

Weak trend on mining equipment market continues to confront SMT Scharf AG in third quarter

- **Revenue down 15 % to EUR 46.6 million**
- **EBIT falls to EUR 5.1 million (-52 %)**
- **Consolidated net income down 79 % to EUR 2.2 million**
- **FY 2013 forecast: revenue below EUR 70 million; weak but still positive consolidated net result**

Hamm, November 11, 2013 – SMT Scharf AG (WKN 575198, ISIN DE0005751986), the technology and world market leader for captivated railway systems for underground mines, continues to suffer from weak demand on the mining equipment market. Revenue during the first nine months of the year was down 15 % year-on-year to EUR 46.6 million accordingly. A high fixed cost proportion and other charges fed through to EUR 5.1 million of EBIT (previous year: EUR 10.6 million), and to a drop in consolidated net income from EUR 10.6 million to EUR 2.2 million.

Mining customers' cautiousness to invest in new systems is due not only to continued low commodity prices, especially for coal, but also to the problems created by the fact that the global economy is experiencing only a slow recovery, and that the economic growth rate in China has weakened. China, Russia and Poland remain SMT Scharf's most important sales markets. Total operating output amounted to EUR 47.6 million (previous year: EUR 54.8 million).

The Group generated profit from operating activities (EBIT) of EUR 5.1 million (9M/2012: EUR 10.6 million) after taking into account a lower cost of materials and a significant increase in personnel expenses due to hiring on foreign markets. Here particular charges arising from the formation of provisions connected with a mine explosion in Russia and the establishment of development and production capacities in China also exerted an impact. The corresponding EBIT margin stands at 10.7 %, compared with 19.3 % in the same period of the previous year. After deducting further expenses and income, including the EUR -2.0 million loss incurred on discontinued operations, the Group generated EUR 2.2 million of consolidated net income.

The growth in new order intake (+7.3 % to EUR 48.3 million) and in the total order book position (+12.5 % to EUR 19.9 million) as of September 30, 2013 offer slight scope for hope. For Christian Dreyer, CEO of SMT Scharf AG, however, a turnaround is not at hand for now: "US President Obama has announced a statutory initiative to reduce CO2 emissions that is directed mainly at coal-fired power plants. Given the high level of air pollution, the Chinese government has announced identical plans. Short-term, these trends are also additionally damping our mining customers' propensity to invest. Accordingly, we are assuming below EUR 70 million of revenue for the full 2013 year, compared with EUR 77 million last year. We also anticipate a weak, although still positive, consolidated net result. For this reason, it is currently somewhat questionable whether we will propose a dividend for the current year at the AGM scheduled for May 7, 2014."

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

Company profile

SMT Scharf Group develops, manufactures and services transport equipment for underground mines. 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. These are needed to transport material and personnel with payloads of up to 45 tons on gradients of up to 35 degrees. SMT Scharf Group has subsidiaries in six countries and agents worldwide. SMT Scharf generates more than 90 % of revenues in growing foreign markets such as China, Russia and South Africa. Business with replacement parts and repairs contributes about half 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.

Contact

Investor Relations
cometis AG
Henryk Deter / Patrick Ortner
Tel: +49(0)611 – 205855-16
Fax: +49(0)611 – 205855-66
e-mail: ortner@cometis.de