

**SCHAFFER HALF-YEAR PROFIT \$2.1 MILLION, MAINTAINS DIVIDEND**

18 February 2015

Schaffer Corporation Limited (ASX: SFC) has reported a net profit after tax (NPAT) of \$2.1 million for the first half of the 2015 financial year (pcp: \$4.9 million).

SFC Chairman, Mr John Schaffer, said that the underlying strength of the Group's businesses and forecast growth in the second half and beyond supported SFC maintaining its interim dividend at \$0.12 per share (fully franked).

"Our largest contributor to revenue and earnings, Automotive Leather, is on the cusp of a significant increase in volumes", Mr Schaffer said.

"Over the next three years, we anticipate at least 50% growth in volumes from new program awards by Mercedes Benz and expansion of existing customer programs.

"We are currently constructing a new finishing facility in Slovakia to support the increased production volumes. That facility is expected to be completed by the end of 2015.

"This is a pivotal investment in the future of Automotive Leather that will underpin increased revenues but also step change improvements in the division's supply chain. It reflects both our commitment to investing in the growth of our businesses and continually seeking opportunities to refine how we do business," Mr Schaffer commented.

"The order books in our Building Materials division are reasonably strong but we remain cautious about the outlook for the sectors in which it operates," Mr Schaffer added.

SFC's Investment Property division continues to deliver consistent earnings despite a decrease in occupancy rates, which were previously close to 100%.

SFC is also expecting increasing profits from its investment business, Gosh Capital.

"Gosh Capital is seeking to maximise the value of its cornerstone asset, being the site at North Coogee," Mr Schaffer said.

"Along with its other investments, we expect the redevelopment to drive earnings and increase funds available for investment at Gosh Capital over time," Mr Schaffer concluded.

The interim dividend of \$0.12 per share fully franked will be paid on 20 March 2015. The record date for the interim dividend is 13 March 2015.

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