



SFC INTERIM PROFIT UP 118% TO \$4.4 MILLION

Western Australian-based industrial group Schaffer Corporation Limited (ASX: SFC) today announced a 118% increase in interim NPAT to \$4.4 million. The Company also announced an interim dividend of \$0.10 per share (fully franked), which will be paid on 23 March 2012.

SFC Chairman, Mr John Schaffer, said that the group's performance was led by a strong result from the Automotive Leather division.

"Our Slovakian and Chinese operations have delivered an overall 42% increase in cut leather sales and also achieved a higher average selling price per square metre – highlighting the appropriateness of the strategic decision to discontinue our Mexican operations," Mr Schaffer said.

"Automotive Leather has been complemented by the outperformance of Delta Corporation, where demand from resources and infrastructure projects in Western Australia have resulted in both a strong result and forward order bank for our precast concrete business."

"The remainder of Building Materials continues to experience tough market conditions but we are aggressively pursuing sales and distribution strategies and have won significant commercial projects."

"After some significant property sales over the last twelve months, the underlying investment property portfolio is generating marginally decreased revenue and earnings but tenancies are running at close to 100%," Mr Schaffer added.

Trading and market conditions across the operating divisions remain difficult to accurately predict and the Company is also exposed to ongoing volatility in the Australian dollar exchange rates.

As a result, SFC anticipates that NPAT for the full year will be greater than in the prior year but that second half performance was likely to be lower than that achieved in the first half.

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