

SMT Scharf AG receives order from Chinese mining group

- Expands leadership on Chinese market
- Also first use of new rack-and-pinion railway planned

Hamm, December 14, 2007 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986), technology and world market leader for rail-bound railway systems for the mining sector, has received an order from a Chinese mining group for two train sets with diesel cats (monorail hanging railways). This order has a volume in the low single-digit millions (EUR).

In winning the order for two train sets with diesel cats SMT Scharf AG beat two Eastern European competitors during the tender process initiated by a Chinese mining group. Both of the train sets will be used to supply material to a new extraction level in a mine. The sets will be delivered in the first half of 2008. Rack-and-pinion trains are also planned to be installed during the further expansion of this mine – SMT Scharf AG presented these for the first time at the mining technology fair CHINA COAL & MINING EXPO 2007. The Chinese mining group is thus expected to be the first customer to use this new product.

SMT Scharf's customer is a rapidly expanding hard coal mine operator in China. The group currently has six mines, and including the new order SMT Scharf has already equipped half of these mines. SMT Scharf believes that there is further potential for development here in the coming years. Dr. Friedrich Trautwein, SMT Scharf AG's CEO, is very pleased at winning this tender: "This order is a key milestone in developing the Chinese market. Our customer decided to place the order with SMT Scharf because our machinery has a tried-and-trusted track record in China in reference projects – in particular high traction, and better handling in tight curves. We have been able to convince another customer with our technology, and have expanded our leadership on the Chinese market."

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 and China, external employees in 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. 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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