

SMT Scharf AG publishes final figures for Q1 2007

Hamm, 25 May 2007 – SMT Scharf AG (German securities code number (WKN) 575198, ISIN DE0005751986), technology and global leader in derailment-proof rail systems for mining, today published its full report on the first quarter of 2007. The Company kicked off 2007 in line with its planning and has successfully driven forward the internationalisation of its business. SMT Scharf AG's Managing Board therefore expects a year-on-year increase in revenue and earnings for full year 2007.

SMT Scharf AG generated revenues of € 9.1 million in the first quarter of 2007, after € 12.2 million in the previous year (-26%). This decline is due to billing factors, since the first quarter of 2006 was extremely strong. At the same time, the expansion of the Company's operating business is reflected in the substantial increase in its order backlog to € 16.2 million, up 28% year on year (€ 12.6 million). The Managing Board is therefore forecasting revenues to surpass 2006 values in the second half of the year.

The Company's first-quarter operating profit was down on the figure for the previous year due to the lower revenues. Earnings before interest and taxes (EBIT) amounted to € 1.6 million, after € 1.9 million in the previous year (-15%). At the same time, profitability increased due to efficiency gains raising the EBIT margin from 15.5% to 17.8%. Consolidated net profit for the period under review amounted to € 1.1 million (previous year: € 1.3 million). This represents earnings per share of € 0.35.

SMT Scharf AG's key balance sheet figures improved: the equity ratio rose to 21.6% (including mezzanine finance: 37.3%). It further increased substantially after the end of the quarter due to the Company's successful IPO. Dr. Friedrich Trautwein, CEO of SMT Scharf AG, is therefore upbeat about the future: "We got off to a successful start and are in an excellent position to exploit international growth opportunities in particular!"

In view of the compromise reached by the coalition government in the past quarter on the future of hard coal mining in Germany in the period up to 2018, Dr. Trautwein added: "We firmly believe that, in the coming years, SMT Scharf AG will be able to more than offset any

decrease in our domestic business through successful international expansion. This is impressively underlined by the recent order from Russia in excess of € 3 million.”

The full report on the first quarter of 2007 is available to download as from today at www.smtscharf.com in the “Investor Relations” section.

Company profile

The SMT Scharf group develops, builds and maintains derailment-proof rail 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 and South Africa, external employees in China and Russia, and 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 50% of its revenues abroad, in 2006 64% of order intake was from high-growth foreign markets such as Russia, China and South Africa. The replacement parts and repairs business constitutes around 55% 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.

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