



## SCHAFFER CORPORATION HAS STRONG YEAR

Schaffer Corporation Limited (ASX: SFC) today announced net profit after tax (NPAT) of \$10.5 million for the year ended 30 June 2009. While net profit fell 4% from the previous year, it was achieved against a 13% decrease in group revenue, during an extraordinary period of foreign exchange volatility and global economic upheaval.

SFC Chairman, Mr John Schaffer, said that the group's increased underlying profitability was highlighted when one removed the NPAT impact of significant property sales in the previous period. In the 2008 financial year, property sales generated \$4.2 million in EBIT.

"SFC's Building Materials and Automotive Leather divisions each grew EBIT strongly over the prior year and rental income from the Property division increased by 50%," Mr Schaffer said.

"This last year has seen possibly the worst ever conditions for the global automotive industry and, to a lesser extent, the construction industries but SFC substantially increased those divisions profitability," Mr Schaffer added.

While conditions appear to have improved, ongoing uncertainty regarding the economic environment has made forecasting SFC's performance in the current year extremely difficult.

"At this time, we anticipate first-half earnings in Building Materials to be materially lower than the previous corresponding period and, in the absence of further major shocks to the industry and substantial exchange/interest rate volatility, earnings in the Automotive Leather and Property divisions are expected to be higher," Mr Schaffer concluded.

Given the economic uncertainty and the Board's prudent approach, SFC has declared a final dividend of \$0.20 per share (fully franked). SFC anticipates declaring fully franked dividends totalling \$0.40 per share for the current year, subject to the group cash and debt positions, capital expenditure requirements, general business and economic decisions and stable foreign exchange rates.

For further information, please contact:

Mr. John Schaffer  
Chairman  
Schaffer Corporation  
Phone: +61 8 9483 1201

Mr. David Richardson  
Chief Financial Officer  
Schaffer Corporation  
Phone: +61 8 9483 1202

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