

SMT Scharf and Mühlhäuser found strategic partnership in tunnel market

Hamm, September 20, 2016 – SMT Scharf GmbH, Hamm, a wholly-owned subsidiary of SMT Scharf AG (WKN 575198, ISIN DE0005751986), has concluded a cooperation agreement with Mühlhäuser GmbH of Freienbach, Switzerland. Exclusive marketing and sales by Mühlhäuser of a jointly developed logistics solution for tunnel applications worldwide forms the core of the strategic partnership.

Hans Joachim Theiss, CEO of SMT Scharf AG, explains the significance of concluding this agreement: "Based on our monorail we have developed a tunnelling logistics system together with Mühlhäuser which forms the basis of the sales partnership. This system uses the proven SMT Scharf technology of running on the tunnel roof. The novel calotte train system is adapted to the transportation requirements of tunnel logistics. With Mühlhäuser we have a partner with many years' expertise in the market for tunnel logistics, which differs from mining underground transportation in many respects. By combining our core competencies we can tap a further business area lying outside our core positioning in mining with considerably faster implementation and significantly better prospects of success."

Contractually agreed services from SMT Scharf consist especially in delivering important elements of the transportation equipment and their further development. Mühlhäuser assumes responsibility for supplementing the offerings with tunnel-specific logistics solutions as well as the acquisition of potential customers, sales and all contractual negotiations with end-customers. Markus Rechner, CEO of Mühlhäuser, adds: "Through the cooperation with SMT Scharf we aim to further expand our position as a world market leader in logistics systems in tunnel construction. We will market the novel logistics system on an exclusive basis in our global sales region. A first customer order for a complete logistics system including locomotives, materials handling solutions and related rail systems and services is expected soon." Given the weak environment for mining equipment manufacturers, SMT Scharf has been pursuing a strategic further development of the company through measures in three areas of activity since mid-2015. Organic growth is to be achieved through expanding the hard rock business, new underground logistics applications and geographic expansion into new markets. Operational excellence follows from optimisations of the Groupwide production system. In the third area of activity – "external growth" – not only strategic partnerships but also acquisitions in suitable business areas are to support the positive business trend and development.

Company profile SMT Scharf

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining. The main products are captivated railway systems that are deployed all over the world, primarily in hard 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 30 degrees. In addition, the Group supplies the mining sector with chairlifts. The SMT Scharf Group is active with subsidiaries in seven countries, as well as commercial agencies worldwide. SMT Scharf generates a large share of its revenue in growing foreign markets such as China, Russia, Poland and South Africa. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since April 11, 2007.

Company profile Mühlhäuser

With a history of more than a hundred years Mühlhäuser is one of the world's most recognized brands for machinery solutions under ground, with a leading position in rail-bound and trackless transportation, belt conveyor systems as well as equipment for concrete, grout and related applications.

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