

SMT Scharf AG acquires two suppliers of mining equipment from Billington Holdings plc

Hamm, May 4, 2010 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986), technology and world market leader for rail-bound railway systems for the mining sector, has acquired a 100% interest in two UK-based suppliers of mining equipment from Billington Holdings plc (ISIN GB0000332667) for around €2.0 million. Corresponding agreements were signed today. Dosco Overseas Engineering Ltd. is a specialist for roadheaders. The other company acquired by SMT Scharf, Hollybank Engineering Co. Ltd., supplies underground roadway supports. The two companies together recorded revenues of around €14 million in 2009 and slightly negative earnings. Their main customers are coal mines, but also other types of mines and tunneling companies.

With this sale of its two subsidiaries, both based in Nottinghamshire, in future Billington Holdings plc will focus on its core business of structural steel in Great Britain. SMT Scharf adds a products range that complements its core business of rail-bound railways in terms of both customers and technologies. The acquisition is expected to positively impact the SMT Scharf Group's earnings already in the current year.

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Exchanges: Regulated Market in Frankfurt (Prime Standard), OTC in Berlin-Bremen, Düsseldorf, Hamburg, Munich, Stuttgart

<End of ad hoc disclosure>

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



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, in gold mines and underground mining for platinum, diamonds, copper and nickel. They are used to transport material and personnel with working loads of up to 35 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, 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. As a result of the continuing depletion of deposits and due to increasingly difficult conditions, high-tech transport solutions are needed for mining operations. 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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