

Dear Shareholder,

The announcement below was lodged today with the Australian Stock Exchange.

RETIREMENT OF NON-INDEPENDENT DIRECTORS

The Board of Schaffer Corporation Limited ("SFC") announces the retirement of two non-executive directors, Mr Kel Webster and Mr John Abernethy.

Mr Webster has been a director of the Company since 1987. He served in an executive capacity from 1978 to 1998 and continued as a non-executive director since 1998. Mr Abernethy has been a director of the Company since 1998. He served in an executive director capacity from 1998 until 2002 when SFC sold the Loftus Capital business.

The Board wishes to thank Mr Webster and Mr Abernethy for their loyalty and dedicated service to the Company and appreciates their decision to retire in the context of recently introduced ASX's Corporate Governance regime which seeks to reduce the representation of non-independent directors on the Board's of Australian listed companies.

The Board intends to appoint an additional independent director as soon as a suitable candidate is identified.

Attached are ASX Form 3Z's lodged on behalf of Mr Webster and Mr Abernethy.

20th June 2003

For more information contact
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