

SMT Scharf AG publishes figures for H1 2010

- Revenue of €19.1 million after €24.8 million in the previous year
- EBIT margin rises to 16.5% from 14.4% the previous year
- Growth in revenue and earnings forecast for year as a whole

Hamm, August 13, 2010 – SMT Scharf AG (German securities code (WKN) 575198, ISIN DE0005751986), technology and global market leader for rail-bound railway systems for the mining industry, has improved its EBIT margin in the first six months of 2010 although revenue was lower. While revenue declined from €24.8 million in the prior year to €19.1 million (-23%), EBIT fell by a disproportionately low amount from €3.6 million in H1 2009 to €3.2 million (-12%). As a result, the EBIT margin increased to 16.5% compared to last year's figure of 14.4%. A lower tax rate caused consolidated net income to fall by only 6% to €2.2 million compared to €2.4 million in the previous year.

Markets outside Germany contributed 86% to total revenue (previous year: 77 %). In particular the Chinese market continued to enjoy positive growth. The Chinese 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 company received its first order from a Chinese industrial holding company.

In addition, SMT Scharf acquired Dosco Overseas Engineering Ltd. and Hollybank Engineering Co. Ltd. during the second quarter. These are two UK mining supply companies which will significantly increase SMT Scharf's product range in future. Both of these companies have close links with SMT Scharf's core business of rail-bound railway systems – both in terms of their customers and the technology they use.

“We have succeeded in lifting our profitability despite recording lower revenue than in the first half of 2009,” commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO, on the figures. “Growth in new enquiries 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 revenue and earnings will enjoy positive growth in the current year.”

The full report for the first six months of 2010 will be published in the course of the day online at www.smtscharf.com in the “Investor Relations” section.

Company profile

The SMT Scharf group develops, builds and maintains transportation equipment for mining and tunneling. The main product are rail-bound railways which are used all over the world, primarily in hard coal mines and underground mining for gold, platinum and other metals. They are used to transport material and personnel with working loads of up to 45 tons. Rail-bound railways are the only means of underground transport that can be used on branching lines to cope with inclines of more than 13 degrees. The SMT Scharf Group has its own companies in Germany, Poland, Great Britain, South Africa, China and Russia and additional dealerships. The railways that SMT Scharf develops are characterized in particular by their high-performance engines, great transport performance and low operating and maintenance costs. SMT Scharf records more than 80% of its revenue in high-growth foreign markets, such as Russia, China and South Africa. Business with replacement parts and repairs accounts for around 40% of revenue. The entire market for underground transport technology comprises €5 billion to €7 billion per year according to the company's estimates. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since April 11, 2007.

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