

SMT Scharf AG reports revenue and earnings decline in Q1 2013 – Dosco subsidiary sold

- Revenue down 36 % to EUR 16.3 million
- EBIT decline of 16 % to EUR 2.5 million
- Dosco Holdings Ltd. sold, including to Dosco management
- Order book position down 33 % to EUR 28.6 million

Hamm, May 15, 2013 – SMT Scharf AG (German Securities Code [WKN] 575198, ISIN DE0005751986), technology and world market leader for monorail transport systems for underground mines, reports revenue down by 36 % to EUR 16.3 million in the first quarter of 2013 (Q1/2012: EUR 25.3 million). The decline in total operating output was not as pronounced, at -25 % to EUR 19.1 million, compared with EUR 25.3 million in the previous-year period. Revenue generated abroad continued to dominate, although its share fell slightly from 91.2 % to 87.3 %.

One reason for the significant revenue decline is, as expected, weaker new equipment business – service business reported slight growth, by contrast. Secondly, demand in the roadheader technology segment, which includes the Dosco subsidiary, fell sharply. Poland, Russia and China accounted for the largest share of revenue.

The cost of materials compared to operating output stood at 52 %, slightly below the 55 % recorded in the same period of the previous year. The personnel expense ratio rose to 23 % due to hiring on foreign markets, in line with SMT Scharf AG's localisation strategy, compared with just 16 % in the prior-year period. This feeds through to earnings before interest and tax (EBIT) of EUR 2.5 million (Q1/2012: EUR 2.0 million), representing a 13.2 % EBIT margin, compared with 11.9 %. Group net income stood at EUR 2.1 million (Q1/2012: EUR 2.4 million).

While the order book position fell year-on-year from EUR 42.9 million to EUR 28.6 million, SMT Scharf AG boosted its new order intake from EUR 17.3 million in the prior-year quarter to currently EUR 22.5 million. SMT Scharf AG's CEO, Christian Dreyer, regards 2013 as a year of transition, however: "In all likelihood, we will be unable to match the previous year's revenue this year. We nevertheless continue to expect that we will raise revenue and

earnings on average over the coming years. Our concentration on our core rail systems business will help us in this context. A few days ago, we sold our wholly-owned subsidiary Dosco Holdings Ltd. to an acquisition vehicle involving Dosco's management."

The full report for the first three months of 2013 will be available during the course of today at www.smtscharf.com in the Investor Relations section.

Company profile

The SMT Scharf Group develops, manufactures and services transport equipment for underground mining and tunnelling. The main products are captivated railways that are used all over the world, primarily in black coal mines, but also in mines for gold, platinum and other metals. They are needed to transport material and personnel with payloads of up to 45 tons and on gradients of up to 35 degrees. The SMT Scharf Group has subsidiaries in six countries as well as agents worldwide. SMT Scharf generates more than 90 % of its revenue in growing foreign markets such as China, Russia and South Africa. Business with replacement parts and repairs contributes around 45 % of revenue. The entire market for underground transport equipment is estimated to be EUR 5 to 7 billion per year. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since April 11, 2007, and has been included in the selective SDAX index since September 2012.

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