3-Month Report
1.1.-31.3.2015

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Summary of key data

in EUR thousand	01/01/2015 – 31/03/2015	01/01/2014 – 31/03/2014	Change
Revenue	9,503	9,600	-1.0 %
Total operating revenue	10,462	10,631	-1.6 %
Profit from operating activities (EBIT)	1,919	96	>+100.0 %
EBIT margin on total operating revenue	18.3%	0.9 %	+17.4 PP
Consolidated net income	1,719	397	>+100.0 %
Order book position as of March 31	20,749	17,695	+17.3 %
New order intake	15,411	11,236	+37.2 %
Full-time employees (FTEs) at the end of the period	275	287	-4.2 %

Letter to shareholders

Dear shareholders,

We see the two core messages that we set out in our annual report which we published a few weeks ago as confirmed with the earnings that we have generated in the first quarter of 2015: firstly, that a bottom has formed to the downtrend that has afflicted the mining sector since 2011; and secondly, that revenue of EUR 45 million and earnings of between EUR 2 million and EUR 3 million can be realistically expected for the current 2015 year. Our mining customers' propensity to invest remains modest but stable, despite the fact that the uplift in raw materials prices that is required for improvement is nowhere in sight. In the first quarter of 2015, we generated revenue at the previous year's level, as expected, although it is gratifying that earnings were significantly better than we anticipated. Although this outperformance is partly due to already tangible initial cost-savings from our CSI programme, most of it derives from the recovery of the Russian rouble, which suffered a sharp depreciation last year. Of total EBIT of EUR 1.9 million, EUR 1.6 million is due to pure currency gains. Consequently, our first-quarter earnings should not be extrapolated across the full year. We continue to see a satisfactory order book position for the second quarter, although the outlook then worsens somewhat.

We aim to realise our announced second joint venture in China before the end of the first half of the year, which will cement a further relationship with an important end-customer. Close relationships with clients are of particular significance in China, where demand is currently very weak in general. Proximity to customers will comprise a decisive lever in the next upturn.

We are making constant progress in the future area of ore mining, which comprised as much as 12% of our revenue in 2014, and which we have defined as a strategic business area under the designation of "Hardrock" – to stand beside our established coalmining clientèle ("Coal"). Our American pilot projects, especially in Chile, are developing very promisingly. Nevertheless, we do not expect revenue and earnings contributions of more than 20% over the next two to three years. Here, too – as generally in mining – staying power is required, and customers must first be convinced repeatedly before stable business can be harvested.

Especially in view of this pleasing interim report, we would like to draw attention again to the risks that might burden our prospects: representing one third of our revenue, China is our most important sales market, with more than 140 out of 600 rail systems worldwide being installed there already; our business model would be severely jeopardised if its current political and economic stability were to be put at risk. Despite its reduced revenue share, Russia comprised our second most important market after China in the first quarter of 2015. Although we identify considerably less growth potential there than in China, long-term market access to our largest installed number of Scharf rail systems there is very important to us: we trust that the EU sanctions due to the Ukraine crisis will not spill over into the coalmining industry, but will remain restricted to the oil, gas and banking sectors. The previous year's massive depreciation of the Russian rouble was offset in the first quarter of 2015, although further volatility is anticipated. Therefore, derivative hedging of the rouble is unfortunately very expensive, which is why we wish to deploy this instrument to only a minor extent. In our new equipment business, we are restricting ourselves as far as possible to straightforward euro contracts with end-customers.

We would like to thank you, our investors, business partners and customers for the trust that you have placed in our company, and look forward to our continued cooperation in the future.

Yours sincerely

Christian Dreyer Heinrich Schulze-Buxloh

Management report

Basis of the Group

Business model and corporate strategy

The SMT Scharf Group develops, manufactures, installs and services transportation equipment for underground mining. SMT Scharf's operating activities can be categorised as follows:

- **Product areas:** The main products comprise **captivated railway systems** that are deployed worldwide primarily in hard coal mines, as well as in underground mines for gold, platinum, copper and nickel (so-called "hardrock mining"), among other metals and precious metals. The smaller product area of **chairlifts** also exists.
- **Type of business:** Along with supplying new systems, SMT Scharf also offers its customers services in the area of spare parts / repairs / service / other. Since 2013, SMT Scharf has also acted as a **rail systems operator**.
- **Customer groups:** Most of SMT Scharf's customers derive from the **coal mining sector**, with a smaller proportion being attributable to the **hardrock mining sector**.
- **Regions:** SMT Scharf generates most of its revenue in its target markets outside Germany: mainly Poland, China, South Africa and Russia during the first quarter of 2015.

Despite the weak demand for mining equipment that has now lasted since early 2012, SMT Scharf retains its general outlook planning that it drew up in 2013, although this planning has been postponed by three to four years due to the continued poor market situation. SMT Scharf is pursuing the following objectives of this context:

(1) Concentration on the core "railways" business (already achieved);
(2) Average annual revenue growth in the core business of 15%, which should feed through to a doubling of sales revenue every five years (currently delayed by three to four years due to the cyclical downturn);
(3) Target EBIT margin of 20% (currently unachievable due to the downturn).

In order to be able to achieve these ambitious growth and earnings targets in the medium term, SMT Scharf is pursuing a **localisation strategy**, and further expanding expertise at subsidiaries situated close to mining customers. SMT Scharf is countering the current mining industry crisis short-term with its **CSI programme**: Through cost reductions (C) accompanied by a bolstering of sales (S) and innovative capacity (I), this short-term SMT Scharf Group programme supplements its long-term localisation strategy. Above and beyond the long-term localisation strategy and the short-term CSI programme, the establishment of **hardrock mining as a second pillar of business** remains an important goal at SMT Scharf AG.

Research and development

The company has continued, and is continuing, to consistently pursue its localisation strategy in Poland, Russia and China. Various developments close to customers have already been implemented successfully, such as a fuelling station and a stone duster. The integration and familiarisation period for the new engineers proceeded smoothly and to plan. Local competence centres with growing vertical range of manufacture are now being established and built

up continuously: This entails a defined transfer of know-how from the construction and development department in Hamm to the local construction and production departments.

Through internationally planned projects and gradual further developments of the existing product range, the SMT Scharf Group aims to reduce development times, in order to realise a more targeted response to local market demand. At the same time, local production, predominantly of the requisite steel construction, ensures better delivery times and cost optimisation.

Based on our experience with monorail hanging railways we have developed new mining techniques for innovative applications beyond underground coal mining – these must first be developed to series manufacturing maturity in pilot projects at future customers, however.

Personnel

The growing significance of foreign markets and the related continuation of the localisation strategy are resulting in a further reduction in the number of employees in Germany as part of the CSI programme. The simultaneous expansion of production capacities at the foreign companies is not occurring to the planned extent, however, due to the current economic situation. SMT Scharf Group employed 275 staff (full-time employees) as of March 31, 2015, including 8 trainees. The Group employed 287 individuals as of March 31, 2014 (including 11 trainees).

The number of employees in Germany declined accordingly from 88 as of the previous year's quarterly reporting date to 82 (full-time equivalents). The number of employees at the foreign sites rose temporarily from 172 to 181 FTE during the first three months of 2015 due to the order situation. In Poland, in particular, we have hired additional technically qualified personnel in order to expand our local expertise in service and development, as well as in production.

The average number of employees in the Coal segment amounted to 250 FTE during the first quarter of 2015 (Q1/2014: 257 FTE), and to 25 FTE in the Hardrock segment (Q1/2014: 30 FTE).

Economic and business report

Economic and business environment

Macroeconomic environment

The global economy will gather further momentum over the course year, according to the joint forecast published in spring 2015 by Germany's leading economic institutions. The low crude oil price is currently supporting the economy, especially in oil-importing countries. Exports from Eurozone states are receiving a further stimulus from the decline in the exchange rate between the euro and the US dollar. The upturn in advanced economies is delivering impulses to production in emerging economies. The strained situation in Ukraine and economic sanctions against Russia nevertheless continue to pose an economic risk for European countries.

Sector trends:

Demand for mining equipment continued to be affected during the first quarter of 2015 by an environment of declining raw materials prices, and mining operations' ongoing reticence to

invest due to overcapacities. According to the Specialist Mining Equipment Association of the German Engineering Federation (VDMA), sector sales were down by 33% in the 2014 fiscal year. Sector experts nevertheless anticipate that mining equipment manufacturers' sales will stabilise at this low level in 2015. The slowdown in Chinese economic growth and consequently in demand from one of the world's largest buyers of raw materials continues to play an important role in the lower level of investments realised by the global mining industry.

Business progress, financial position and performance

Compared with the low level of EUR 9.6 million in the first quarter 2014, **consolidated revenue** during the first quarter of 2015 hardly fell any further, stabilising at EUR 9.5 million. Due to mining customers' moderate propensity to invest, the share of the service business rose initially during the course of the 2014 fiscal year, although at 52.3% in the first quarter 2015 it was again recorded somewhat below the previous year's level (Q1/2014: 63.3%). Business with new equipment comprised a higher level of 47.7% accordingly (Q1/2014: 36.7%). New equipment's share of revenue was the highest in China, at 82.7%, while the service share amounted to 99.9% in Germany. Rail systems' share of total revenue stood at 89.8% in the first quarter 2015 (Q1/2014: 91.7%), while 10.2% of revenue was generated with chairlifts (Q1/2014: 8.3%).

The Coal segment's revenue amounted to EUR 7.6 million in the first quarter of 2015 (Q1/2014: EUR 8.4 million), comprising 80.5% of total consolidated revenue (Q1/2014: 87.4%). An improved level of EUR 1.9 million of revenue was generated by the Hardrock segment (Q1/2014: EUR 1.2 million), equivalent to 19.5% of total consolidated revenue (Q1/2014: 12.6%).

In a comparison of target markets, China registered strong growth of 54.7% to EUR 2.1 million due to ordering of new equipment (Q1/2014: EUR 1.4 million). Given its second largest share of total revenue of 22.5%, China consequently made an important contribution to the stabilisation of total revenue. Although revenue in Poland was down by 17.0% to EUR 2.6 million (Q1/2014: EUR 3.1 million), Poland thereby contributed the largest proportion of total revenue (27.1%). Around half of the 37.7% higher revenue in Africa of EUR 1.7 million (Q1/2014: EUR 1.2 million) is attributable to the new systems and service business with chairlifts. The other portion was generated through servicing and repairing old machines. This enabled Africa to make the third largest revenue contribution of 17.6%. In Russia, revenue fell by 11.7% to EUR 1.5 million (Q1/2014: EUR 1.7 million), with its 15.8% revenue contribution ranking at fourth place.

Revenue by regions

in EUR thousand	**Q1/2015**	**Q1/2014**	**Change**	**Share of total revenue**
Germany	1,153	1,893	-39.1 %	12.1 %
Poland	2,574	3,102	-17.0 %	27.1 %
Russia	1,497	1,696	-11.7 %	15.8 %
Other Europe	139	189	-26.5 %	1.5 %
America	313	7	>+100.0 %	3.3 %
China	2,135	1,380	+54.7 %	22.5 %
Australia / Asia excluding China	24	122	-80.3 %	0.3 %
Africa	1,668	1,211	+37.7 %	17.6 %
Total revenue	**9,503**	**9,600**		

The change in inventories due to processed, but not yet shipped, orders of EUR 0.9 million remained at the low level of the prior-year quarter (Q1/2014: EUR 1.0 million). **Total operating revenue** – defined as the sum of revenue and changes in inventories – consequently amounted to a 1.6% lower level of EUR 10.5 million (Q1/2014: EUR 10.6 million).

Other operating income reported a sharp increase to EUR 2.8 million in the first quarter of 2015 (Q1/2014: EUR 1.1 million). This rise by 170.0% is primarily attributable to EUR 2.4 million of currency gains. **Other operating expenses** declined at a faster rate than the reduction in total operating revenue, decreasing by 9.2% to EUR 2.6 million (Q1/2014: EUR 2.8 million). Other operating expenses comprised mainly currency losses (EUR 0.8 million), third-party services (EUR 0.4 million), specific direct costs relating to sales (EUR 0.4 million), and travel expenses and rental costs of EUR 0.2 million in each case respectively. The 3.9% increase in the **cost of materials** to EUR 5.5 million (Q1/2014: EUR 5.3 million) arises largely from delayed revenue recognition due to a higher level of rental transactions. The cost of materials ratio (in relation to total operating revenue) consequently increased to 53.0% (Q1/2014: 50.2%). **Personnel expenses** were down by 6.1% to EUR 2.9 million (Q1/2014: EUR 3.1 million), with the personnel expense ratio (in relation to total operating revenue) reducing to 28.1% (Q1/2014: 29.5%). In the prior year, personnel expenses had risen mainly in connection with a higher service proportion of consolidated revenue. In 2015, the results of the previous year's restructuring will gradually become evident within personnel expenses.

After deducting depreciation, amortisation and impairment losses equivalent to the previous year's quarter of EUR 0.3 million (Q1/2014: EUR 0.3 million), the Group generated EUR 1.9 million of **profit from operating activities (EBIT)** in the first quarter of 2015 (Q1/2014: EUR 0.1 million). Higher other operating income and the stabilised sales revenues exerted the greatest impact in this context. At segment level, EBIT from the Coal segment improved from EUR 0.2 million in the first quarter 2014 to EUR 1.8 million. In the Hardrock segment, EBIT stood at EUR 0.1 million in the first quarter 2015 (Q1/2014: EUR -0.1 million).

The Group's **financial result** was down by EUR 375 thousand year-on-year (Q1/2015: EUR 0.3 million). It should be noted in this context that income from participating interests of EUR 0.3 million in connection with the Xinsha joint venture in China was reported in the previous year's quarter, which was not generated in the first quarter 2015; due to the income that was already recognised in the fourth quarter 2014, income of EUR 0 was generated during the first quarter of 2015.

After a higher level of income taxes of EUR 0.2 million (Q1/2014: EUR 0.0 million), the Group reported a year-on-year improvement in quarterly **consolidated net income** to EUR 1.7 million (Q1/2014: EUR 0.4 million). This corresponds to earnings per share of EUR 0.41 (Q1/2014: EUR 0.09).

The **order book position** of the SMT Scharf Group stood at improved EUR 20.7 million as of March 31, 2015 (March 31, 2014: EUR 17.7 million). **New order intake** amounted to an improved EUR 15.4 million in the first quarter of 2015 (Q1/2014: EUR 11.2 million). Both the order book position and new order intake reported sharp declines in the first quarter of 2014.

Compared with the end of 2014, **total assets** increased by 10.7% to EUR 67.0 million as of March 31, 2015 (December 31, 2014: EUR 60.5 million). This is primarily attributable to a 21.7% higher level of inventories of EUR 17.1 million (December 31, 2014: EUR 14.1 million). Non-current assets of EUR 15.7 million as of March 31, 2015 were at the year-end level (December 31, 2014: EUR 15.6 million). The increase in current provisions and liabilities of 17.1% to EUR 19.3 million is chiefly due to the EUR 2.0 million rise in current financial liabilities. The equity of SMT Scharf AG grew 10.1% to EUR 40.6 million (December 31, 2014: EUR 36.9 million). The **equity ratio** of 60.6% remains stable at a high level (December 31, 2014: 61.0%).

SMT Scharf invested EUR 0.1 million in the first quarter of 2015 (Q1/2014: EUR 0.5 million). Here, it should be noted that **investments** were made in rental machines in Russia in the previous year's quarter, which were not incurred in the first quarter of 2015.

Report on events after the balance sheet date

Following the end of the first three months of 2015, no further events occurred which have a significant effect on the financial position and performance.

Outlook

The International Monetary Fund (IMF) forecasts the following GDP growth rates for 2015 in SMT Scharf's target markets:

GDP growth, year-on-year, in %	**2014**	**2015***
Germany	1.6	1.6
Eurozone	0.9	1.5
Russia	0.6	-3.8
Poland	3.3	3.5
South Africa	1.5	2.0
China	7.4	6.8
World economy	3.4	3.5

Source: IMF World Economic Outlook, April 2015, *Forecast

China, Russia, Poland and South Africa will remain the SMT Scharf Group's core markets for the foreseeable future. Given the improving global economy and the positive economic trend in the most important European target market Poland, the management continues to expect that consolidated revenue will stabilise at a level of EUR 45 million. This forecast also takes into account the fact that the growth pace in China will prospectively slow further, and that the GDP of the Russian economy will fall significantly due to low raw materials prices and sanctions imposed by the West, in line with the IMF forecast. SMT Scharf continues to anticipate a profit of between EUR 2 million and EUR 3 million. The cost of materials ratio should remain stable on a full-year view. The implementation of the restructuring in Germany should feed through to a year-on-year reduction in the personnel expense ratio in 2015. The equity ratio will fall slightly prospectively.

The management has a high degree of confidence that the climate on the mining market will improve again in the medium term, and that mine operators will return to making larger capital expenditures. In particular, mining operations in China will remedy the past decades' investment backlog in the medium term, and will be required to optimise their infrastructure. Due to global economic growth and the rising prosperity enjoyed in many emerging and developing economies, raw materials production will grow slowly but continuously. Despite a growing share of renewable energies, experts at the International Energy Agency (IEA) predict that fossil fuels will still comprise the predominant proportion of global energy production in 2040, and see demand for coal growing by 15% up to 2040.

In order to diversify further and further reduce dependency on coal mine operators, SMT Scharf will endeavour to ensure that its hardrock business grows into a business pillar of equal value to coal in the medium to long term. The industrial metals that are needed for future renewable energies for utilisation in biogas systems, solar collectors and cells, and wind power plants, are gained from ores extracted from hardrock mines.

Report on opportunities and risks

The opportunities and risks associated with the future development of the SMT Scharf Group are discussed in detail in the Group management report for the fiscal year 2014.

Hamm, May 15, 2015

SMT Scharf AG

The Managing Board

IFRS quarterly financial statements (unaudited)

Consolidated balance sheet

(in EUR thousand)	Notes	31/03/2015	31/03/2014	31/12/2014
Assets				
Inventories		17,113	18,894	14,062
Trade receivables		22,692	17,266	22,430
Other current receivables/assets		3,779	2,581	1,749
Cash and cash equivalents		7,663	8,690	6,647
Current assets	(4)	**51,247**	**47,431**	**44,888**
Intangible assets		2,972	2,987	2,932
Property, plant and equipment		6,180	6,065	6,713
Participating interests		3,796	2,561	3,392
Deferred tax assets		2,742	2,134	2,553
Other non-current receiva-bles/assets		22	0	2
Non-current assets	(5)	**15,712**	**13,747**	**15,592**
Total assets		**66,959**	**61,178**	**60,480**
Equity and liabilities				
Current income tax		417	372	762
Other current provisions		8,117	5,137	7,531
Advance payments received		1,287	693	439
Trade payables		3,497	2,087	3,502
Current financial liabilities		5,000	4,500	3,000
Other current liabilities		984	889	1,246
Current provisions and liabilities		**19,302**	**13,678**	**16,480**
Provisions for pensions		3,194	2,870	3,188
Other non-current provisions		370	2,277	364
Deferred tax liabilities		1,189	1,178	1,191
Non-current financial liabilities		2,306	1,816	2,388
Non-current provisions and liabili-ties		**7,059**	**8,141**	**7,131**
Subscribed share capital		4,141	4,155	4,155
Share premium		11,615	11,815	11,815
Profit brought forward		25,441	26,442	23,723
Currency translation difference		-599	-3,053	-2,824
Equity	(6)	**40,598**	**39,359**	**36,869**
Total assets		**66,959**	**61,178**	**60,480**

Consolidated statement of comprehensive income

(in EUR thousand)	Notes	01/01/2015 – 31/03/2015	01/01/2014 – 31/03/2014
Revenue	(1)	9,503	9,600
Changes in inventories		959	1,031
Total operating revenue (100%)		10,462	10,631
Other operating income		2,848	1,055
Cost of materials		5,545	5,335
Personnel expenses		2,940	3,132
Depreciation, amortization and impairment losses		347	306
Other operating expenses		2,559	2,817
Profit from operating activities (EBIT)		**1,919**	**96**
Income from participating interests		0	345
Interest income		27	40
Interest expenses		53	36
Financial result		**-26**	**349**
Profit before tax		**1,893**	**445**
Income taxes	(2)	174	48
Consolidated net income		**1,719**	**397**
Currency difference from translation of foreign financial statements		2,225	-419
Total comprehensive income		**3,944**	**-22**

Earnings per share (in EUR)		
Basic	0.41	0.09
Diluted	0.41	0.09
Average number of shares	4,153,895	4,185,115

Consolidated cash flow statement

(in EUR thousand)	01/01/2015 – 31/03/2015	01/01/2014 – 31/03/2014
Consolidated net income	1,719	397
Income from participating interests	0	-345
Depreciation and amortisation of non-current assets	347	306
Gain/loss on disposal of non-current assets	0	5
Changes in assets, provisions and liabilities		
- Provisions	598	160
- Taxes	-537	-356
- Inventories	-3,052	-650
- Receivables/other assets	-2,311	-912
- Liabilities	582	291
Net cash flows from operating activities	**-2,094**	**-1,104**
Investments in non-current assets	-114	-488
Outgoing payments for corporate acquisition	0	0
Acquired cash and cash equivalents	0	0
Net cash flows used in investing activities	**-114**	**-488**
Sale of treasury shares	-215	0
Repayment of/proceeds from financial liabilities	1,918	0
Net cash flows from/used in financing activities	**1,703**	**0**
Effect of changes in exchange rates and Group composition	1,521	-256
Change in net financial position*	**1,016**	**-1,848**
Net financial position at start of period	6,058	9,899
Net financial position at end of period	7,074	8,051

* Cash and cash equivalents and securities without hardship and social funds less current financial liabilities

Consolidated statement of changes in equity

(in EUR thousand)	Subscribed share capital	Share premium	Profit brought forward	Currency translation difference	Group equity
Balance on 01/01/2015	**4,155**	**11,815**	**23,723**	**-2,824**	**36,869**
Consolidated net income			1,718		1,718
Sale of treasury shares	-14	-200			-214
Other changes				2,225	2,225
Total comprehensive income	0	0	1,718	2,225	40,598
Balance on 31/03/2015	**4,141**	**11,615**	**25,441**	**-599**	**40,598**
Balance on 01/01/2014	**4,155**	**11,815**	**26,045**	**-2,634**	**39,381**
Consolidated net income			397		397
Other changes				-419	-419
Total comprehensive income	0	0	397	-419	-22
Balance on 31/03/2014	**4,155**	**11,815**	**26,442**	**-3,053**	**39,359**

Notes to the consolidated financial statements

Methods

This financial report of the SMT Scharf Group as of March 31, 2015 was prepared in accordance with the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the Interpretations (IFRIC) issued by the International Accounting Standards Board. The accounting policies used and the information included comply with IAS 34 (Interim Financial Reporting). The accounting and valuation policies and the calculation methods applied are the same as those used in the IFRS consolidated financial statements as at December 31, 2014, which were audited by the Group's auditors.

The interim financial statements present a true and fair view of the net assets, financial position and results of operations of the SMT Scharf Group for the period under review. They were not subjected to an auditor's review.

The interim financial statement is drawn up in euros. Unless otherwise indicated, all amounts are stated and rounded to thousands of euros (EUR thousands).

Consolidated group

The consolidated financial statements of the SMT Scharf Group include SMT Scharf AG as well as the following companies:

SMT Scharf GmbH, Hamm
SMT Scharf Saar GmbH, Neunkirchen
SMT Scharf Polska Sp. z o. o., Tychy, Poland
SMT Scharf International OÜ, Tallinn, Estonia
SMT Scharf Africa (Pty.) Ltd., Kya Sands, South Africa
Sareco Engineering (Pty.) Ltd., Kya Sands, South Africa
OOO SMT Scharf, Novokuznetsk, Russian Federation
OOO SMT Scharf Service, Novokuznetsk, Russian Federation
TOW SMT Scharf Ukraine, Donetsk, Ukraine
Scharf Mining Machinery (Beijing) Co. Ltd., Beijing, China
Scharf Mining Machinery (Xuzhou) Ltd, Xuzhou, China
Shandong Xinsha Monorail Co. Ltd., Xintai, China

As a 50 %-held interest, Shandong Xinsha Monorail Co. Ltd. is consolidated applying the equity method.

Notes to the income statement

(1) Revenue

Revenue is composed of the following items:

	01/01/2015 – 31/03/2015	01/01/2014 – 31/03/2014
New equipment	4,530	3,527
Spare parts / service / other	4,973	6,073
Total	**9,503**	**9,600**
Germany	1,153	1,893
Other countries	8,350	7,707
Total	**9,503**	**9,600**

(2) Income taxes

Income taxes are composed of the following items:

	01/01/2015 – 31/03/2015	01/01/2014 – 31/03/2014
Current tax expense	261	181
Deferred taxes	-87	-133
Total	**174**	**48**

(3) Segment report

In line with the previous year's financial statements, the business of the SMT Scharf Group is structured into two operating segments – Hardrock and Coal. Intersegment revenues and inputs are of minor significance, and are not reported separately.

(in EUR thousand)	Hardrock segment 03/2015	Hardrock segment 03/2014	Coal segment 03/2015	Coal segment 03/2014	Not allocated 03/2015	Not allocated 03/2014	Group 03/2015	Group 03/2014
Revenue	1,857	1,212	7,646	8,388	-	-	9,503	9,600
Operating profit (EBIT)	144	-75	1,775	171	-	-	1,919	96
Earnings from equity accounted companies	-	-	-	345	-	-	-	345
Segment assets	5,104	5,412	61,855	55,766	2,742	2,134	66,959	61,178
Segment liabilities	2,202	1,550	24,159	20,269	1,189	1,178	26,361	21,819
Segment investments	19	8	95	480	-	-	114	488
Interests in equity accounted companies	-	-	3,796	2,561	-	-	3,796	2,561
Depreciation and amortisation	20	20	327	286	-	-	347	306
FTE	25	30	250	257	-	-	275	287

Notes to the balance sheet

(4) Current assets

Securities and cash and cash equivalents as of March 31, 2015 include a hardship and social fund amounting to EUR 589 thousand. This fund is managed in trust by a commission consisting of the management of SMT Scharf GmbH and SMT Scharf Saar GmbH as well as these two companies' works councils.

(5) Non-current assets

The SMT Scharf Group leases internally developed monorail hanging railways as a lessor. These are recorded as leased assets under property, plant and equipment. Nine leased objects existed as of March 31, 2015.

From January to March 2015, no expenses were capitalised as development costs for projects that fulfil the requirements of IAS 38.

(6) Equity

The changes in the SMT Scharf Group's equity are shown in the statement of changes in equity. In order to enhance transparency, the retained earnings and the profit brought forward were compounded to form a single item.

On March 31, 2015, 4,200,000 ordinary bearer shares of SMT Scharf AG were in issue in the form of no-par value shares with a notional interest of EUR 1 each. Of this total, SMT Scharf AG held 59,477 treasury shares. No stock options have been granted to members of the Supervisory or Managing Boards or employees of the company.

As in the prior-year period, no dividends were paid in the first quarter of 2015. The Ordinary Annual General Meeting on April 22, 2015 refrained from approving the payment of a dividend for 2014 due to the stock repurchase programme on offer.

Other disclosures

(7) Contingent liabilities and other financial commitments

The company has no significant contingent liabilities that are unusual in the industry.

Other financial liabilities exist, in particular from rental and lease agreements for buildings, cars and photocopiers. The agreements have terms of up to five years, and in some cases include extension options and escalation clauses. In the period under review, payments amounting to EUR 175 thousand were recognised under other operating expenses. The nominal amount of the future minimum lease payments within the core business from rental agreements and operating leases that cannot be terminated is as follows (by due date):

	31/03/2015	31/03/2014	31/12/2014
Due within one year	332	209	548
Due in one to five years	1,204	703	1,119
Due after more than five years	0	0	6

(8) Supervisory and Managing Boards

During the period under review, the members of the Supervisory Board of SMT Scharf AG were:
Michael Reich, Hamm, management consultant, (Chairman),
Hans Joachim Theiß, Busek, management consultant, (Deputy Chairman),
Dr. Dirk Vorsteher, Werne, management consultant.

The members of the Managing Board of SMT Scharf AG in the reporting period were:
Christian Dreyer (Chairman/CEO),
Heinrich Schulze-Buxloh.

On March 31, 2015, Mr. Dreyer held (indirectly through Dreyer Ventures & Management GmbH) 3,300 shares in the company, and Mr. Schulze-Buxloh held 6,000 shares. The members of the Supervisory Board did not hold any shares.

(9) Related party disclosures

Services with a value of less than EUR 8 thousand were procured on normal market terms from related parties as defined by IAS 24. No services were provided to related parties.

(10) Financial instruments and financial risks

The SMT Scharf Group enters into derivative transactions in the form of currency forwards in particular to hedge currency risks. The Group does not trade in financial instruments, in accordance with its financial policy objectives. No fair value hedges were utilised in the period under review.

Please see the 2014 annual report for information on the financial risks of the SMT Scharf Group's business. No substantial changes occurred over and above this from January to March 2015.

Imprint

SMT Scharf AG
Römerstr. 104
59075 Hamm

Tel: +49 (0) 2381 – 960-212
Fax: +49 (0) 2381 – 960-311

Email: ir@smtscharf.com

www.smtscharf.com

Investor relations contact

cometis AG
Henryk Deter / Maximilian Breuer
Unter den Eichen 7
65195 Wiesbaden

Tel: +49 (0) 611 – 205855-22
Fax: +49 (0) 611 – 205855-66

Email: breuer@cometis.de

www.cometis.de