6-MONTH REPORT
01 Jan - 30 Jun 2009

Contents

Summary of key data

(in € thousand)	01.01.2009- 30.06.2009	01.01.2008- 30.06.2008	Change
Revenue	24,770	17,966	+ 38%
Profit from operating activities (EBIT)	3,577	1,545	+ 132%
EBIT margin	14.4%	8.6%	+ 67%
Net income	2,392	1,269	+ 88%
Employees	234	251	- 7%

Introduction by the Managing Board

Dear shareholders and business partners,

SMT Scharf AG has successfully continued its international expansion in the second quarter of 2009 and built upon the positive business development over the first six months. This was possible despite the ongoing negative impact of the international economic and financial crisis on some of the markets relevant for the SMT Scharf Group. However, we have been able to more than compensate for this negative impact thanks to successes, in particular in China and South Africa. The Russian market, which has so far been the hardest hit by the recession, is showing the first signs of recovery.

SMT Scharf continued to acquire a number of large orders during the past quarter. In China, we received several contracts from both new and existing clients, some of which were to be delivered at short notice. After several months with almost no investments from the mining operators in Russia, the first new contracts were concluded there. In South Africa, we delivered a number of trains ordered by our clients the previous year.

During the first half of 2009, the SMT Scharf Group's revenues increased to € 24.8 million compared to € 18.0 million during the first six months of 2008. The proportion of revenues recorded outside Germany increased to approximately 77% (previous year: 67%). At the same time, EBIT rised disproportionately to € 3.6 million compared to € 1.5 million in the same period of the previous year. As a result, the EBIT margin was 14.4%, up from 8.6% in the first half of 2008. This increase is due in particular to lower personnel expenses and other operating expenses. The figures from the previous year were depressed by the temporary closure of the RAG mine in the Saarland region after the earthquake in February 2008.

After the recession has been overcome, market-watchers believe that international mining will return to the dynamic growth enjoyed over the previous years. The successful increase to our international business both during the course of 2008 and the current year despite some one-off setbacks reinforces our expectations of being able to further increase the SMT Scharf Group's revenues and earnings on average over the coming years.

We would like to thank you, our investors, business partners and customers, for the trust that you have placed in our company to date, and look forward to working together with you in future.

Yours sincerely,

Dr. Friedrich Trautwein　　　　Heinrich Schulze-Buxloh

Management report

Macroeconomic environment

Capital expenditure in the international mining sector, in particular for hard coal, is the key factor to impact the SMT Scharf Group's business. In turn, this capital expenditure is primarily influenced by global demand for commodities. After several years of strong growth, demand for commodities fell in the fall of 2008 as a result of the financial crisis and the emerging recession in several key markets.

It is currently almost impossible to predict how demand for commodities will develop during the remainder of 2009. The global recession, which started in the US, has also perceptibly slowed economic growth in countries such as China – which had previously enjoyed double-digit growth rates over several successive years – as a result of lower demand for imports. Although sales of coal to power plants is expected to increase in the current year, sales of coke and most metals, including gold and platinum, are stagnating or even falling. As a result, many mines have reduced their investments in 2009 compared to the previous year.

However, mines are expected to return to the growth they have enjoyed in the past together with the increasing recovery in the global economy. Countries such as China, India, Russia and South Africa, which grew at above average rates in the past few years, will have increasing requirements for energy, steel and other metals in line with their continued economic growth. That is why they remain those markets which will generate the greatest demand for the SMT Scharf Group over the medium term. This demand will also be driven by many mine operators specifically investing in technologies to boost their productivity and safety. The SMT Scharf Group's transport systems play a key role in this regard when it comes to transporting materials in underground mining operations.

Whereas hard coal mining will increase in other countries, in 2007 a law was passed for hard coal mining in Germany to come to an end by 2018. SMT Scharf does not believe that this decision will be changed by 2012. The company plans to more than compensate for the anticipated further downturn in its German business via its rapid expansion on growing foreign markets in the medium term. The IPO funds offer solid foundations for the SMT Scharf Group’s further internationalization.

Order situation

SMT Scharf AG continued to drive its international expansion in the first half year of 2009. The proportion of foreign revenues increased to 77% compared to 67% in the first half of 2008. The order book totalled € 15.1 million on June 30, 2009, with 91% stemming from non-German markets. At the same time last year, SMT Scharf had an order book of € 18.3 million, 86% of which came from countries outside of Germany.

SMT Scharf was awarded a number of important contracts in growth markets such as Russia or China which contributed to its international expansion. Although several Russian clients had postponed existing orders in November 2008 due to significant falls in production, SMT Scharf has been able to generate new orders in this market for the first time in the second quarter of 2009. Two of the leading Russian coke producers have each ordered several trains for monorail hanging railways.

One of the largest mining companies in China has awarded SMT Scharf with a contract to supply a retriever. Special vehicles of this type are used in longwall mining to pull shield supports from the face and transport them to the point where they are transferred to a transport system, e.g. a SMT Scharf monorail hanging railway. By obtaining this order, the company has successfully positioned itself as a solution provider for both transportation and handling of large face equipment.

Six trains have been supplied in Poland, for which SMT Scharf entered into a long-term leasing contract with the operator of several hard coal mines in February 2009.

Research and development

In the second quarter of 2009, the ongoing R&D activities continued to focus on the development of a switchable rack-and-pinion drive for monorail hanging railways. It is designed in such a way that the driver can switch between friction drive and rack-and-pinion drive without stopping the train. The racks, which are used for the rack-and-pinion drive, thus only have to be laid in track sections with particularly high gradients or an especially damp environment. The new drive was presented to the international public for the first time at the beginning of June 2009 at the mining technology exhibition Ugol Rossii & Mining in Novokuznetsk. This is the most important exhibition for mining technology in the Russian Federation.

Human resources

As of June 30, 2009, the SMT Scharf Group had 234 employees, including 10 apprentices (previous year: 251 employees, including 14 apprentices). The number of employees at the German facilities in Hamm and Neunkirchen fell to 164 from 196 employees. In contrast, the number of employees at foreign locations increased to 70 from 55. This is mainly due to the successful expansion of the branches in Russia.

A total of 4,650 shares were sold to employees in June 2009 within the scope of an employees' shareholding program. These shares were acquired by SMT Scharf in advance on the stock market in accordance with the provisions of Regulation (EC) No. 2273/2003.

Net assets, financial position and results of operations

As of June 30, 2009, the SMT Scharf Group's total assets amounted to € 45.7 million, down € 9.9 million compared to the end of 2008. Equity totalled € 23.4 million following a previous € 24.4 million. As a result of the lower balance sheet total, the equity ratio increased to 51% by the end of the reporting period, compared to 44% at the end of 2008. Including the mezzanine financing, the equity ratio totalled 62% compared to 53% as of December 2008.

As a result of orders being invoiced, the advance payments received fell to € 2.5 million as of June 30, 2009, compared to € 6.7 million at the end of 2008. Trade payables also fell to € 2.8 million from € 6.1 million. On the assets side, trade receivables and stocks both fell for the same reason. Trade receivables were still € 9.9 million (December 31, 2008: € 13.0 million), while the stocks were € 10.9 million (December 31, 2008: € 12.5 million).

Revenue in the first half of 2009 was up significantly at € 24.8 million compared to € 18.0 million in the previous year. However, in the first half of the previous year SMT Scharf also increased work in progress by € 1.8 million for orders which were to be delivered during the second half of the year. Shifts in the mix of products and orders caused the cost of materials to increase disproportionately to € 12.8 million from € 9.9 million. Personnel expenses totalled € 5.8 million – slightly under the amount in the previous year (€ 6.0 million) – causing the ratio of personnel expenses to fall to 24%. Despite the ongoing negative impact of exchange rate developments, the other operating expenses remained below those of the previous year at € 2.5 million compared to € 2.9 million. This was primarily due to the product and order mix which led to lower sales-related costs - such as freight and commission. In total, SMT Scharf's EBIT margin was 14.4%, which significantly exceeds the figure of 8.6% from the previous year.

Due to lower interest rates for assets, the financial result was slightly negative following a balanced result in the first half of 2008. As a result, earnings before tax at € 3.5 million were slightly below EBIT, which totalled € 3.6 million (previous year: € 1.6 million). In conjunction with a significantly higher effective tax rate of 32% (previous year: 18%), net income was € 2.4 million (previous year: € 1.3 million). The greatest effect on the higher tax rate was from taxes on distributions by foreign subsidiaries.

Cash and cash equivalents plus marketable securities totalled € 12.8 million at the end of the reporting period compared to € 17.1 million on December 31, 2008. Here too, the most important factor was the reduction in advance payments received by € 4.2 million associated with invoicing of orders. In addition to this, SMT Scharf paid out a dividend of € 3.6 million for 2008.

During the first six months of fiscal year 2009, SMT Scharf's capital expenditure totalled € 1.0 million. The largest item was the capitalization of internally generated monorail hanging railways that are leased. At present, there are no major projects involving investments in property, plant and equipment to be used by the company itself.

Opportunities and risks

SMT Scharf AG's opportunities and risks are discussed in detail in the group management report for financial year 2008. No substantial changes occurred during the course of the first half of 2009.

Report on events after the balance sheet date

SMT Scharf was awarded another important order from China in August 2009. The order includes five trains for monorail hanging railways with a total value in excess of € 2 million. The trains are expected to be delivered during the third and fourth quarter of this year. They will be installed in five different coal mines owned by a Chinese mining group, which operates more than 40 mines in several provinces throughout China. This group has been SMT Scharf's customer since the summer of 2008 and is already using the company´s monorail hanging railways to great effect in three mines.

Outlook

It is remains difficult to see how demand for commodities will develop in 2009 from the SMT Scharf Group's perspective. There is no uniform forecast from market-watchers. After the recession has been overcome, they are forecasting that international mining will return to the dynamic growth enjoyed over the previous years. This was primarily impacted by the industrialization in countries with a large population such as China and India. The medium-term forecast growth rates on the commodities markets are between around 2% to 5% per year depending on the particular commodity and region. Market-watchers are forecasting annual growth rates of 6% for global investments in mining technology over the same period.

The successful international expansion during the course of 2008 and the first six months of 2009 – despite selective setbacks – reinforces the Managing Board's expectations of being able to further increase the SMT Scharf Group's revenues and earnings on average over the coming years. Short-term forecasts are hindered by the fact that many of SMT Scharf's clients have abandoned their usual investment project schedules as a result of the economic and financial crisis. Project durations are consequently even shorter than in previous years and the seasonal business development is supposed to turn out not typical in 2009.

Hamm, August 14, 2009

SMT Scharf AG

The Managing Board

IFRS semi-annual financial statements (unaudited)

Consolidated balance sheet

(in € thousand)	Notes	31.03.2009	31.03.2008	31.12.2008
Assets				
Inventories		10,919	11,775	12,463
Trade receivables	(3)	9,855	8,813	12,977
Other current receivables/assets	(3)	791	2,197	1,800
Deferred tax assets		220	292	374
Securities	(4)	877	874	920
Cash and cash equivalents	(4)	11,972	11,027	16,218
Current assets		**34,634**	**34,978**	**44,752**
Intangible assets		2,575	2,476	2,572
Property, plant and equipment		8,535	8,854	8,332
Non-current financial assets		0	2	0
Non-current assets	(5)	**11,110**	**11,332**	**10,904**
Total assets		**45,744**	**46,310**	**55,656**
Equity and liabilities				
Other current provisions		4,293	4,284	4,609
Current income taxes		1,083	1,342	1,523
Advance payments received		2,530	4,202	6,685
Trade payables	(6)	2,814	2,808	6,114
Other current liabilities	(6)	1,376	1,700	2,113
Deferred tax liabilities		0	116	0
Current provisions and liabilities		**12,096**	**14,452**	**21,044**
Provisions for pensions		2,938	3,088	2,921
Other non-current provisions		726	708	710
Deferred tax liabilities		1,660	1,924	1,723
Non-current financial liabilities	(6)	4,878	4,852	4,864
Non-current provisions and liabilities		**10,202**	**10,572**	**10,218**
Subscribed capital		4,185	4,200	4,200
Share premium		9,397	9,517	9,517
Retained earnings		2,803	5,839	2,803
Profit brought forward		7,140	1,269	8,318
Currency translation difference		-79	461	-444
Equity	(7)	**23,446**	**21,286**	**24,394**
Total equity and liabilities		**45,744**	**46,310**	**55,656**

Consolidated income statement

(in € EUR)	Notes	01.04.2009-30.06.2009	01.04.2008-30.06.2008	01.01.2009-30.06.2009	01.01.2008-30.06.2008
Revenue	(1)	12,617	8,999	24,770	17,966
Other operating income		226	815	612	1,128
Changes in inventories		-1,182	916	-41	1,776
Cost of materials		5,322	4,778	12,752	9,876
Personnel expenses		2,847	2,951	5,846	5,979
Depreciation and amortization		345	308	662	578
Other operating expenses		767	1,845	2,504	2,892
Profit from operating activities (EBIT)		**2,380**	**848**	**3,577**	**1,545**
Interest income		60	108	154	221
Interest expense		113	104	218	211
Financial result		**-53**	**4**	**-64**	**10**
Profit before tax		**2,327**	**852**	**3,513**	**1,555**
Income taxes	(2)	767	54	1,121	286
Net income		**1,560**	**798**	**2,392**	**1,269**
Earnings per share (in €) *					
Basic		0.37	0.19	0.57	0.30
Diluted		0.37	0.19	0.57	0.30

* Based on an average number of 4,191,516 shares (Jan 4, 2009 – June 30, 2009) and 4,195,735 shares (Jan 1, 2009 – June 30, 2009) and 4,200,000 shares (Jan 4, 2008 – June 30, 2008) and 4,197,766 shares (Jan 1, 2008 – June 30, 2008) respectively.

Consolidated cash flow statement

(in € thousand)	01.01.2009-30.06.2009	01.01.2008-30.06.2008
Net income	2,392	1,269
Depreciation and amortisation	662	578
Profit/loss on the disposal of intangible assets and property, plant and equipment	-25	25
Changes in assets and liabilities items		
- Changes in provisions	-283	-302
- Changes in taxes	-349	73
- Changes in inventories	1,544	-3,171
- Changes in receivables/other assets	4,131	1,701
- Change in liabilities	-8,192	3,816
Net cash flows from/used in operating activities	**-120**	**3,989**
Investments in intangible assets and property, plant and equipment	-991	-227
Proceeds from the disposal of intangible assets and property, plant and equipment	143	92
Acquisition	0	-1,944
Current assets acquired in the acquisition	0	946
Liabilities acquired in the acquisition	0	-513
Net cash flows used in investing activities	**-848**	**-1,646**
Acquisition of treasury shares	-135	0
Dividend	-3,570	-2,940
Hardship and social funds	35	57
Repayment of/proceeds from non-current financial liabilities	14	13
Net cash flows from/used in financing activities	**-3,656**	**-2,870**
Effect of exchange rate changes and changes in consolidated group structure	370	227
Change in net financial position	**-4,254**	**-300**
Net financial position – start of period *	16,272	11,291
Net financial position – end of period *	12,018	10,991

* Cash and cash equivalents and securities excluding hardship and social funds less current financial liabilities

Consolidated statement of changes in equity

(in € thousand)	Subscribed capital	Share premium	Retained earnings	Profit/loss brought forward	Currency translation difference	Total equity
Balance at Jan. 1, 2009	**4,200**	**9,517**	**2,803**	**8,318**	**-444**	**24,394**
Dividends				-3,570		-3,570
Acquisition of treasury shares	-15	-120				-135
Net income				2,392		2,392
Other changes					365	365
Balance at June 30, 2009	**4,185**	**9,397**	**2,803**	**7,140**	**-79**	**23,446**

(in € thousand)	Subscribed capital	Share premium	Retained earnings	Profit/loss brought forward	Currency translation difference	Total equity
Balance at Jan. 1, 2008	**4,200**	**9,517**	**2,803**	**5,976**	**234**	**22,730**
Reclassification			5,976	-5,976		0
Net income				1,269		1,269
Dividends			-2,940			-2,940
Other changes					227	227
Balance at June 30, 2008	**4,200**	**9,517**	**5,839**	**1,269**	**461**	**21,286**

Notes

Methods

This financial report for the SMT Scharf Group as at June 30, 2009 was prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and their Interpretations (IFRIC) issued by the International Accounting Standards Board. The accounting policies used and the information included comply with IAS 34 (Interim Financial Reporting). The accounting and valuation policies and the calculation methods applied are the same as those used in the IFRS consolidated financial statements dated December 31, 2008, which were audited by the SMT Scharf Group's auditors.

The interim financial statements present a true and fair view of the net assets, financial position and results of operations of the SMT Scharf Group for the period under review. They were not subject to an auditor's review.

Consolidated group

The consolidated financial statements of the SMT Scharf Group include SMT Scharf AG as well as the following companies:

- SMT Scharf GmbH, Hamm, Germany
- SMT Scharf Polska Sp.z o.o., Tychy, Poland
- SMT Scharf Saar GmbH, Neunkirchen, Germany
- SMT Scharf Sales and Services GmbH, Hamm, Germany
- SMT Scharf Africa (Pty.) Ltd., Kya Sands, South Africa
- SMT Scharf International OÜ, Tallinn, Estonia
- SMT Scharf Mining Machinery (Beijing) Co., Ltd., Beijing, China
- OOO SMT Scharf, Moscow, Russian Federation
- Sareco Engineering (Pty.) Ltd., Brakpan, South Africa

Notes to the income statement

(1) Revenue

In the previous year, revenue included € 1,122 thousand from a contract which was to be accounted for in accordance with IAS 11. Revenue is composed of the following items:

(in € thousand)	01.04.2009-30.06.2009	01.04.2008-30.06.2008	01.01.2009-30.06.2009	01.01.2008-30.06.2008
Sale of new equipment	6,529	3,305	13,149	6,816
Spare parts/service/other	6,088	5,694	11,621	11,150
Total	**12,617**	**8,999**	**24,770**	**17,966**
Germany	2,722	2,806	5,617	5,941
Other countries	9,895	6,193	19,153	12,025
Total	**12,617**	**8,999**	**24,770**	**17,966**

(2) Income taxes

Income taxes are composed of the following items:

(in € thousand)	01.04.2009-30.06.2009	01.04.2008-30.06.2008	01.01.2009-30.06.2009	01.01.2008-30.06.2008
Current tax expense	576	218	1,153	451
Deferred taxes	191	-164	-32	-165
Total	**767**	**54**	**1,121**	**286**

Notes to the balance sheet

(3) Receivables and other assets

As of June 30, 2009 there were no trade receivables or other current assets with a remaining term of more than one year – as was the case one year ago. Trade receivables in the previous year included € 337 thousand PoC receivables.

(4) Securities and cash and cash equivalents

Securities and cash and cash equivalents as of June 30, 2009 include a hardship and social fund in the amount of € 831 thousand. This fund is managed in trust by a commission comprising the management of SMT Scharf GmbH and SMT Scharf Saar GmbH as well as these two companies' works councils.

(5) Intangible assets and property, plant and equipment

The SMT Scharf Group leases monorail hanging railways from its own production as a lessor. These are recorded as leased assets under non-current assets. There were eleven leased items as of June 30, 2009.

During the first half of the year, € 70 thousand of development expenses were capitalised for two projects which fulfil the criteria of IAS 38.

(6) Liabilities

The mezzanine financing taken out in 2006 is reported as a non-current financial liability. This runs until 2013. Of the current liabilities – as was the case in the previous year – none have a remaining term of more than one year. The trade payables in the previous year include € 303 thousand PoC liabilities.

(7) Equity

The changes in the SMT Scharf Group's equity are shown in the statement of changes in equity.

On June 30, 2009, 4,200,000 ordinary bearer shares of SMT Scharf AG were issued in the form of no-par value shares with a notional interest of € 1 each. Of these shares, 1,200,000 are from the capital increase implemented on April 3, 2007. All shares are fully paid up. SMT Scharf AG started a share buy-back program in May 2009, during which 15,300 of the treasury shares were acquired by June 30, 2009. No stock options have been granted to members of the Supervisory or Managing Boards or employees of the company.

During the reporting period, a dividend of € 0.85 per share was paid in accordance with the resolution passed at the ordinary general meeting on April 23, 2009.

Other disclosures

(8) Contingent liabilities and other financial commitments

The company has no significant contingent liabilities that are unusual in the industry.

In addition to liabilities, provisions and contingent liabilities, the company has other financial obligations from rental and lease payments for cars and copiers in particular. The agreements have maturities of up to five years and in some cases include extension options and escalation clauses. In the period under review, payments amounting to € 166 thousand were recognized under other operating expenses for rental agreements and leases.

The nominal amount of the future minimum payments from rental agreements and operating leases that cannot be terminated is as follows (by due date):

(in € thousand)	**30.06.2009**	**30.06.2008**	**31.12.2008**
Due within one year	300	339	292
Due in one to five years	333	376	383
Due after more than five years	0	0	0

(9) Managing and Supervisory Boards

The members of the Supervisory Board of SMT Scharf AG in the reporting period were:
Dr. Dirk Markus, Feldafing, CEO of Aurelius AG, (Chairman)
Florian Kawohl, Frankfurt/Main, Director Research, (Deputy Chairman)
Ulrich Radlmayr, Schondorf a. A., lawyer, member of the Managing Board of Aurelius AG.

The members of the Managing Board of SMT Scharf AG in the reporting period were:
Dr. Friedrich Trautwein (CEO),
Heinrich Schulze-Buxloh.

On June 30, 2009, Dr. Trautwein held 44,400 shares of the company, and Mr. Schulze-Buxloh held 6,000 shares. The members of the Supervisory Board did not hold any shares.

(10) Related party disclosures

No services were procured from related parties within the meaning of IAS 24 during the period under review. No services were provided to related parties.

(11) Financial instruments and financial risks

The SMT Scharf Group enters into derivative transactions in the form of currency forwards in particular to hedge currency risks. The Group does not trade in financial instruments, in accordance with its financial policy objectives. No fair value hedges were used in the period under review.

Please see the 2008 consolidated financial statements for information on the financial risks of the SMT Scharf Group's business. No substantial changes occurred during the course of the first half of 2009.

Responsibility statement

To the best of our knowledge, we declare that, according to the principles of proper consolidated interim reporting applied, the consolidated interim financial statements provide a true and fair view of the Group’s net assets, financial position and results of operations, that the consolidated interim management report presents the company's business including the results and the Group’s position such as to provide a true and fair view and that the major opportunities and risks of the Group’s anticipated growth for the remaining financial year are described.

Hamm, August 14, 2009

SMT Scharf AG

The Managing Board

Legal notice

This report contains future-related statements based on estimates of future trends on the part of the Managing Board. The statements and estimates have been made in view of all information available at present. Should the assumptions underlying such statements and estimates fail to materialize, actual results may differ from current expectations.

This report and the information contained therein do not constitute an offer for sale either in Germany or in any other country, nor do they constitute a demand to purchase securities of SMT Scharf AG, in particular if this type of offer or demand is prohibited or not authorized. Potential investors in shares of SMT Scharf AG must obtain information on any such restrictions and adhere to these.

Contact details

SMT Scharf AG

Roemerstr. 104

59075 Hamm

Phone: +49 (0) 2381 – 960-212

Fax: +49 (0) 2381 – 960-311

E-mail: ir@smtscharf.com

www.smtscharf.com

Investor relations contact

Cometis AG

Susanne Gremmler

Phone: +49 (0) 611 – 205855-23

Fax: +49 (0) 611 – 205855-66

E-mail: gremmler@cometis.de