

SMT Scharf AG wins orders in Russia for €4.1 million

Hamm, June 20, 2007 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986), the world's leading provider of derailment-proof railway systems for the mining sector, has just received four orders from Russia with a combined volume of €4.1 million. A total of seven train formations were ordered which will transport equipment and staff underground. SMT Scharf AG will deliver one of these to a new customer it has successfully acquired in Eastern Siberia. The remaining six were ordered by three mining groups in the Russian Kuzbass basin, all of which are long-standing SMT Scharf customers.

The contracts were signed after the Ugol Rossii & Mining trade fair, which was held from June 5–8, 2007 in Novokuznetsk (Russia). "We are very pleased that this trade fair was such a success for us. These orders are a key achievement for our sales activities," explained Dr. Friedrich Trautwein, SMT Scharf AG's CEO, in view of the strategy the company communicated during its IPO to drive its international growth in the target markets like Russia and China.

The orders also include two train formations from the newly developed "DZ 1800" series, which will be used in Russia for the first time. "Our customers place great importance on these systems' high tractive force; the trains thus have major advantages when it comes to transporting heavy loads," added Dr. Trautwein. The trains will be delivered between August and October. The new orders confirm SMT Scharf AG's management's expectations that the company will record increased revenues and earnings during the current fiscal year 2007.

Company profile

The SMT Scharf Group develops, builds and maintains derailment-proof 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 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. 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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