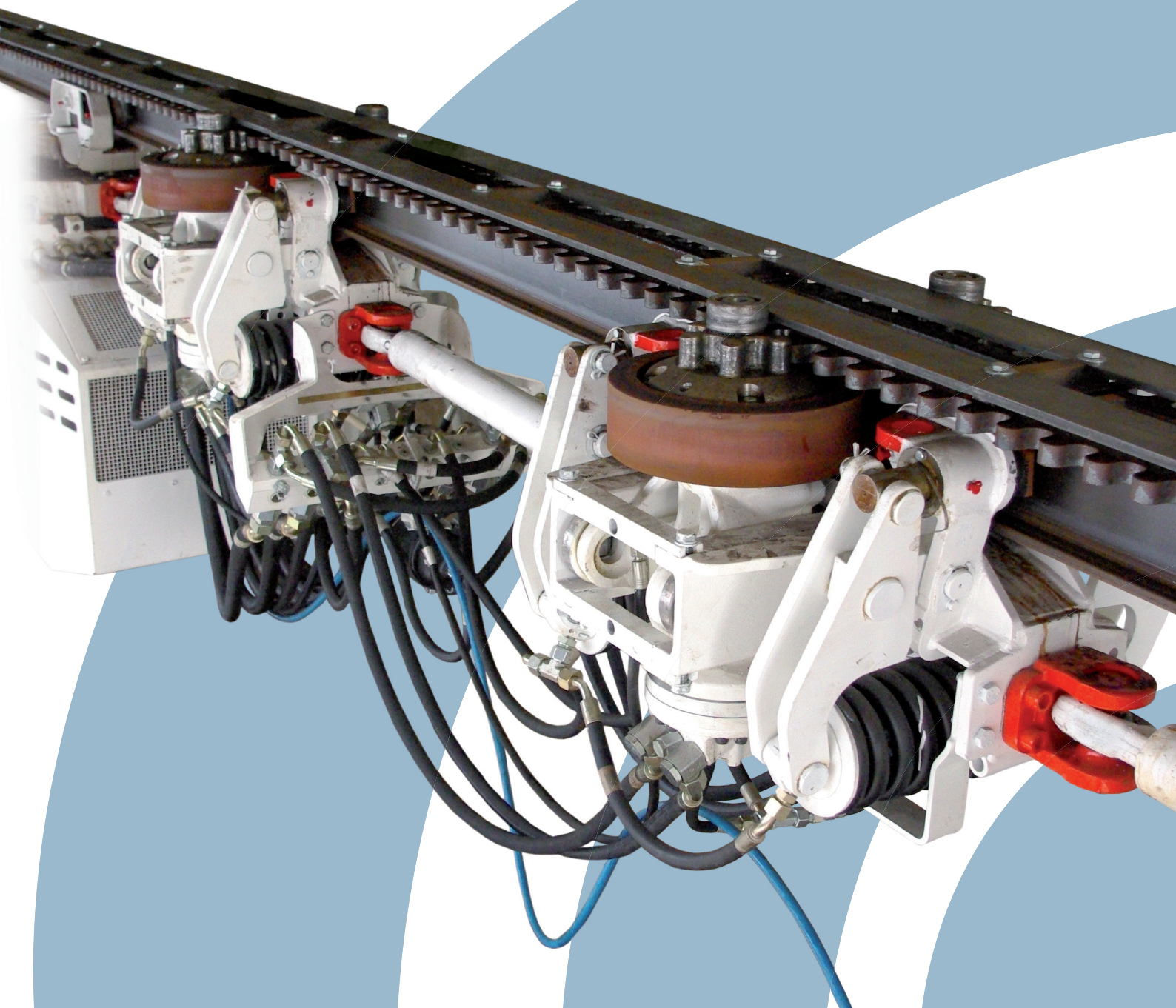
SCHARF
SOLUTIONS FOR MINING TRANSPORT

6-Month Report
01 Jan - 30 Jun 2010



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Summary of key data

(in € thousand)	01.01.2010-30.06.2010 *	01.01.2009-30.06.2009	Change
Revenue	19,075	24,770	-23%
Profit from operating activities (EBIT)	3,154	3,577	-12%
EBIT margin	16.5%	14.4%	+14%
Net income	2,247	2,392	-6%
Employees – end of period	287	234	+23%

* Figures from May 2010 include the newly acquired Dosco Holdings Ltd. and its subsidiaries.

Introduction by the Managing Board

Dear shareholders and business partners,

The first half of fiscal year 2010 was a great success for the SMT Scharf Group's international expansion. We acquired two UK mining suppliers in May 2010 – Dosco Overseas Engineering Ltd. and Hollybank Engineering Co. Ltd., which will allow us to significantly increase our product range in future. Both of these companies have close links with our core business of rail-bound railway systems – both in terms of their customers and the technology they use.

In addition, SMT Scharf was also highly successful in China in the first half of 2010: Our joint venture Shandong Xinsha Monorail Co. Ltd. started its operations in June. In July, and thus shortly after the end of the period under review, this joint venture received its first order from a Chinese industrial holding company. That means that, within just a brief period, our strategy of cooperating with a local partner on the high-growth Chinese market, which offers a multitude of opportunities, has paid off.

Consolidated revenue in the first six months of the current fiscal year totaled € 19.1 million after € 24.8 million in the previous year, down 23%. The high figures from the previous year were due, in particular, to the delivery of individual tranches of several key orders in South Africa during the period. In contrast, the Chinese market in particular continued to enjoy positive growth during the current year. Markets outside Germany contributed 86% to total revenue (previous year: 77%).

During the first half of 2010, the SMT Scharf Group once again succeeded in increasing its profitability compared to the same period of the previous year. EBIT fell by a disproportionately low 12% to € 3.2 million compared to € 3.6 million in the same period of the previous year. As a result, the EBIT margin increased to 16.5%, compared to 14.4% in the same period of the previous year. As a result, consolidated earnings fell by 6% to € 2.2 million compared to € 2.4 million in the previous year.

It has not been possible to date to make a detailed forecast for the SMT Scharf Group's revenues and earnings in fiscal year 2010, as it is very difficult to predict how our customers' investments will pan out over the coming months. However, growth in demand in the first half of 2010 and the additional potential stemming from the acquisition of the two UK companies has reinforced our expectations that our revenues and earnings will enjoy positive growth in the current year. In addition, our aim continues to be to increase our revenues and earnings on average over the coming years.

We would like to than you, our investors, business partners and customers for the trust that you have placed in our company to date, and look forward to working together with you in future.

Yours sincerely,

Dr. Friedrich Trautwein Heinrich Schulze-Buxloh

Management report

Macroeconomic environment

Capital expenditure in the international mining sector, in particular for hard coal, is the key factor to impact the SMT Scharf Group's business. In turn this capital expenditure is primarily influenced by global demand for commodities. Many customers throttled their production in the fall of 2008 as a result of the developing recession, and the SMT Scharf Group's individual markets experienced varied growth in 2009. Although production and investments by mines increased again in some countries, such as China, these fell in other countries, such as Russia.

This regional split in demand for commodities and investments by mines continued in the first few months of 2010. We cannot yet forecast whether growth or stagnation trends from individual markets will dominate overall in the coming months. However, a continued economic recovery is likely to return the mining sector to the on-track growth it enjoyed up to 2008. Countries such as China, India, Russia and South Africa will have increasing requirements for energy, steel and other metals in line with their continued economic growth. As a result, these will continue to be the markets with the strongest demand for the SMT Scharf Group's products in the coming years. This is coupled with the fact that many mine operators will also specifically invest in technology to boost productivity in future. The SMT Scharf Group's transport systems play a key role in this regard when it comes to transporting materials in underground mining operations.

Although hard coal mining in other countries is growing, this sector is shrinking in Germany as costs here are high compared to other countries. SMT Scharf expects that the decision to end German hard coal mining by 2018 will remain effective.

Order situation

The SMT Scharf Group continued to drive its international expansion in the first six months of 2010. The proportion of foreign revenue increased to 86% compared to 77% in the same period of the previous year. The order book totaled € 23.9 million on June 30, 2010, with 97% stemming from non-German markets. This figure is up 58% compared to the previous year's figure of € 15.1 million. The increase is mostly due to the first-time inclusion of the UK companies.

In absolute terms, revenue on foreign markets in the first half of 2010 was lower than the previous year's figure (€ 16.5 million compared to € 19.2 million). China, which already recorded growth in the previous year, was the most important individual market for SMT Scharf. The company believes that there also are opportunities for growth on this market over the year as a whole. Revenues in Russia and other member states of the Community of Independent States (CIS) are currently lower than in the previous year. Order intake from these countries began to recover in the first quarter of 2010, and this continued in the second quarter. Demand on the Polish and South African markets continues to be lower than in the previous year. In South Africa, this is the result of extraordinarily high figures in the previous year.

In Germany, revenue in the first half of 2010 was lower than in the previous year, in line with expectations. This was due to the downturn in demand from the key account Deutsche Steinkohle AG and also the deconsolidation of SMT Scharf Saar GmbH during the first five months of the year. The insolvency proceedings for SMT Scharf Saar GmbH were discontinued on May 26, 2010. Since then, this company has gone back to working as part of the SMT Scharf Group, albeit at a lesser size.

The order book and current enquiries by customers lead us to believe that SMT Scharf will record an above-average proportion of its revenues in the second half of the year – in contrast to last year. This corresponds to the seasonal sales pattern which characterized most of the previous years. Given these foundations, the Managing Board expects the SMT Scharf Group to record revenue growth over the year as a whole.

Research and development

During the second quarter of 2010, research and development activities continued to focus on investigations into new types of drives. The diesel motors that SMT Scharf uses are based on motors that were originally developed for construction machines. As a result of the continuing changes in standards in this area, the SMT Scharf Group also has to constantly develop its motors further.

SMT Scharf has adapted a heavy load lifting beam for an order from Russia, where a rack-and-pinion-driven monorail hanging railway will transport loads of up to 45 tons. A heavy load transport car with a hydraulic loading ramp was developed for Italy's largest coal mine. This makes it significantly faster to load and unload machine parts.

Human resources

As of June 30, 2010, the SMT Scharf Group had 287 employees, including 12 trainees, compared to 234 employees (including 10 trainees) one year before. This figure does not include employees at the Chinese joint venture. The number of employees in Germany fell from 164 to 133 as a result of rationalization activities at the facilities in Hamm and Neunkirchen. In contrast, the number of employees at foreign locations increased to 154 (previous year: 70). This figure includes 72 employees from the newly acquired UK companies.

A total of 24,901 shares were sold to employees in March and June 2010 as part of an employee equity participation plan.

Net assets, financial position and results of operations

As of June 30, 2010, the SMT Scharf Group's total assets amounted to € 59.1 million. This figure was thus up € 14.3 million or 32% compared to the end of 2009. The main factors behind this change were the inclusion of the UK companies acquired in May and advance payments for orders to be delivered in the second half of the year. The largest changes were in inventories (+€ 7.3 million) and provisions for pensions (+€ 6.9 million), followed by advance payments received (+€ 4.7 million), securities and cash and cash equivalents (+€ 2.4 million) and property, plant and equipment (+€ 2.1 million). Equity increased to € 24.7

million from € 23.0 million on December 31, 2009 as a result of the positive earnings for the period and the sale of 100,000 treasury shares to institutional investors. It also includes the dividend of € 2.8 million disbursed in April. The equity of € 24.7 million corresponds to an equity ratio of 42% at the end of the period under review, compared to 51% at the end of 2009. This reduced ratio is due to the increase in total assets.

Revenue in the first six months of 2010 totaled € 19.1 million, significantly lower than the previous year's figure of € 24.8 million. As a result of purchases for orders still to be shipped, inventories of unfinished goods increased in the period under review by € 1.7 million, in contrast to the previous year. As a result of changes in the mix of products and orders the ratio of cost of materials to revenue increased slightly to 53% (previous year: 51%). Due to the lower revenues, the ratio of personnel expenses to revenue increased to 28%, after 24% in the previous year. Other expenses and income (without the increase in inventories) totaled 11% of revenues compared to 10% in the previous year. This includes the income from the first-time consolidation of the UK companies of € 0.8 million. As a result, in the first six months of 2010 the EBIT margin totaled 16.5% compared to 14.4% in the same period of the previous year. In absolute terms, EBIT fell to € 3.2 million (previous year: € 3.6 million).

Consolidated net income in the first six months of 2010 totaled € 2.2 million, slightly lower than the previous year's figure (€ 2.4 million). The Group's tax rate fell to 26% compared to 32% in the same period of the previous year as no taxes were due for disbursements within the group and because some income relates to the first-time consolidation. Due to the lower average number of shares in circulation earnings per share totaled € 0.57, on a par with the previous year.

On June 30, 2010, cash and cash equivalents and marketable securities totaled € 17.4 million compared to € 15.0 million at the start of 2010. This was mostly due to higher advance payments from customers and the inclusion of the UK companies.

SMT Scharf invested € 2.7 million in the first six months of 2010. The largest items were the Dosco acquisition at € 1.9 million and the payment of capital into the Chinese joint venture totaling € 0.6 million. There were also ongoing development projects, which had to be capitalized according to IAS 38, as well as replacement and rationalization investments at a standard level. At present, there are no major projects involving investments in property, plant and equipment.

Report on events after the balance sheet date

In July 2010, SMT Scharf received its first order via its newly formed Chinese joint venture Shandong Xinsha Monorail Co. Ltd. The customer is a Chinese industrial holding company that already uses SMT Scharf's monorail hanging railways in several of its coal mines. SMT Scharf will supply two construction sets from Germany, which will then be completed in China. The order is expected to be shipped and invoiced in the current year.

In August, a new customer from China ordered a rail-bound rack-and-pinion railway from SMT Scharf. The DZ 2200 engine developed last year will be used for the first time in this order. A further innovation is adjusting the rack-and-pinion train to 600mm tracks. This means that wagons from the mine railway that the customer already has can be used on the rack-and-pinion line.

Outlook

The SMT Scharf Group's business is subject to a large number of external factors. The opportunities and risks associated with these factors for the SMT Scharf Group's growth are discussed in detail in the group management report for fiscal year 2009.

It is currently difficult to see how global demand for commodities and thus also investments by mines will develop during the remainder of 2010. From SMT Scharf's perspective, the issue remains open when the economic growth forecast for 2010 will lead to increased readiness to make investments in the mining sector. The SMT Scharf Group expects – as mentioned above – that the split development observed on its markets in the previous year will continue in 2010. As a result of the strong demand from several markets, in particular from China, and the acquisition of the UK companies, growth factors are expected to prevail in the SMT Scharf Group's business.

After the recession has been overcome, market watchers are expecting the international mining sector to return to the growth path enjoyed until 2008. During this period, the expansion was mostly driven by the increase in demand for energy commodities and metals as a result of the industrialization in countries with a large population such as China and India. It is highly probable that this trend will become prominent again. The growth in customer enquiries in the first half of 2010 and the additional potential resulting from the acquisition of the two UK mining equipment companies mean that SMT Scharf is expecting positive growth in revenues and earnings in 2010. In addition, the Managing Board continues to aim for revenue and earnings growth on average over the coming years.

Hamm, August 13, 2010

SMT Scharf AG

The Managing Board

IFRS semi-annual financial statements (unaudited)

Consolidated balance sheet

(in € thousand)	Notes	30.06.2010	30.06.2009	31.12.2009
Assets				
Inventories		14,849	10,919	7,535
Trade receivables		9,035	9,855	10,436
Other current receivables / assets		1,692	791	1,686
Deferred tax assets		0	220	419
Securities		3,013	877	1,743
Cash and cash equivalents		14,427	11,972	13,249
Current assets	(4)	**43,016**	**34,634**	**35,068**
Intangible assets		3,322	2,575	2,616
Property, plant and equipment		9,197	8,535	7,105
Participating interests		640	0	0
Deferred tax assets		2,745	0	0
Other non-current receivables / assets		202	0	0
Non-current assets	(5)	**16,106**	**11,110**	**9,721**
Total assets		**59,122**	**45,744**	**44,789**
Equity and liabilities				
Current income tax		722	1,083	1,430
Other current provisions		4,242	4,293	4,136
Advance payments received		5,395	2,530	716
Trade payables		4,382	2,814	3,247
Other current liabilities		1,508	1,376	1,584
Current provisions and liabilities	(6)	**16,249**	**12,096**	**11,113**
Provisions for pensions		9,912	2,938	3,017
Other non-current provisions		1,725	726	1,344
Deferred tax liabilities		1,604	1,660	1,379
Non-current financial liabilities		4,907	4,878	4,892
Non-current provisions and liabilities	(6)	**18,148**	**10,202**	**10,632**
Subscribed capital		3,965	4,185	3,840
Share premium		7,842	9,397	6,661
Retained earnings		0	2,803	2,803
Profit brought forward		11,939	7,140	9,652
Currency translation difference		979	-79	88
Equity	(7)	**24,725**	**23,446**	**23,044**
Total equity and liabilities		**59,122**	**45,744**	**44,789**

Consolidated statement of comprehensive income

(in € thousand)	Notes	01.04.2010-30.06.2010	01.04.2009-30.06.2009	01.01.2010-30.06.2010	01.01.2009-30.06.2009
Revenue	(1)	10,289	12,617	19,075	24,770
Other operating income		1,045	226	1,734	612
Changes in inventories		697	-1,182	1,747	-41
Cost of materials		5,006	5,322	10,210	12,752
Personnel expenses		3,064	2,847	5,374	5,846
Depreciation and amortization		367	345	734	662
Other operating expenses		1,879	767	3,084	2,504
Profit from operating activities (EBIT)		**1,715**	**2,380**	**3,154**	**3,577**
Interest income		64	60	107	154
Interest expenses		117	113	226	218
Financial result		**-53**	**-53**	**-119**	**-64**
Profit before tax		**1,662**	**2,327**	**3,035**	**3,513**
Income taxes	(2)	386	767	788	1,121
Net income	(3)	**1,276**	**1,560**	**2,247**	**2,392**
Currency difference from translation of foreign financial statements		386	501	891	365
Comprehensive income		**1,662**	**2,061**	**3,138**	**2,757**

Consolidated cash flow statement

(in € thousand)	01.01.2010-30.06.2010	01.01.2009-30.06.2009
Net income	2,247	2,392
Income from first-time consolidation	-809	0
Depreciation and amortization	734	662
Gain / loss on the disposal of non-current assets	93	-25
Changes in assets and liabilities items		
- Provisions	-906	-283
- Taxes	-786	-349
- Inventories	-4,276	1,544
- Receivables / other assets	5,448	4,131
- Liabilities	2,440	-8,192
Net cash flow from / used in operating activities	**4,185**	**-120**
Investments in non-current assets	-202	-991
Proceeds from the disposal of non-current assets	66	143
Corporate acquisitions	-2,546	0
Cash and cash equivalents acquired	1,719	0
Net cash flow used in investing activities	**-963**	**-848**
Sale / acquisition of treasury shares	1,306	-135
Dividend	-2,763	-3,570
Hardship and social funds	90	35
Repayment of / proceeds from non-current financial liabilities	15	14
Net cash flow from / used in financing activities	**-1,352**	**-3,656**
Effect of changes in exchange rates and group composition on cash and cash equivalents	668	370
Change in net financial position*	**2,538**	**-4,254**
Net financial position – start of period	14,221	16,272
Net financial position – end of period	16,759	12,018

* Cash and cash equivalents and securities without hardship and social funds less current financial liabilities

Consolidated statement of changes in equity

(in € thousand)	Subscribed capital	Share premium	Retained earnings	Profit brought forward	Currency translation difference	Equity
Balance at January 1, 2010	**3,840**	**6,661**	**2,803**	**9,652**	**88**	**23,044**
Reclassification			-2,803	2,803		0
Sale of treasury shares	125	1,181				1,306
Net income				2,247		2,247
Dividend				-2,763		-2,763
Other changes					891	891
Balance at June 30, 2010	**3,965**	**7,842**	**0**	**11,939**	**979**	**24,725**
Balance at January 1, 2009	**4,200**	**9,517**	**2,803**	**8,318**	**-444**	**24,394**
Acquisition of treasury shares	-15	-120				-135
Net income				2,392		2,392
Dividend				-3,570		-3,570
Other changes					365	365
Balance at June 30, 2009	**4,185**	**9,397**	**2,803**	**7,140**	**-79**	**23,446**

Notes

Methods

This financial report of the SMT Scharf Group as at June 30, 2010 was prepared in accordance with the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the Interpretations (IFRIC) issued by the International Accounting Standards Board. The accounting policies used and the information included comply with IAS 34 (Interim Financial Reporting). The accounting and valuation policies and the calculation methods applied are the same as those used in the IFRS consolidated financial statements as at December 31, 2009, which were audited by the Group's auditors.

The interim financial statements present a true and fair view of the net assets, financial position and results of operations of the SMT Scharf Group for the period under review. They were not subject to an auditor's review.

Consolidated group

The consolidated financial statements of the SMT Scharf Group include SMT Scharf AG as well as the following companies:

SMT Scharf GmbH, Hamm
SMT Scharf Polska Sp.z o.o., Tychy, Poland
SMT Scharf Sales and Services GmbH, Hamm
SMT Scharf Africa (Pty.) Ltd., Kya Sands, South Africa
SMT Scharf International OÜ, Tallinn, Estonia
Scharf Mining Machinery (Beijing) Co. Ltd., Beijing, China
OOO SMT Scharf, Novokuznetsk, Russian Federation
Sareco Engineering (Pty.) Ltd., Brakpan, South Africa
Dosco Holdings Ltd., Tuxford, United Kingdom (from May 4, 2010)
Dosco Overseas Engineering Ltd., Tuxford, United Kingdom (from May 4, 2010)
Hollybank Engineering Co. Ltd., Tuxford, United Kingdom (from May 4, 2010)
OOO Dosco, Kemerowo, Russian Federation (from May 4, 2010)
SMT Scharf Saar GmbH, Neunkirchen (from May 27, 2010 and previously to Oct. 2, 2009)
Shandong Xinsha Monorail Co. Ltd., Xintai, China (from June 17, 2010)

On May 4, SMT Scharf AG acquired all of the interests in Dosco Holdings Ltd. and its subsidiaries for a purchase price of € 1.9 million. The companies contributed revenues of € 0.8 million and EBIT of € -0.4 million to the SMT Scharf Group in the period under review. If these companies had been acquired as at January 1, 2010, the SMT Scharf Group's revenues in the period under review would have been € 3.2 million higher, and EBIT would have been € 0.4 million lower. The agreed purchase price was € 0.8 million less than the value of the equity which results if the assets and liabilities of the companies acquired are valued at their fair value. This difference is carried under other operating income. The carrying amounts and fair values of the companies' assets and liabilities are broken down in the following table.

(in € thousand)	Carrying amounts	Fair values
Assets		
Inventories	4,624	2,956
Receivables and other current assets	4,176	4,279
Cash and cash equivalents	1,532	1,536
Non-current assets	5,118	5,076
Total	**15,450**	**13,847**
Equity and liabilities		
Non-current provisions and liabilities	8,385	7,350
Current provisions and liabilities	3,965	3,798
Equity	3,100	2,699
Total	**15,450**	**13,847**

The insolvency proceedings for SMT Scharf Saar GmbH were discontinued on May 26, 2010. Since then the company has been working as part of the SMT Scharf Group again.

The 50% participating interest in Shandong Xinsha Monorail Co. Ltd. is consolidated using the equity method.

Notes to the income statement

(1) Revenue

Revenue is composed of the following items:

(in € thousand)	01.04.2010-30.06.2010	01.04.2009-30.06.2009	01.01.2010-30.06.2010	01.01.2009-30.06.2009
New equipment	4,778	6,529	9,528	13,149
Spare parts / service / other	5,511	6,088	9,547	11,621
Total	**10,289**	**12,617**	**19,075**	**24,770**
Germany	1,403	2,722	2,612	5,617
Other countries	8,886	9,895	16,463	19,153
Total	**10,289**	**12,617**	**19,075**	**24,770**

(2) Income taxes

Income taxes are composed of the following items:

(in € thousand)	01.04.2010-30.06.2010	01.04.2009-30.06.2009	01.01.2010-30.06.2010	01.01.2009-30.06.2009
Current tax expense	617	576	944	1,153
Deferred taxes	-231	191	-156	-32
Total	**386**	**767**	**788**	**1,121**

(3) Earnings per share

Diluted earnings per share correspond to basic earnings per share.

	01.04.2010-30.06.2010	01.04.2009-30.06.2009	01.01.2010-30.06.2010	01.01.2009-30.06.2009
Average number of shares	3,952,704	4,191,516	3,921,496	4,195,735
Earnings per share (in €)	0.32	0.37	0.57	0.57

Notes to the balance sheet

(4) Current assets

As of June 30, 2010 there were no trade receivables or other current assets with a remaining term of more than one year – as was the case one year ago.

Securities and cash and cash equivalents as at June 30, 2010 include a hardship and social fund amounting to € 681 thousand. This fund is managed in trust by a commission consisting of the management of SMT Scharf GmbH and SMT Scharf Saar GmbH as well as these two companies' works councils.

(5) Non-current assets

The SMT Scharf Group leases internally developed monorail hanging railways as a lessor. These are recorded as leased assets under non-current assets. There were six leased items as of June 30, 2010.

During the first half of 2010, € 107 thousand was capitalized as development expenses for projects that fulfill the requirements of IAS 38.

(6) Liabilities

The mezzanine financing taken out in 2006 is reported as a non-current financial liability. This runs until 2013. Of the current liabilities, € 687 thousand have a remaining term of more than one year.

(7) Equity

The changes in the SMT Scharf Group's equity are shown in the statement of changes in equity. In order to increase transparency, the retained earnings and the profit brought forward were compounded to form a single item.

On June 30, 2010, 4,200,000 ordinary bearer shares of SMT Scharf AG had been issued in the form of no-par value shares with a notional interest of € 1 each. Of this total, SMT Scharf AG held 235,095 treasury shares. In February 2010, SMT Scharf AG sold 100,000 treasury shares to institutional investors. This was executed in parallel to the sale of the remaining shares by the two previous major shareholders. A total of 24,901 shares were sold to employees in March and June 2010 as part of an employee equity participation plan. No stock options have been granted to members of the Supervisory or Managing Boards or employees of the company.

During the period under review, a dividend of € 0.70 per share for fiscal year 2009 was paid based on a resolution by the Ordinary General Meeting held on April 14, 2010 .

Other disclosures

(8) Contingent liabilities and other financial commitments

The company has no significant contingent liabilities that are unusual in the industry.

There are other financial liabilities in particular from rental and lease agreements for cars and photocopiers. The agreements have maturities of up to five years and in some cases include extension options and escalation clauses. In the period under review, payments amounting to € 169 thousand were recognized under other operating expenses for rental agreements and leases. The nominal amount of the future minimum lease payments from rental agreements and operating leases that cannot be terminated is as follows (by due date):

(in € thousand)	30.06.2010	30.06.2009	31.12.2009
Due within one year	272	300	266
Due in one to five years	433	333	268

(9) Supervisory and Managing Boards

Since April 14, 2010, the members of SMT Scharf AG's Supervisory Board are:
Dr. Dirk Markus, Feldafing, CEO of Aurelius AG, (Chairman),
Christian Dreyer, Salzburg, entrepreneur, (Deputy Chairman),
Ulrich Radlmayr, Schondorf a. A., attorney, member of Aurelius AG's managing board.

Mr. Florian Kawohl resigned from the Supervisory Board as of the end of the Ordinary General Meeting on April 14, 2010. The General Meeting elected Mr. Christian Dreyer as a new member of the Supervisory Board.

The members of the Managing Board of SMT Scharf AG in the reporting period were:
Dr. Friedrich Trautwein (CEO),
Heinrich Schulze-Buxloh.

On June 30, 2010, Dr. Trautwein held 64,400 shares of the company and Mr. Schulze-Buxloh held 6,000 shares. The members of the Supervisory Board did not hold any shares.

(10) Related party disclosures

In the period under review, services totaling less than € 5 thousand were purchased at arm's length conditions from related parties as defined by IAS 24. No services were provided to related parties.

(11) Financial instruments and financial risks

The SMT Scharf Group enters into derivative transactions in the form of currency forwards in particular to hedge currency risks. The Group does not trade in financial instruments, in accordance with its financial policy objectives. No fair value hedges were used in the period under review.

Please see the 2009 consolidated financial statements for information on the financial risks of the SMT Scharf Group's business. No substantial changes occurred from January to June 2010.

Responsibility statement

To the best of our knowledge, we declare that, according to the principles of proper consolidated interim reporting applied, the consolidated interim financial statements provide a true and fair view of the Group's net assets, financial position and results of operations, that the consolidated interim management report presents the company's business including the results and the Group's position such as to provide a true and fair view and that the major opportunities and risks of the Group's anticipated growth for the remaining financial year are described.

Hamm, August 13, 2010

SMT Scharf AG

The Managing Board

Legal Notice

This report contains future-related statements based on estimates of future trends on the part of the Managing Board. The statements and estimates have been made in view of all information available at present. Should the assumptions underlying such statements and estimates fail to materialize, actual results may differ from current expectations.

This report and the information contained therein do not constitute an offer for sale either in Germany or in any other country, nor do they constitute a demand to purchase securities of SMT Scharf AG, in particular if this type of offer or demand is prohibited or not authorized. Potential investors in shares of SMT Scharf AG must obtain information on any such restrictions and adhere to these.

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