

## **SMT Scharf AG publishes H1 2008 figures**

- **International expansion continues**
- **Foreign revenues up 21% in H1 2008**
- **Managing Board confirms full-year forecast**

**Hamm, August 15, 2008 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986), technology and world market leader for rail-bound railway systems for the mining sector, continued its international expansion in the first half of 2008. Consolidated revenues in H1 2008 totaled €18.0 million after €18.8 million last year. Foreign revenues were up 21% to €12.0 million, lifting this figure to 67% of consolidated revenues (previous year: 53%).**

The downturn in German sales was due, in particular, to the interrupted operations at the RAG mine in the Saarland region after the earthquake on February 23, 2008. SMT Scharf provides ongoing services to this mine. At the same time, the group was able to acquire several significant orders from foreign countries, in particular from Russia and South Africa. In addition, market-leading mine operators in the Ukraine and China placed initial orders with SMT Scharf. The company's order book totaled €18.3 million on June 30, 2008, with 86% stemming from non-German markets.

In addition to the interruption of operations at the RAG mine, the SMT Scharf Group's earnings were also depressed by the start-up costs for the Russian and Chinese branches. As a result, EBIT fell to €1.5 million during the first six months, compared to €2.5 million in H1 2007. The EBIT margin in the second quarter was in line with the previous year's figure at 9.4%. The EBIT margin in the first half of 2008 is thus 8.6%, compared to 13.4% in H1 2007.

In 2008 and the coming years, the company is aiming to generate further growth in revenues and EBIT. However, it is still not yet possible to fully assess which impact the further development in mining in the Saarland region will have on SMT Scharf.

"We are pleased with the growth of our business in the first half of the year. Foreign activities have enjoyed excellent further growth over the past few months, and also offer great potential for the coming years," commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO

on the figures. "Many new orders from the world's most important mining regions are proof that our railways meet the requirements for transporting materials and people under ground. I am convinced that we are right on track with our international expansion and that we are excellently equipped for the future."

The full report for the first half of 2008 will be available for download at [www.smtscharf.com](http://www.smtscharf.com) ("Investor Relations" section) during the course of the day.

### Company profile

The SMT Scharf Group develops, builds and maintains rail-bound railway systems for mining and use in tunnels. The trains are used all over the world, primarily in hard coal mines, gold mines and in underground mining for platinum, diamonds, copper and nickel. They are used to transport material and personnel with working loads of up to 35t. Rail-bound trains are the only means of transport that can be used underground on branching lines to cope with inclines of more than 13 degrees. The SMT Scharf Group has subsidiaries in Germany, Poland, South Africa, China and Russia, as well as agencies around the world. The railways developed by SMT Scharf are characterized, above all, by high-performance engines, high working loads, high speed and low operating and maintenance costs. SMT Scharf records more than 70% of its revenues over the course of the year on high-growth foreign markets, such as Russia, China and South Africa. The replacement parts and repairs business constitutes around 50% of revenues. The advances in exploitation of resources make underground conditions increasingly difficult which in turn requires more high technology transport solutions in mining. The total market for underground transport technology comprises around € 5 billion to € 7 billion per year according to company estimates. 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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