

## **SMT Scharf AG records significant increase in revenues and earnings in 2010**

- **Revenues up 26% (preliminary figures) to €67.0 million (previous year: €53.3 million)**
- **EBIT lifts 46% to €11.1 million (previous year: €7.6 million)**
- **Proposed dividend of €0.85 (previous year: €0.70) per share**

**Hamm, February 7, 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 again substantially increased its revenues and earnings (preliminary figures) in fiscal year 2010. Over the year as a whole, the SMT Scharf Group's revenues lifted to €67.0 million compared to €53.3 million in the previous year (+26%). Non-German markets accounted for 91% of total revenue (previous year: 84%). China was the most important individual market, followed by South Africa.**

The company's positive growth could also be clearly seen in its earnings. The SMT Scharf Group increased its EBIT by a grand total of 46% to €11.1 million (previous year: €7.6 million). This corresponds to an EBIT margin of 16.6% compared to 14.2% in the previous year. EBIT includes non-cash income of €0.8 million from the first time consolidation of the UK mining suppliers Dosco Overseas Engineering and Hollybank Engineering, which SMT Scharf acquired in May 2010. Net income for the year grew by 60%, totaling €8.1 million according to preliminary figures (previous year: €5.1 million).

"We are very pleased to have achieved this significant increase in revenues and earnings in 2010," commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO, on the company's positive growth during the past year. "Our internationalization strategy, which we have successfully implemented over the past few years, means that we are now mostly independent of the German market. The two companies we acquired last year also have developed well and have made a positive contributions to earnings, as forecast. That is why we are confident that we will be able to further increase our revenues and earnings on average over the coming years."

The Managing and Supervisory Boards intend to propose the General Meeting for fiscal year 2010 to pay a dividend of €0.85 per share. Compared with the dividend paid in the previous year of €0.70 per share, the dividend is up 21%. In terms of the closing price of SMT Scharf's shares on February 4, 2011, this corresponds to a dividend yield of 4.6%.

The company expects to publish its final figures for 2010 on March 4, 2011 on its website [www.smtscharf.com](http://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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