

**Ad hoc disclosure within the meaning of Section 15 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act)**



**SMT Scharf AG restructures subsidiary in Germany's Saarland region**

Hamm, October 2, 2009 – SMT Scharf AG restructures its subsidiary SMT Scharf Saar GmbH (Neunkirchen). To this end, SMT Scharf Saar GmbH filed an insolvency proceeding today. The Group's Managing Board intends to restructure and then continue the subsidiary via an insolvency plan. The subsidiary, which operates almost exclusively in Germany, was not able to compensate for a significant downturn in revenues in the third quarter of 2009 with short-term cost cuts. The company's contributions to consolidated revenues have already shrunk since the earthquake in February 2008 which made it a burden on the group's earnings since then.

Continuing this company is not expected to impact consolidated revenues or earnings considerably. If the company is not continued, the SMT Scharf Group's net earnings will be depressed by one-off write-downs of about €0.5 million, and revenues in 2010 would fall by approximately €2 million.

Issuer: SMT Scharf AG  
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Industry: Machinery  
ISIN: DE0005751986  
German Securities Code Number (WKN): 575198  
Exchanges: Regulated Market in Frankfurt (Prime Standard), OTC in Berlin-Bremen, Düsseldorf, Hamburg, Munich, Stuttgart

<End of ad hoc disclosure>

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## **Company profile**

The SMT Scharf group develops, builds and maintains rail-bound railway systems for mining and use in tunnels. The trains are used all over the world, primarily in hard coal mines, gold mines and in underground mining for platinum, diamonds, copper and nickel. They are used to transport material and personnel up to loads of 35t. Derailment-proof railways are the only railways that can be used underground on branching lines to cope with inclines of more than 13 degrees. The SMT Scharf Group has its own companies in Germany, Poland and South Africa, China and Russia and has dealerships around the world. The railways developed by SMT Scharf are characterized, above all, by high-performance engines, great achievable transport performance and low operating and maintenance costs. SMT Scharf records more than 70% of its revenues on high-growth foreign markets, such as Russia, China and South Africa. The replacement parts and repairs business constitutes around 50% of sales. The continuing exploitation of stores means that high technology transport solutions are required for mining as a result of the increasingly difficult circumstances. The total market for underground transport technology comprises around €5 billion to €7 billion per year according to company estimates. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since April 11, 2007.

## **Contact**

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