

SMT Scharf AG: Substantial increase in profits in 2007 and proposed dividend of €0.70

Hamm, January 23, 2008 – SMT Scharf AG (WKN 575198, ISIN DE 0005751986), the world market leader for rail-bound railway systems in mining, lifted its revenues and earnings in 2007.

According to preliminary figures, the company recorded revenues of €51.2 million in 2007, compared to €48.7 million in 2006 (+5%). This increase shows the growth in the company's business on the dynamic international markets, in particular in Russia and China. The share of foreign revenues also increased to 74%, compared to 52% in 2006.

Measures to make production more flexible and to cut product costs allowed SMT Scharf to enjoy a disproportionate increase in its EBIT to €7.4 million, compared to €6.7 million in the previous year (+10%). The EBIT margin thus lifted from 13.8% to 14.4%.

Changes in deferred taxes relating to the IPO and the reform of German corporate taxation caused net income for 2007 to increase by a grand total of 35% to €5.9 million (previous year: €4.3 million). The company had forecast revenues for the year as a whole to be up year-on-year, with earnings up slightly on the previous year.

The Managing and Supervisory Boards intend to propose a dividend of €0.70 per share for fiscal year 2007 to the General Meeting.

The company will publish its finalized figures for 2007 on March 3, 2008 on its Web site www.smtscharf.com.

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 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.

Contact

Investor Relations
cometis AG
Henryk Deter
Tel.: +49(0)611 – 205855-13
Fax: +49(0)611 – 205855-66
e-mail: deter@cometis.de