

SMT Scharf AG acquires first order for rack-and-pinion drive developed in 2009

Hamm, May 27, 2010 – SMT Scharf AG (German Securities Code 575198, ISIN DE0005751986), technology and global market leader for rail-bound railway systems for the mining sector, has received its first order for the switch-in rack-and-pinion drive system it developed last year. The order has a total value of around €2 million and is to be shipped to Russia in 2010.

A Russian coal mine in the Kuzbass region ordered three trains that are equipped with the switch-in rack-and-pinion drive. It also ordered track equipment and accessories. Other companies in the group to which the mine belongs have already been using SMT Scharf's trains with conventional friction wheel drives since 2005. The trains that have now been ordered will allow weights of up to 45 tons to be transported. The inclines are up to 25° on sections of the underground roadways on which the trains will be used, making the switch-in rack-and-pinion drive the most economic solution for this customer. This system is designed so that the driver can switch between the friction and rack-and-pinion drive en route without having to stop the train. The toothed racks that fit the pinion thus only have to be laid on sections with particularly steep inclines or in particularly damp environments. Both the rack-and-pinion drive and the toothed racks can also be retrofitted to existing systems.

“We are very pleased to have received an order for this technology from Russia in particular. That is where we presented the system for the first time at a trade fair in 2009. We believe that this order and a number of current enquiries are early indicators that the Russian mining sector is expanding again, as was the case up to 2008,” commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO. “We believe that there is major potential for our business in the coming years from Russia, and also from China and South Africa.”

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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