

SMT Scharf AG: Significant growth in revenues and earnings in Q1 2011

- Revenue up 73% to €15.2 million and EBIT rises 47% to €2.1 million
- Order book almost quadruples to €38.7 million during the first quarter 2011 (previous year: €9.9 million)

Hamm, 13 May 2011 – 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 substantially increased its revenue and earnings in the first quarter 2011. The revenue of SMT Scharf Group rose 73% to €15.2 million, following € 8.8 million in the same period in the previous year. Of this amount, 87% was attributable to markets outside Germany (previous year: 86%).

At the same time, SMT Scharf succeeded in increasing its profit from operating activities (EBIT) by 47% to € 2.1 million (previous year: € 1.4 million). As a result, the EBIT margin came in at 14.0% after 16.4% in the first three months of 2010. The cost of materials ratio rose to 62% on the back of changes in the product mix and increases in inventories, compared to 59% in the previous year period. In contrast, the personnel expenses ratio fell to 23% (previous year: 26%). Overall, SMT Scharf AG generated net income of € 1.8 million, up 84% on the previous year figure of € 1.0 million. This above-average rise can mainly be attributed to a lower tax rate.

At the end of the first quarter 2011, the order book totalled € 38.7 million, of which 95% stemmed from markets outside of Germany. Compared to the previous year's figure of €9.9 million, this represents an increase of 291%.

Dr. Friedrich Trautwein, CEO of SMT Scharf AG, is delighted with the Group's successful growth over the first three months of 2011: "The start to the year has shown that our internationalisation strategy is bearing fruit. We are particularly benefiting from the market momentum in China thanks to our subsidiary and joint venture there. We also see substantial potential in other countries for the coming years, such as Russia and South Africa, and we are aiming to tap this potential."

The full quarterly report for Q1 2011 will be available during the course of today 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 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. SMT Scharf's other key products are roadheaders, equipment for tunnel support and chairlifts. The SMT Scharf Group has its own companies in seven countries as well as additional dealerships worldwide. 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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