

## SMT Scharf: Rising revenue during the first nine months of 2015 reflects good business abroad

- Consolidated revenue increased by 11 % to EUR 35.4 million (9M/2014: EUR 31.9 million) – strongest revenue growth in Russia
- EBIT decreases to EUR -0.1 million due to write-downs and impairment losses for risk provisioning (9M/2014: EUR 0.2 million), Hard Rock business improves to EUR 0.5 million (9M/2014: EUR -0.6 million)
- CSI program ("Costs, Sales, Innovation") measures increasingly showing effect
- Managing Board advances company's tapping of mining-related markets

Hamm, November 16, 2015 – During the first nine months of the current 2015 fiscal year, the consolidated revenue of SMT Scharf AG (WKN 575198, ISIN DE0005751986) was up by 10.8 % year-on-year to EUR 35.4 million (9M/2014: EUR 31.9 million).

This consolidated sales revenue growth is attributable to continued good business trends on the most important foreign markets of SMT Scharf. Additional projects in Russia and Poland contributed to the positive sales revenue trend. Although revenue growth in China proved less strong than hoped due to current demand weakness, year-on-year growth nevertheless amounted to 48.7 percent. "Given these developments, we continue to expect full-year consolidated revenue of EUR 45 million," notes CEO Hans Joachim Theiss by way of an outlook on current fiscal year results. "Following the impairment losses that we have already recognised through profit or loss as of June 30, 2015, we continue to anticipate a breakeven operating result on a full-year view. Our forecast is nevertheless subject to economic risk factors in light of the prospective weakening of Chinese growth and geopolitical uncertainties surrounding Russia."

Sales growth dynamics have accelerated again during the third quarter. The **consolidated revenue** of SMT Scharf grew by 22.5 % compared with the prior-year quarter. Despite China's continued strong (19.9 %) share of business (9M/2014: 14.8 %), most of the revenues during the first nine months of 2015 were generated in Russia, which accounted for 26.9 % of total consolidated revenue (9M/2014: 28.4 %). Inventory changes reached EUR 0.6 million due to a higher level of stocks (9M/2014: EUR -0.7 million). The **cost of materials** ratio increased year-on-year to 55.8 % (9M/2014: 43.6 %), including due to a higher level of purchasing of rails, and impairment losses applied to inventories by way of risk provisioning. The **personal expense ratio** decreased to 26.2 % (9M/2014: 36.6 %). The **number of staff** employed abroad rose, whereas the number of employees in Germany declined, as planned. Overall, the number of Group full-time equivalents (FTEs) of 284 at the end of the third quarter was up slightly compared with the corresponding prior-year period

(280 FTEs). The **operating result (EBIT)** decreased to EUR -0.1 million (9M/2014: EUR 0.2 million). The consolidated net result worsened to a loss of EUR -0.7 million (9M/2014: EUR 0.7 million), equivalent to undiluted **earnings per share** of EUR -0.17 (9M/2014: EUR 0.16). The **equity ratio** remained stable at a high level of 59.1 % as of September 30, 2015 (December 31, 2014: 61.0 %).

"Due to the ongoing coal mining crisis and the continued low level of raw materials prices, including for ores, we are increasingly focusing on fundamental strategic work and on the further development of the company. Among other things, we aim to tap further mining related markets through strategic partnerships," is how CEO Theiss describes the work of the Managing Board, which has consisted of three members since July 2015. "This does not impinge on the strategy that we have adopted with regard to our core markets of coal and hardrock. Given our technical expertise and our international structure with subsidiaries in Russia, China, Poland and South Africa, we identify the opportunity to successfully offer additional services within our environment."

The full report for the first nine months of the 2015 fiscal year will be available during the course of today at [www.smtscharf.com](http://www.smtscharf.com) within the "Investor Relations" area.

### 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 most of its revenues in growing foreign markets such as China, Russia and South Africa. 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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