

SMT Scharf receives order for roadheaders from South America

Hamm, October 12, 2010 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986), the technology and global market leader for rail-bound railway systems for the mining sector, has received a key order with a volume of more than €3 million in its new roadheaders division.

An Argentinean coal mine in Santa Cruz province has ordered two SL120H roadheaders with accessories. This order totals more than €3 million and is expected to be shipped in the first half of 2011.

SMT Scharf took over Dosco Overseas Engineering Ltd. in May 2010. This company specializes in developing and producing roadheaders. These machines are used to excavate underground tunnels in the mining industry. The models ordered are suited for particularly low seam heights and have a weight of less than 50 tons.

“Our customer has opted for Dosco's solution because these machines are highly reliable and the axial cutting head offers superior excavation performance,” commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO. “We are very proud to have received this order for Dosco. Building our business in South America is still at a very early stage. However, we believe that in the longer term these emerging economies, where the commodities sector is of key importance, will be high-growth markets for SMT Scharf,” added Dr. Trautwein.

Company profile

The SMT Scharf group develops, builds and maintains transportation equipment for mining and tunneling. The main product area is 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 spare 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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