

SMT Scharf AG publishes final figures for 2010

- Revenues up 25% to €66.7 million and EBIT up 46% to €11.1 million
- Order book at end of 2010 totals €23.2 million (+175% year-on-year)
- Proposed dividend of €0.85 per share (previous year: €0.70)

Hamm, March 4, 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 revenues and earnings (final figures) in fiscal year 2010. The SMT Scharf Group's revenues were up 25% to €66.7 million compared to €53.3 million in the previous year. Growth outside Germany totaled 37% taking revenues in these markets to €61.0 million, which means that international activities accounted for 91% of total revenues in 2010 (previous year: 84%). Revenues in Germany continued to fall, in line with expectations.

In addition SMT Scharf succeeded in increasing its EBIT by an above average 46% to €11.1 million (previous year: €7.6 million), thus recording an EBIT margin of 16.6% (previous year: 14.2%). EBIT includes €0.8 million non-cash income from the initial consolidation of Dosco Holdings Ltd. and its subsidiaries. The cost of materials ratio increased to 53% as a result of changes in the product mix, whereas the personnel expenses ratio fell to 19% (previous year: 47% and 21% respectively). Net income benefited from a lower tax rate in 2010. This figure totaled €8.0 million, up 58% compared to the previous year's figure of €5.1 million.

The order book at the end of 2010 totaled €23.2 million. Of this total, 91% was from markets outside of Germany. The total volume is up 175% compared to the previous year's figure of €8.4 million. Around one third of this increase is due to the first-time inclusion of the UK companies.

Dr. Friedrich Trautwein, SMT Scharf AG's CEO, is very pleased with the Group's successful growth and high profitability in fiscal year 2010: "The past months have shown that strengthening our foreign companies and expanding our product portfolio were key strategic steps. We believe that there is substantial potential in the coming years – and we certainly plan to use it." Dr. Trautwein added: "Our business has also enjoyed some pleasing growth

in the first few weeks of 2011. That is why we believe that we will be able to further increase the SMT Scharf Group's revenues and earnings on average over the coming years."

The Managing and Supervisory Boards will propose the disbursement of a dividend of €0.85 per share to the General Meeting for fiscal year 2010. This corresponds to a distribution rate of 42% excluding the treasury shares. The dividend yield totals 4.1% based on the closing price for shares of SMT Scharf on March 3, 2011.

The full group financial report for 2010 will be available during the course of today at the Web site 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 Germany, Poland, the United Kingdom, South Africa, China and Russia 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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