

SMT Scharf AG wins key order for rack-and-pinion railways

Hamm, August 13, 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, has received a further order for its newly developed rack-and-pinion railway from Russia. The first order from a Russian customer was received back in May, and the operator of another hard coal mine in Russia has now also decided to use this technology. The customer gave SMT Scharf the order for the delivery of two train formations, rails and additional equipment with a value of more than €2 million. The railways are to transport heavy shield support units on inclines of up to 30 degrees. This customer has already been successfully using SMT Scharf's monorail railways for several years.

Parts of the order are expected to be shipped this year. SMT Scharf's rack-and-pinion railways are tailored to transport heavy loads under particularly difficult mining conditions and are characterized by their versatility: They can be used both as a rail-bound rack-and-pinion railway as well as a climbing aid for normal mine railways. In addition, they can easily be converted into monorail hanging railways.

"We are very pleased that our rack-and-pinion railway, that we first presented to the specialist public last November, has convinced our customers in a very short time," commented Dr. Friedrich Trautwein, SMT Scharf AG's CEO. "This order and the ongoing negotiations with other customers reinforce our opinion that this product offers key potential for us."

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 in 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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