

## **SMT Scharf presents new transport system at CHINA COAL & MINING EXPO 2007**

**Hamm, November 6, 2007 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986) will present its latest solution for demanding underground mining transportation tasks – a rail-bound rack-and-pinion railway - at the mining technology and equipment trade fair CHINA COAL & MINING EXPO 2007, together with its tried-and-trusted diesel cats. This rack-and-pinion railway is geared to deal with difficult mining situations and can cope with great loads and steep inclines.**

This new railway's most striking feature is its versatility: It can be used as a rail-bound rack-and-pinion railway both on separate tracks and also as a climbing aid for normal mining trains equipped with flange wheels. The transport system can also be easily converted into a suspended monorail. The engine unit can then be hung onto a rail and used for freight or passenger transport on other routes. The railway is thus particularly interesting for use in hard coal mines where very heavy items of equipment have to be transported on a regular basis.

"We are very pleased to be able to present this highly future-proof railway to an international audience right in time for the exhibition in China," commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO. "Russia and China are two key high-growth markets for us. We are already the clear market leader on these markets, and we plan to further expand this position in the coming years." Trautwein added: "Our new products and the newly formed branch in China will allow us to realize further components of our expansion strategy. This is also proved by the recent letter of intent for the sale of another diesel cat with a train formation."

CHINA COAL & MINING EXPO 2007 from November 6 to 9 is regarded as being the most important trade fair for mining technology and equipment in the People's Republic of China. It is held every two years at the National Agricultural Exhibition Center in Beijing. In 2005, 321 exhibitors from 18 countries and around 16,000 visitors participated in the exhibition.

### 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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