agreement granted to Wells Fargo Bank National Association, effective March 30, 2005.
10-cq	(1)	Employment agreement between Christopher J. Amenson and SBS Technologies, Inc., effective April 11, 2005.
10-cr	(1)	First Amendment to Credit Agreement between SBS Technologies, Inc. and Wells Fargo Bank National Association dated March 30, 2005, effective May 6, 2005.
14	(1)	Code of Ethics.
31.1	(1)	Certification of the Company’s Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	(1)	Certification of the Company’s Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	(1)	Certification of the Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	(1)	Certification of the Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) See Exhibit Index

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SBS TECHNOLOGIES, INC.
(Registrant)

By: /s/ Clarence W. Peckham
Clarence W. Peckham
Chief Executive Officer

By: /s/ James E. Dixon Jr.
James E. Dixon Jr.
Executive Vice President and
Chief Financial Officer

Date: May 10, 2005

INDEX TO EXHIBITS

		Incorporated by Reference from				
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Fiscal period ended	Filed Here-with
3.i	Restated Articles of Incorporation dated November 10, 2000	10-Q	001-10981	3.i	9-30-2000	
3.ii	Second Restated and Amended By-laws dated November 13, 2003	10-Q	001-10981	3.ii	12-31-2003	
4.a	Article VI of the Articles of Incorporation, as amended, as included in the Articles of Incorporation of SBS Technologies, Inc.	10-Q	001-10981	3.i	9-30-2000	
4.b	Articles I and II of the Second Restated and Amended By-laws of SBS Technologies, Inc.	10-Q	001-10981	3.ii	12-31-2003	
4.c	Form of certificate evidencing Common Stock	10-Q	001-10981	4.c	3-31-2001	
4.1	Rights Agreement dated as of September 15, 1997 between SBS Technologies, Inc. and First Security Bank (now Wells Fargo), National Association, as Rights Agent, which includes the form of Right Certificate as Exhibit A, and the Summary of Rights to Purchase Common Stock as Exhibit B.2. Agreement to Serve as Rights Agent. On January 21, 1998, pursuant to Section 21 of the Rights Agreement, SBS appointed Norwest Bank Minnesota, N.A. (now Wells Fargo) as Successor Rights Agent.	10-K	001-10981	4.1	6-30-2002	
10.1	Addendum to Lease Agreement between Edwin Mair KG and SBS Technologies, GmbH & Co. KG (a wholly-owned subsidiary of SBS Technologies, Inc., German Holdings LLC, a wholly-owned subsidiary of SBS Technologies, Inc.) dated September 14, 2004	8-K	001-10981	10.1	9-14-2004	
10.cj	Form of Indemnification Agreement between SBS Technologies, Inc. and Directors and Executive Officers	8-K	001-10981	10.cj	12-28-2004	
10.ck	Form of Option Agreement for option grants to executive officers of SBS Technologies, Inc. under the 1993 Director and Officer Stock Option Plan.	8-K	001-10981	10.ck	12-30-2004	
10.cm	Lease between SBS Technologies, Inc. and Brunacini Development Ltd. Co. dated July 12, 2004	10-Q	001-10981	10.cm	12-31-2004	
10-cm	Lease agreement between SBS Technologies, Inc. and West Street Associates, LP dated March 18, 2005	8-K	001-10981	10-cm	3-24-2005	
10-cn	Credit Agreement between SBS Technologies, Inc. and Wells Fargo Bank National Association, effective March 30, 2005	8-K	001-10981	10-cn	4-05-2005	
10-co	Revolving Line of Credit Note with Wells Fargo Bank National Association, effective March 30, 2005	8-K	001-10981	10-co	4-05-2005	
10-cp	Security Agreement granted to Wells Fargo Bank National Association, effective March 30, 2005	8-K	001-10981	10-cp	4-05-2005	
10-cq	Employment agreement between Christopher J. Amenson and SBS Technologies, Inc., effective April 11, 2005	8-K	001-10981	10-cq	4-13-2005	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference from Form	File No.	Exhibit	Fiscal period ended	Filed Here-with
10-cr	First Amendment to Credit Agreement between SBS Technologies, Inc. and Wells Fargo Bank National Association dated March 30, 2005, effective May 6, 2005					X
14	Code of Ethics.	8-K	001-10981	14	11-21-2003	
31.1	Section 302 certification of Clarence W. Peckham, Chief Executive Officer					X
31.2	Section 302 certification of James E. Dixon Jr., Chief Financial Officer					X
32.1	Section 906 certification of Clarence W. Peckham, Chief Executive Officer					X
32.2	Section 906 certification of James E. Dixon Jr., Chief Financial Officer					X