

SCHAFFER

C O R P O R A T I O N  
L I M I T E D

A.C.N. 008 675 689



## FACSIMILE TRANSMISSION

TO: ASX COMPANY ANNOUNCEMENTS PLATFORM  
FAX NO: ASX ONLINE  
FROM: GEOFF DAVIESON  
DATE: 18 FEBRUARY 2004  
SUBJECT: HALF YEARLY REPORT  
NO OF PAGES: 18

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Dear Sir,

**RE: SCHAFFER ANNOUNCES RECORD INTERIM PROFIT AND DIVIDEND**

In accordance with ASX Listing Rules 3.17 and 4.1, the letter to shareholders, media release and Appendix 4D are attached.

Yours sincerely,

**G V DAVIESON**  
**Company Secretary**

# SCHAFFER

C O R P O R A T I O N  
L I M I T E D

A.B.N. 73 008 675 689

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## MEDIA RELEASE ON H1 2004 RESULT

Schaffer Corporation Limited (ASX: SFC) today announced a net profit of \$10.1 million for the first half of the 2004 financial year.

The interim result includes a \$2.3 million after-tax profit generated by the sale of Schaffer Corporation's joint venture interests in six investment properties.

Schaffer Corporation Chairman John Schaffer said that the proceeds from investment property sales had offset the impact of a reduction in operating earnings from the Howe automotive leather business, which was adversely affected by the strengthening of the Australian dollar and lower volumes.

However, Schaffer Corporation's leather and building products businesses continued to demonstrate excellent returns, despite the foreshadowed lower result from Howe.

"Across Schaffer Corporation's operating businesses, we maintained a return on capital employed of 28% (excluding the proceeds from investment property sales), which is an outstanding result," Mr Schaffer said.

"The businesses' performance has also allowed SFC to continue to strengthen its cash position and lower its gearing.

"For those reasons, SFC can continue to deliver to its shareholders a consistent ordinary dividend stream and, in addition, make special dividend payments as we unwind our non-core property portfolio," Mr Schaffer said.

Schaffer Corporation will pay an interim dividend of 50 cents per share (fully franked) and a special dividend of 20 cents per share (fully franked). The Record Date for both dividends is 17 March 2004 and the dividends will be paid on 22 March 2004.

Mr Schaffer added that, despite program timing issues and volatility in the A\$/US\$ exchange rate in the short term, Howe has significant opportunities to win additional programs, particularly in the European and Chinese markets.

"On the building products side, we anticipate both UrbanStone and Delta to continue to achieve strong cash flows with minimal capital expenditure requirements. These are excellent businesses operating in a highly competitive market.

"In respect of our property portfolio, over the next three to five years, SFC expects to pay additional special dividends of approximately 80 cents per share (fully franked) as we realise that portfolio," Mr Schaffer said.

For further information, please contact:

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Chairman  
Tel: + 61 (0)8 9483 1201

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Chief Financial Officer  
Tel: + 61 (0)8 9483 1208



## **SCHAFFER RECORDS \$10.1M H1 2004 PROFIT, DECLARES 50¢ INTERIM AND 20¢ SPECIAL DIVIDEND**

Schaffer Corporation Limited (ASX: SFC) has recorded a net profit of \$10.1 million for the first half of the 2004 financial year.

The interim result includes a \$2.3 million after-tax profit generated by the sale of SFC's joint venture interests in six investment properties.

The proceeds from investment property sales offset the impact of a reduction in operating earnings from the Howe automotive leather business, which was adversely affected by the strengthening of the Australian dollar and lower volumes.

Across the group's operating businesses, SFC maintained a return on capital employed (ROCE) of 28% (excluding the proceeds from investment property sales).

SFC's results are summarised below:

	to 31-Dec-03	to 31-Dec-02	Change
Revenue (A\$million)	<b>104</b>	125	(17%)
Net Profit After Tax (A\$million)	<b>10.1</b>	10.3	(1%)
Earnings per Share	<b>\$0.73</b>	\$0.76	(4%)
EBITDA (A\$million)	<b>19.5</b>	21.2	(8%)
Return on Capital Employed	<b>28%</b>	29%	(3%)
Ordinary Dividend per share	<b>\$0.50</b>	\$0.50	0%
Ordinary Dividend Payout Ratio	<b>68%</b>	66%	4%
Special Dividend	<b>\$0.20</b>	\$0.00	
Interest Cover (EBIT)	<b>8.3</b>	8.6	(3%)
Cash Reserves (A\$million)	<b>24.3</b>	15.5	57%
Net Debt/Equity	<b>50%</b>	70%	29%

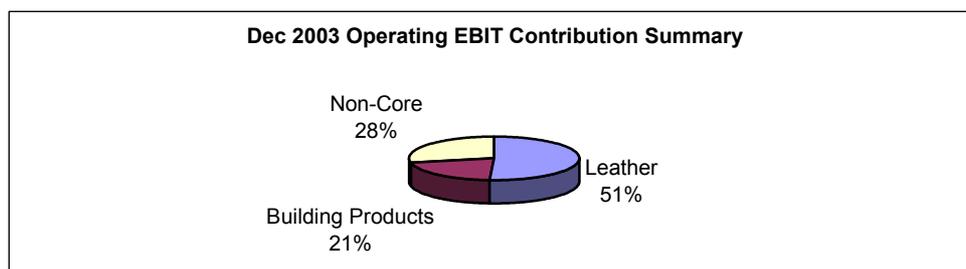
### **DIVIDENDS**

SFC will pay a fully franked interim dividend of 50 cents per share.

The directors have also declared a fully franked special dividend of 20 cents per share. The directors believe that the special dividend is appropriate given SFC's ongoing property sales and the Company's increasingly strong financial position, as evidenced by increasing cash reserves and declining gearing.

The Record Date for both dividends is 17 March 2004 and the dividends will be paid on 22 March 2004. The Company will commence trading 'ex-dividend' on 11 March 2004.

### **OPERATIONS**



## ***Leather***

The automotive leather division reported revenue of \$66.0 million (\$87.3 million in the previous corresponding period (pcp)).

The reduction in Howe's revenue was a result of two principal factors. Firstly, Howe received a lower effective selling price, driven largely by the appreciation of the Australian dollar. In revenue terms, the reduction was \$11.6 million, of which the currency accounted for \$10.4 million. Secondly, Howe experienced lower volume (a revenue decrease of \$9.7 million) as a consequence of the loss of a contract with Mitsubishi (\$5.2 million) and program timing issues.

SFC estimates the global automotive leather market at A\$4.5 billion. Howe Leather is the world's sixth largest producer (in revenue terms) and is well positioned to remain globally competitive.

Howe has recently secured new European customers, with supply to Audi and Land Rover scheduled to commence in the second half of calendar 2004.

Howe Leather is an export business with approximately 70% of its revenue currently generated in US dollars. Howe's current unhedged sensitivity to the US dollar equates to a reduction in EBIT of approximately A\$0.5 million for every US cent that the Australian dollar appreciates against the US dollar.

Going forward, an increasing proportion of Howe's revenue will be denominated in Euros, which will reduce Howe's exposure to US\$/A\$ rate volatility.

To support new sales programs and reduce costs, Howe is planning to establish an additional cutting plant in Eastern Europe or China by the end of 2004.

Furniture leather business Gosh Leather continues to operate in an extremely competitive market and has simplified its business activities accordingly.

## ***Building Products***

The Building Products division reported sales of \$19.5 million (\$18.4 million in the pcp) and contributed \$3.6 million in EBIT to the group (\$2.9 million in the pcp). The first half is typically the stronger period for SFC's Building Products division.

Both UrbanStone and Delta are trading well based on product excellence, ongoing product innovation and cost control.

## ***Non-Core Investments***

The sale of six of the Company's non-core investment properties contributed \$3.3 million in EBIT (\$2.3 million in NPAT) to the interim result.

As at 31 December 2003, SFC had joint venture interests in seven commercial and retail properties valued at \$24.2 million, with \$15.3 million of associated debt.

SFC continues to realise its investment property portfolio in an orderly and profitable manner. Over the next three to five years, realisation of the remaining properties should deliver NPAT of \$5 million, debt reduction of \$15.3 million and a net cash inflow of \$6.8 million.

SFC forecasts that, over the next four years, realisation of its development property portfolio will generate \$3.6 million net cash, after retiring debt of \$1.7 million.

Obviously, SFC expects the contribution from non-core investments to decline as investments are sold.

## **OUTLOOK**

At Howe Leather, program timing issues and the strong Australian dollar continue to impact volumes and margins. In the short term, SFC anticipates a degree of ongoing uncertainty associated with volatility in the Australian dollar and the commencement of new program deliveries.

However, the business remains SFC's main profit and cash generation centre. In the medium term, significant opportunities exist to win additional programs in a growing market – as demonstrated by the programs for Audi and Land Rover that will commence in the second half of calendar 2004.

SFC expects the Building Products division to continue to deliver sustainable earnings from its niche businesses. Both UrbanStone and Delta have minimal capital expenditure requirements and are achieving strong cash flows.

SFC expects continued strong cash flow from the group's operations, which will allow SFC to maintain a high dividend payout ratio.

The directors expect to maintain a fully franked ordinary dividend of \$1.00 per share for the 2004 financial year, with a 50 cents per share final dividend payment scheduled for September 2004.

SFC expects to pay additional special dividends totalling approximately 80 cents per share (fully franked) over the next three to five years as it divests its remaining property interests.

18<sup>th</sup> February 2004

## APPENDIX 4D

### Preliminary half-year report

**1. Name of entity**

SCHAFFER CORPORATION LIMITED
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ABN

<b>008 675 689</b>
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Financial year ended ('current period')

<b>31 DECEMBER 2003</b>
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Previous corresponding period

<b>31 DECEMBER 2002</b>
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**2. For announcement to the market**

*Results for announcement to the market:*

2.1	Revenues from ordinary activities	down	17%	to	\$'000 104,297
2.2	Profit from ordinary activities after tax attributable to members	down	1%	to	10,138
2.3	Net profit for the period attributable to members	down	1%	to	10,138
2.4	<b>Dividends (see section 6)</b>				
			Amount per security		Franked amount per security
	Final dividend				
	Special Dividend		20¢		20¢
	Interim period		50¢		50¢
2.5	Record date for determining entitlements to the dividend				17 <sup>th</sup> March 2004

### 3. Condensed consolidated statement of financial performance

	Notes	Dec 2003 \$'000	Dec 2002 \$'000
<b>REVENUES FROM ORDINARY ACTIVITIES</b>		<b>104,297</b>	124,958
Changes in inventories of finished goods, work in progress and land held for resale		(1,503)	(760)
Raw materials and consumables used		(50,869)	(67,637)
Cost of sales – joint venture interests		(3,310)	-
Depreciation and amortisation expenses	1	(2,379)	(2,341)
Borrowing costs expense	1	(2,139)	(2,284)
Salaries, Wages and On-costs		(21,374)	(24,870)
Other expenses from ordinary activities		(7,217)	(10,193)
<b>PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>		<b>15,506</b>	16,873
<b>INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES</b>		<b>4,496</b>	5,109
<b>PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE</b>		<b>11,010</b>	11,764
<b>NET PROFIT ATTRIBUTABLE TO OUTSIDE EQUITY INTEREST</b>		<b>872</b>	1,496
<b>NET PROFIT ATTRIBUTABLE TO THE MEMBERS</b>		<b>10,138</b>	10,268
<b>NON-OWNER TRANSACTION CHANGES IN EQUITY</b>		-	-
Total transactions and adjustments recognised directly in equity		-	-
<b>TOTAL CHANGES IN EQUITY NOT RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>		<b>10,138</b>	<b>10,268</b>
<b>Earnings per security (EPS) (see section 14.1 )</b>			
Basic EPS		73.2¢	76.0¢
Diluted EPS		71.6¢	73.0¢

## Notes to the condensed consolidated statement of financial performance

	<i>Dec 2003</i> <i>\$'000</i>	<i>Dec 2002</i> <i>\$'000</i>
<b>1. EXPENSES AND LOSSES/(GAINS)</b>		
<b>(a) Expenses</b>		
Cost of sales – manufactured goods	63,634	85,945
Cost of sales – joint venture property interests	2,699	-
Cost of sales – property	1,018	1,642
Cost of sales – equity securities	35	962
	<hr/>	<hr/>
Depreciation of non-current assets		
Plant and equipment	2,001	2,026
Leasehold improvements	31	10
Buildings	181	139
Total depreciation of non-current assets	2,213	2,175
	<hr/>	<hr/>
Amortisation of non-current assets		
Goodwill	66	66
Plant and equipment under lease	100	100
Total amortisation of non-current assets	166	166
<b>Total depreciation and amortisation expenses</b>	<b>2,379</b>	<b>2,341</b>
	<hr/>	<hr/>
Borrowing costs expense		
Interest expense		
Finance lease	57	78
Other	2,059	2,156
Other borrowing costs	23	50
<b>Total borrowing costs expensed</b>	<b>2,139</b>	<b>2,284</b>
	<hr/>	<hr/>
Bad and doubtful debts – trade debtors	(77)	231
	<hr/>	<hr/>
<b>(b) Losses/(Gains)</b>		
Loss/(gain) on disposal of investment in listed and unlisted shares	20	(138)
	<hr/>	<hr/>
Loss on disposal of property, plant and equipment	10	32
	<hr/>	<hr/>
Net foreign currency (gains)/losses	66	(964)
	<hr/>	<hr/>
Gain on disposal of joint venture interests	(3,308)	-
	<hr/>	<hr/>

#### 4. Condensed consolidated statement of financial position

	<i>Dec 2003</i> <i>\$'000</i>	<i>June 2003</i> <i>\$'000</i>
<b>CURRENT ASSETS</b>		
Cash assets	24,283	21,072
Receivables	45,535	27,536
Inventories	31,827	37,380
Other	1,900	1,428
<b>TOTAL CURRENT ASSETS</b>	<b>103,545</b>	<b>87,416</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	59,841	71,038
Deferred tax assets	3,379	3,678
Intangible assets	1,365	1,431
<b>TOTAL NON-CURRENT ASSETS</b>	<b>64,585</b>	<b>76,147</b>
<b>TOTAL ASSETS</b>	<b>168,130</b>	<b>163,563</b>
<b>CURRENT LIABILITIES</b>		
Payables	30,244	19,525
Interest-bearing liabilities	377	477
Current tax liabilities	2,169	3,882
Provisions	8,447	4,654
<b>TOTAL CURRENT LIABILITIES</b>	<b>41,237</b>	<b>28,538</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing liabilities	56,731	64,117
Deferred tax liabilities	2,591	2,904
Provisions	3,261	3,367
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>62,583</b>	<b>70,388</b>
<b>TOTAL LIABILITIES</b>	<b>103,820</b>	<b>98,926</b>
<b>NET ASSETS</b>	<b>64,310</b>	<b>64,637</b>
<b>EQUITY</b>		
Parent entity interest		
Contributed equity	15,471	14,738
Reserves	2,585	2,585
Retained profit	42,329	41,905
Total parent entity interest in equity	60,385	59,228
Total outside equity interest	3,925	5,409
<b>TOTAL EQUITY</b>	<b>64,310</b>	<b>64,637</b>

## 5.1 Condensed consolidated statement of cash flows

	<i>Dec 2003</i> <i>\$'000</i>	<i>Dec 2002</i> <i>\$'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	<b>94,856</b>	130,020
Payments to suppliers and employees	<b>(79,373)</b>	(105,470)
Disposal of equity securities	<b>16</b>	1,100
Dividends received	<b>32</b>	5
Interest received	<b>507</b>	288
Borrowing costs paid	<b>(2,139)</b>	(2,284)
Income tax paid	<b>(6,223)</b>	(5,062)
Goods and services tax refunded/(paid)	<b>223</b>	(20)
Other	<b>23</b>	128
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,922</b>	<b>18,705</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	<b>29</b>	148
Proceeds on disposal of joint venture interests	<b>6,428</b>	-
Purchase of property, plant and equipment	<b>(2,433)</b>	(1,473)
Payment of deferred acquisition price of controlled entity	<b>-</b>	(1,427)
Other	<b>854</b>	157
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>4,878</b>	<b>(2,595)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issues of ordinary shares	<b>733</b>	417
Proceeds from borrowings	<b>742</b>	-
Repayments of borrowings	<b>(192)</b>	(1,088)
Dividends Paid	<b>(9,714)</b>	(4,741)
Dividends paid to minority interest in controlled entity	<b>(1,178)</b>	(841)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(9,609)</b>	<b>(6,253)</b>
<b>NET INCREASE IN CASH HELD</b>	<b>3,191</b>	<b>9,857</b>
Add opening cash brought forward	<b>21,071</b>	<b>5,606</b>
<b>CLOSING CASH CARRIED FORWARD</b>	<b>24,262</b>	<b>15,463</b>

## 5.2 Reconciliation of the net profit after tax to the net cash flows from operations

	<i>Dec 2003</i> <i>\$'000</i>	<i>Dec 2002</i> <i>\$'000</i>
<b>Net profit after tax</b>	<b>11,010</b>	11,764
<b>Non-cash items:</b>		
Depreciation of non-current assets	2,213	2,175
Amortisation of non-current assets	166	166
Recoverable amount write down of non-current assets		
Net (profit)/loss on disposal of property, plant and equipment	10	32
Profit on disposal of joint venture interests	(3,308)	-
Share of associates' net (profits)/losses		
Dividends received from associates		
Increase in/(reversal of) provision for currency loss	522	108
Reversal of provision for quality claims	-	(900)
Reversal of other provisions	1,291	
Decrease in other final assets		
(Reversal of)/provision for diminution in value of investments	9	109
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(4,562)	3,442
(Increase)/decrease in inventory	5,553	(760)
(Increase)/decrease in future income tax benefit	299	133
(Increase)/decrease in prepayments	(536)	(708)
(Decrease)/increase in trade and other creditors	(2,564)	1,819
(Decrease)/increase in tax provision	(1,713)	80
(Decrease)/increase in deferred income tax liability	(313)	(166)
(Decrease)/increase in employee entitlements	(191)	449
(Increase)/decrease in other financial assets	36	962
<b>Net cash flow from operating activities</b>	<b>7,922</b>	<b>18,705</b>

## 5.3 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

Cash on hand and at bank	24,283	21,072
Bank overdraft	(21)	(1)
<b>Total cash at end of period</b>	<b>24,262</b>	<b>21,071</b>

#### 5.4 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

NONE

#### 5.5 Financing facilities available

The consolidated entity has bank facilities available to the extent of \$60,263,000 (June 2003 - \$67,769,000). The unutilised facility for the consolidated entity at balance date was \$41,809,000 (June 2003 - \$41,829,000)

#### 5.6 Acquisition of controlled entity

NONE

## 6.1 Dividends

Date the dividend is payable

22<sup>nd</sup> March 2004

Record date to determine entitlements to the dividend  
(ie, on the basis of security holding balances established  
by 5.00 pm or such later time permitted by SCH  
Business Rules - securities are CHESS approved)

17<sup>th</sup> March 2004

If it is a final dividend, has it been declared?

## 6.2 Amount per security

	Amount per security	Franked amount per security at 30% tax
<b>Final dividend:</b> Current year		
Previous year		
<b>Special dividend:</b> Current year	20¢	20¢
Previous year	-	-
<b>Interim dividend:</b> Current year	50¢	50¢
Previous year	50¢	50¢

## 6.3 Total dividend per security (interim *plus* final and special)

	Current year	Previous year
Ordinary securities	\$9,714,000	\$6,885,000
Preference securities	-	-

## 6.4 Preliminary final report - final dividend on all securities

	Current period \$'000	Previous corresponding period \$'000
Ordinary securities		
Preference securities		
Other equity instruments		
<b>Total</b>		

**7. Dividend plan**

The company does not have a dividend reinvestment plan.

**8. Consolidated retained profits**

	Current period \$'000	Previous corresponding period \$'000
Retained profits at the beginning of the financial period	41,905	36,511
Net profit attributable to members	10,138	10,268
Dividends and other equity distributions paid or payable	(9,714)	(4,741)
<b>Retained profits at end of financial period</b>	<b>42,329</b>	<b>42,038</b>

<b>9. NTA backing</b>	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$4.25	\$4.20

**10. Control gained/lost over entities having material effect**

There has been no changes in control of entities.

## 11. Details of aggregate share of profits (losses) of associates and joint venture entities

		Current period	Previous corresponding period
11.1	Name of associate or joint venture	Percentage Interest	Percentage Interest
	<b>Joint Ventures</b>		
	IBM Centre Joint Venture	22.10	22.10
	St. Kilda Road Joint Venture	20.00	20.00
	Gledden Arcade Joint Venture	-	22.10
	South Hedland Shopping Centre JV	18.75	18.75
	Hometown Joint Venture	25.00	25.00
	GHD House Joint Venture	18.00	18.00
	Queens Road Joint Venture	9.00	9.00
	Bourke Street Joint Venture	-	12.10
	401 Great Eastern Highway JV	-	25.00
	Crosslands Shopping Centre JV	16.70	16.70
	Perpetual Trustees Joint Venture	20.00	20.00
	Gateway Central Joint Venture	-	12.50
	BBC Hardware Innaloo	-	6.50
	Alvito House	-	6.50
	380A Scarborough Beach Road	-	6.50
	382 Scarborough Beach Road	-	6.50
	Mindarie Keys Joint Venture	15.00	15.00
	Majestic Quay Joint Venture	25.00	25.00
11.2	<b>Group's share of associates' and joint venture entities':</b>	\$'000	\$'000
	Profit (loss) from ordinary activities before tax	919	825
	Income tax on ordinary activities	276	248
	<b>Profit (loss) from ordinary activities after tax</b>	643	577
	Extraordinary items net of tax	-	-
	<b>Net profit (loss)</b>	643	577
	Adjustments	-	-
	<b>Share of net profit (loss) of associates and joint venture entities</b>	643	577

## 12. Other significant information

All significant information is disclosed in this Appendix 4E and the attached press release.

### 13. Foreign entities

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Australian Accounting Standards
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### 14. Commentary on results

#### 14.1 Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of <i>AASB 1027: Earnings Per Share</i> are as follows.	Current year	Previous correspondin g year
	\$'000	\$'000
The following reflects the income and share data used in the calculation of basic and diluted EPS:		
Basic Earnings	10,138	10,268
Diluted Earnings	10,138	10,268
	<u>Number</u>	<u>Number</u>
Weighted average number of ordinary shares used in the calculation of basic EPS	13,844,198	13,507,295
Dilutive effect of employee options on issue	308,350	563,050
Weighted average number of ordinary shares used in the calculation of diluted EPS	14,152,548	14,070,345
Basic EPS	73.2	76.0
Diluted EPS	71.6	73.0

## 14.2 Segment reporting

See attached

## 15. Status of audit or review

This report is based on accounts to which one of the following applies.

- |                                     |  |                          |  |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/>            | The accounts have been audited.  | <input type="checkbox"/> | The accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

## 16. Dispute or qualification – accounts not yet audited or subject to review

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

## 17. Dispute or qualification – accounts audited or subject to review

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A

Sign here:  ..... Date: .....18 FEBRUARY 2004.....  
Company Secretary

Print Name: GEOFFREY VICTOR DAVIESON

SCHEDULE ACCOMPANYING APPENDIX 4D PRELIMINARY HALF-YEAR REPORT

**SCHAFFER CORPORATION LIMITED**

(ACN 008 675 689)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

REPORT FOR INDUSTRY SEGMENTS

	LEATHER		BUILDING PRODUCTS		INVESTMENT PROPERTY		OTHER INVESTMENTS		CONSOLIDATED	
	Dec 2003 \$000	Dec 2002 \$000	Dec 2003 \$000	Dec 2002 \$000	Dec 2003 \$000	Dec 2002 \$000	Dec 2003 \$000	Dec 2002 \$000	Dec 2003 \$000	Dec 2002 \$000
<b>Total Revenue from Ordinary Activities</b>	74,278	99,967	19,532	18,382	8,272	2,433	2,144	4,041	104,226	124,823
Unallocated Revenue									71	135
<b>Total Revenue</b>									104,297	124,958
Segment Earnings	8,645	14,044	3,575	2,861	4,368	1,194	455	637	17,043	18,736
Interest and Corporate Overheads									(1,537)	(1,863)
Operating Profit Before Income Tax									15,506	16,873
Income Tax Expense									4,496	5,109
Net Profit After Tax									11,010	11,764
Segment Assets	95,201	95,191	21,873	20,422	17,305	27,167	31,054	23,377	165,433	166,157
Unallocated Assets									2,697	2,630
Total Assets									168,130	168,787
Segment Liabilities	76,768	71,622	6,213	7,852	16,041	22,614	2,288	1,540	101,310	103,628
Unallocated Liabilities									2,510	1,028
Total Liabilities									103,820	104,656