

**SCHAFFER REPORTS STEADY PROFIT OF \$7.6 MILLION,
ANTICIPATES HIGHER FIRST HALF IN FY2014**

21 August 2013

Schaffer Corporation Limited (ASX: SFC) today reported NPAT for the 2013 financial year of \$7.6 million, which was marginally higher than the previous year. With the group's strong financial position and prudent capital management, the final dividend to be paid on 20 September was increased by 9% to \$0.12 per share (fully franked).

FINANCIAL SUMMARY

	Financial Year to		% Change
	30-Jun-13	30-Jun-12	
Revenue (\$m)	138.4	152.6	(9%)
EBITDA** (\$m)	20.0	19.9	1%
EBIT** (\$m)	14.8	14.9	(1%)
NPAT* (\$m)	7.6	7.5	1%
Earnings per share	\$0.54	\$0.53	1%
Ordinary dividends per share	\$0.23	\$0.21	10%
Return on average capital employed**	14%	14%	

*Net Profit after tax and minority interests

** Refer to most recent Annual Report for definitions of Non-IFRS measures

Schaffer Corporation Chairman, Mr John Schaffer, said that the result reflected the balance provided by the group's diversified operations across building materials, automotive leather and property.

"The NPAT result includes proceeds from an ongoing insurance claim for property damage. The underlying result was lower than the previous year but we are pleased that our businesses continue to operate profitably in very challenging markets." Mr Schaffer said.

"We also continue to generate significant excess operating cash flow that we are using to pay down group net debt and strengthen our balance sheet, whilst also increasing the final dividend for our many long-standing shareholders." Mr Schaffer said.

The debt reduction program, which has been operating since December 2008, has reduced group net debt in that time by 56% to \$35.4 million.

"In the current year, Automotive Leather is benefiting from an increase in volumes for new programs in Europe and also the devaluation of the Australian dollar, which will assist both reported revenue and profit."

"With Building Materials tracking steadily and leveraged to an upturn in consumer spending, we believe that the first half of the 2014 financial year will return a higher Group result than the previous period." Mr Schaffer added.

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