

**SCHAFFER INTERIM PROFIT OF \$5.3 MILLION;  
\$0.11 PER SHARE INTERIM DIVIDEND**

20 February 2013

Diversified industrial Schaffer Corporation Limited (ASX: SFC) today announced an interim NPAT of a \$5.3 million and an interim dividend of \$0.11 (fully franked) per share, which will be paid on 22 March 2013.

SFC's divisions operate in the automotive leather, building materials and property sectors.

SFC Chairman, Mr John Schaffer, said that the interim NPAT was 19% up but the first half was mixed for the Group, with a strong performance in Building Materials contrasting with a reduction in volumes for Automotive Leather.

*"The Delta pre-cast concrete business in particular has capitalised on the strong demand from resource and civil infrastructure projects in Western Australia, which has enabled Delta to capture both more and higher margin specialist work,"* Mr Schaffer said.

*"Conversely, Automotive Leather saw the anticipated completion of a number of programs and was also affected by currency movements and the ongoing diplomatic dispute between China and Japan, which has reduced Chinese demand for Japanese vehicles."*

*"Whilst we face challenges as always, it is pleasing that the Group's strong cash flow has allowed us to continue our debt reduction program."*

*"Since the program's inception in 2008, SFC has reduced its net debt by 58% and the only parts of the business where our debt is fully recourse are now in a net positive cash position,"* Mr Schaffer said.

Along with reducing net debt, SFC has been growing its net tangible assets, which significantly exceed the prevailing price of the Group's shares.

*"At 31 December, our NTA at market value, which includes \$47 million of pre-tax unrealised property gains, had grown to \$6.46 per share. That compares to a share price of \$4.07 at the end of January,"* Mr Schaffer said.

SFC anticipates that the second half of the financial year will exceed the result for the prior period backed by awarded programs at Automotive Leather coming online towards the end of the financial year and the continuing strong order books within the Building Products division.

*"For the full year, the statutory result will receive a bump from the ongoing proceeds of the fire damage insurance claim but underlying profit will likely be similar to 2012,"* Mr Schaffer said.

Despite ongoing uncertainty and volatility in its operating markets, the strength of SFC's financial position has enabled the Board to increase by 10% the interim dividend, which SFC acknowledges is a conservative dividend payout ratio.

For further information, please contact:

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