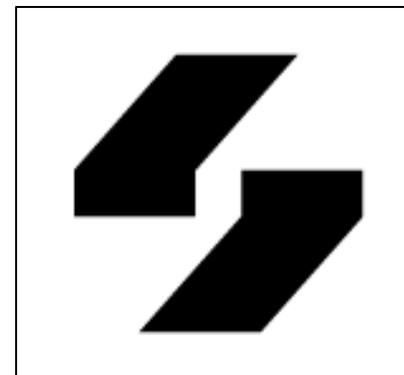
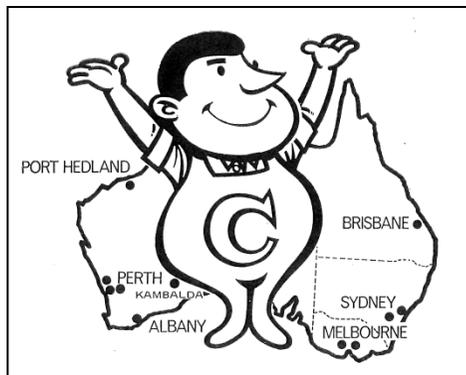




Schaffer Corporation Limited

50 YEARS AS AN ASX LISTED COMPANY



Pre Listing

“Humble beginnings in the Lucky Country”

August 1949 - George Schaffer arrives in Australia with his wife Blanka and their young daughter, Danielle, having escaped from war-torn Europe along with a wave of entrepreneurial migrants. In his luggage, Rosa Cometta - a concrete block-making machine.

September 1949 to April 1950 - Commencement of business took extraordinary guts and determination. George spoke no English but nevertheless managed to meet the Chief Clerk of the Department of Industrial Development. With his guidance and the small amount of money he arrived with, George purchased a 1/3 acre on Scarborough Beach Road, Osborne Park, erected a tent and with the assistance of a number of fellow Croatians of varied backgrounds (including a Supreme Court Judge, a tailor and a gardener) produced some blocks and built a factory.



Ugolino Vivaldi

Pre Listing

“Humble beginnings in the Lucky Country”

May 1950 - After a mere 8 months, the grand opening of the Swan Block Co. Pty. Ltd. was performed by Sir David Brand, Junior Minister for Industrial Development.

May 1950 to December 1950 - George found himself with a new major challenge; there were no customers for concrete blocks. Demand was only for red clay bricks. Never to be defeated, he employed 7 more men from the Northam migrant camp and with a “little” help from the bricklayers union president the men passed the necessary exam to become brick and block layers on the condition that they first worked for Swan Block Company.



Pre Listing

“Humble beginnings in the Lucky Country”

January 1951 to April 1955 - George persuaded Mr Mac Mitchell, the Chief Inspector of the State Housing Commission, who was also a builder, to join him to form a new company which would offer ready-made homes out of the concrete blocks. Thus commenced Perth Construction Pty. Ltd., which created a market for the blocks.

April 1955 - At this time George received a “tip-off” from the Department that there was a new brick in existence - a sand-lime brick, which was already in production in Victoria. Given the abundance of white sand in Western Australia, and the fact that concrete blocks were still not readily accepted by the market, George and Mac took the first possible flight to Victoria to investigate.

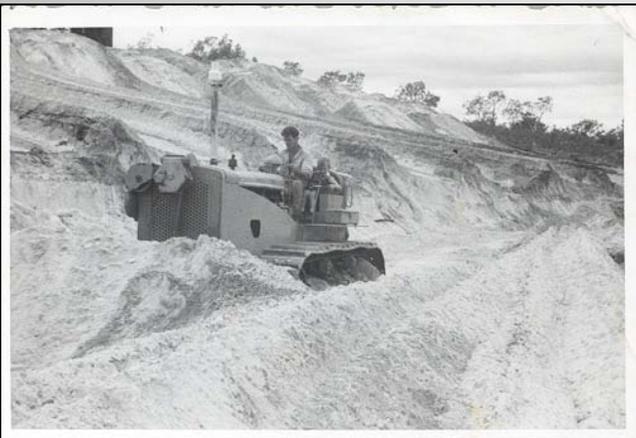
Having decided calcium silicate bricks were the way to go, the next challenge successfully met was raising £70,000. Calsil Pty. Ltd., was then incorporated by an enthusiastic group of shareholders and supporters led by George Schaffer, Mac Mitchell and Albert Jobling.



Pre Listing

“Humble beginnings in the Lucky Country”

April 1955 to November 1955 - 250 acres were purchased at Jandakot and the manufacture of sand-lime bricks commenced. The official opening by the Minister for Housing and Development took place on the 30th of November 1955, following an all-night scramble to produce enough acceptable bricks. In the absence of a mechanical sieve, a wire mesh base of a bed was used.



November 1955 to November 1963 - Ongoing development of Calsil including purchase of a second brick press and erection of further facilities at Jandakot.

November 1963 - **Calsil Limited was listed on the Perth Stock Exchange**

(113,692 shares @ 50 shillings per share).

The first 25 Years – Calsil Limited

“Growth of a National Brick and Paving Company”

1966 - Colortone Holdings Ltd's brickworks and sand quarries in Frankston, Victoria were purchased. Calsil Limited became the first Western Australian public company to operate manufacturing branches in the Eastern States.

1967 - Built our first fully automated sand-lime brick plant at Jandakot.

1969 - Built a brick plant at Kurnell, New South Wales.

1971 - Built a brick plant at Blacktown, New South Wales.

1972 - Took over Besser (WA) Limited, a public company.



Kurnell, Sydney opening



Blacktown NSW

The first 25 Years – Calsil Limited

“Growth of a National Brick and Paving Company”

1973 - Built a brick plant at Wacol, Queensland.

1973 - Built a brick plant at Sunshine, Victoria.

1973 - Took over Hollowstone (WA) Pty. Ltd., a main competitor.

1974 - Further expanded Blacktown and Jandakot.

1978 - The introduction and expansion of concrete interlocking paving to all States.

1980 - Purchased Delta Corporation for \$300,000.

1984 - A failed takeover attempt by the Clay Brick Association i.e. Midland Brick and Bristle. Calsil won a Federal Court case against the Clay Brick Association for misleading and deceptive conduct. This was an important win for the market penetration of our calcium silicate products.

The first 25 Years – Calsil Limited

“Growth of a National Brick and Paving Company”

1984 - Purchased Shilkin Leather from the company's Receiver. George Schaffer and the Board were looking for diversification and a new challenge. This opportunity aligned with George's strong view that Australia should create more industry to add value to its raw materials.

1985 - George Schaffer received an AM in the Australia Day Honours List in recognition of his service to the Building Industry of Australia.



The first 25 Years – Calsil Limited

“Growth of a National Brick and Paving Company”

1988 - From its small beginnings at Jandakot to the national brick and paving business it had become, Calsil's core business was sold to Boral for \$43m. Calsil Limited remained as a \$15m “cash box”.

1988 - Only 7 weeks later, George Schaffer AM passed away suddenly. The company was subsequently renamed **Schaffer Corporation Limited** to perpetuate his name.



Era ends: (from left) George Schaffer, Bert Jobling and John Schaffer

The first 25 Years – George Schaffer AM

George Schaffer AM never stopped building.

Australia had rewarded him for this enterprise and he continued to reward Australia with new ideas and new ventures. His achievements were invariably marked with a dignity growing out of thoughtfulness, loyalty, determination and courage.

His life and work have been an inspiration to us all.



The second 25 Years – John Schaffer

Following the sudden death of his father, John Schaffer found himself thrust into the role of Chairman and Managing Director of Schaffer Corporation.

Thus began the second 25 years of our history that continued our transformation from our humble beginnings to the diverse company that is Schaffer Corporation today.

The second 25 Years – Schaffer Corporation

The Leather Division

1989 to 1992 - After the purchase of Shilkin Leather in 1984, the Leather Division expanded through Gosh Leather (Furniture Leather).

1992/93 - Further expansion of Gosh Leather with new facilities in North Coogee, Western Australia and a raw materials processing factory at Darkan, Western Australia. Also, the purchase of 50% of Color-Rite, a shoe leather business in Brisbane.



Tanning Facility, Darkan, Western Australia



Gosh Leather Facility, North Coogee, Western Australia

The second 25 Years – Schaffer Corporation

The Leather Division

1994 - Reverse takeover of Howe Leather Pty Ltd by backing in our Leather assets and using institutional capital and shareholding for the balance. Furniture leather manufacture transferred to Gosh, with Howe Leather then totally focussed on Automotive Leather.

1995 - Establishment of an Automotive Leather cutting plant in Mexico.

1997 - World Trade Organisation issues emerge for Automotive Leather and have continued to be dealt with ever since.

1997 to 1998 - Built a new Finishing Plant at Thomastown, Victoria.



Previous Howe Leather Facility, Preston, Victoria

The second 25 Years – Schaffer Corporation

The Leather Division

- 1997 to 1998** - Built a new Tannery at Rosedale, Victoria.
- 1998** - Anton Mayer joined Howe, and transformed the focus, strategy and the way the business operated. He has been a fantastic partner ever since.
- 2001** - Bought out the institutional investors in Howe.
- 2005** - Establishment of cutting plants in Kosicé, Slovakia and Shanghai, China.
- 2006** - Closure of the Gosh Leather factory given the globally non-competitive nature of the Australian furniture industry.



Howe Cutting Plant, Kosice, Slovakia

The second 25 Years – Schaffer Corporation

The Leather Division

Today - Howe is a global business in the Automotive Leather industry with facilities in Victoria (Australia), Slovakia and China, supplying to leading automotive manufacturers in Europe, Asia and Australia.

FY13 Revenue: \$72.9 million

FY13 EBIT: \$5.0 million

Over 900 employees globally



The second 25 Years – Schaffer Corporation

The Building Materials Division

- 1989** - Expansion of Delta facilities and production range to include prestressed, precast concrete product.
- 2002** - Large expansion of prestressed production capacity.
- 2007** - Major yard and factory expansion, more than doubling production and storage capacity. The site is now 80,000sqm or 20 acres. This gives Delta the ability to do large jobs with elements weighing over 100 tonnes.



Delta Factory, Herne Hill

The second 25 Years – Schaffer Corporation

The Building Materials Division

Today - Delta has become the leading West Australian precast, prestressed concrete producer, supplying a large number of high profile projects throughout Western Australia.

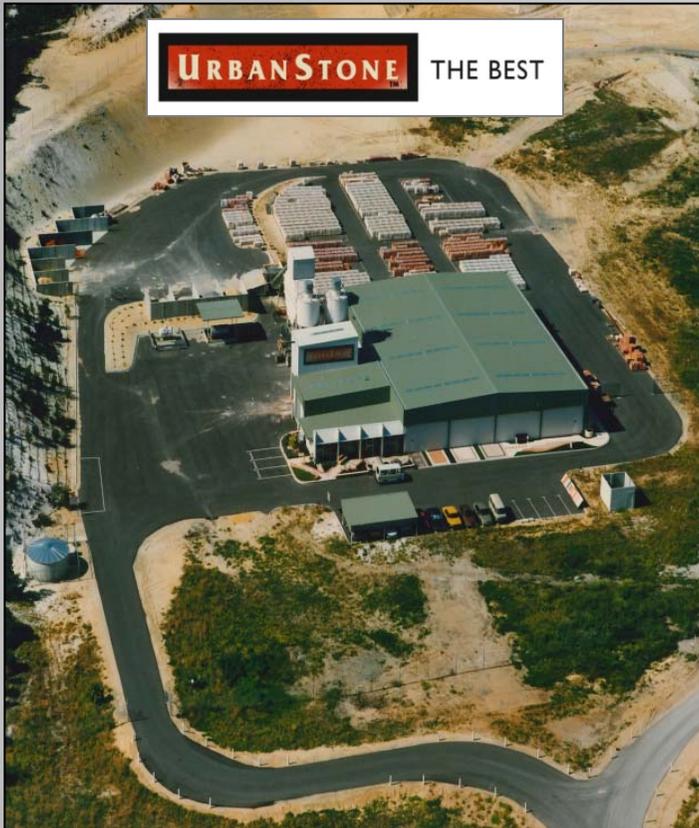


Delta Factory, Herne Hill



The second 25 Years – Schaffer Corporation

The Building Materials Division



Urbanstone Factory at the Sandpit, Jandakot 1994

1993 - After a 5 year exclusion period from the sale of Calsil to Boral Ltd, Urbanstone was established by purchasing a sandpit at Jandakot, Western Australia (our current property) for the production of wet-cast concrete pavers.

Then followed the successful development of an exposed aggregate paving module with City of Perth that led to an extensive range of products for the commercial and residential landscaping markets.

1998 onwards - The factory was expanded several fold to enable production of custom-made architectural products with a range of sizes, textures, finishes and thickness to satisfy the needs of architects and designers nationally.

The second 25 Years – Schaffer Corporation

The Building Materials Division

2006 - Purchase of Limestone Resources Pty. Ltd., a supplier of natural and reconstituted limestone blocks, and operator of several limestone quarries.

2007 - Purchase of Archistone Pty. Ltd., a supplier of reconstituted limestone walling and paving products.



2007 - Created the Urbanstone Central national retail chain.

2011 - Establishment of a new Besser Masonry Block plant at Jandakot.

The second 25 Years – Schaffer Corporation

Today - Schaffer Building Products successfully delivers a broad range of niche products and design solutions for the construction, resource and landscaping markets nationally.



Jandakot Factory

Schaffer Building Materials combined:

FY13 Revenue: \$58.5 million

FY13 EBIT: \$5.5 million

Over 200 employees nationally

The second 25 Years – Schaffer Corporation

The Property Division

1994 - Commencement of the Syndicated Investment Property Portfolio. This added further diversification to complement the portfolio of owned/operated properties.

Today - A portfolio of quality investments and owned properties that have significant future redevelopment potential.

FY13 Revenue: \$7.1 million
FY13 EBIT: \$7.5 million
Book Value¹: \$32.1 million
Market Value¹: \$79.5 million



1. As at 30 June 2013

The second 25 Years – Schaffer Corporation

Gosh Investments

2006 - Following the closure of the Gosh Leather business at North Coogee, Western Australia, the site became a leased investment property with future development potential as a result of the plan to convert the Cockburn Coast area to a residential precinct.

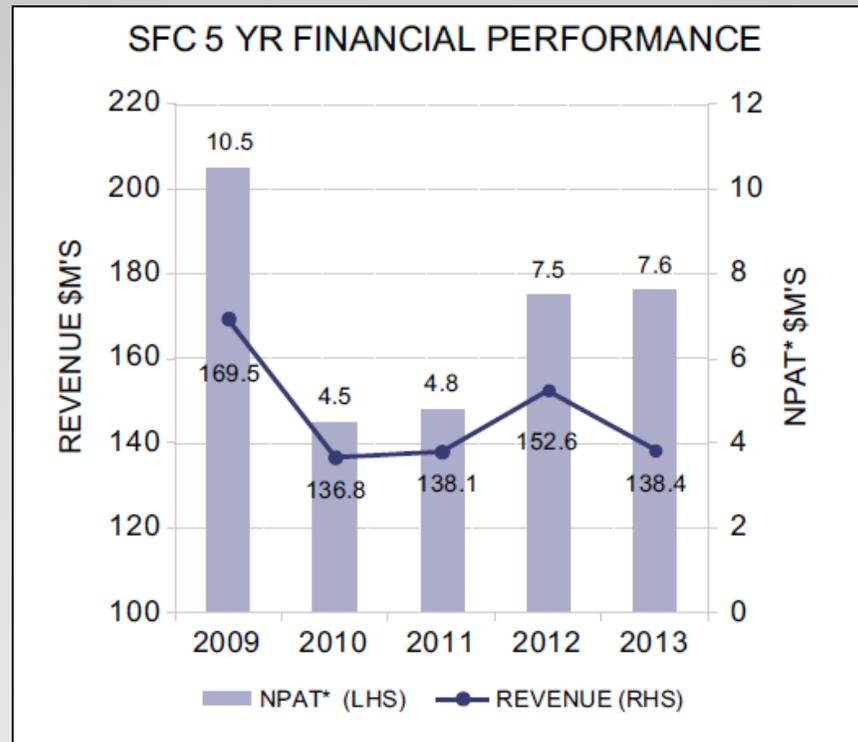
2012 - The leased building on our North Coogee property was destroyed by fire whilst occupied by our tenant, a recycling facility, resulting in the receipt of insurance proceeds.

Today - Gosh is set to grow as an investment business.

- We have invested in two property unit trusts relating to properties in Sydney and Newcastle, New South Wales.
- We have purchased a commercial property at Dixon Road, Rockingham, Western Australia.
- The Cockburn Coast has been rezoned as high density residential, and redevelopment planning is continuing slowly. We continue to ready our North Coogee property for future residential development of up to 175 units.

The Present and Future

The corporate diversity that has been created over the second 25 years has aided Schaffer Corporation to consistently produce consolidated profits, even through the Global Financial Crisis.

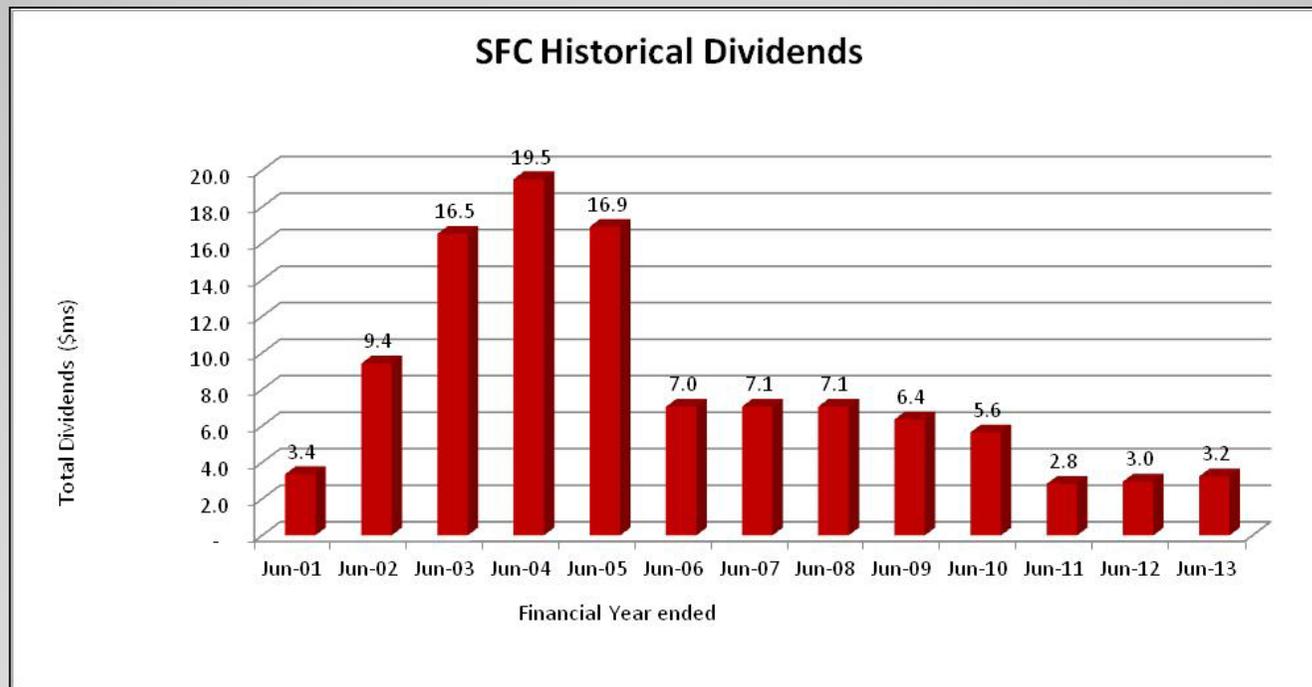


The Present and Future

Over the past 50 years we have been extremely proud to share our rewards with our shareholders.

The company has never missed a dividend in each year the company has been listed.

\$108 million in fully franked dividends paid since 2001.



The Present and Future

From the humble beginnings in the sandpit at Jandakot, to the diversified company of today, we are proud of our history and achievements.

Our business diversity, combined with the experience, drive, loyalty and cohesiveness of those involved with Schaffer Corporation, has created a strong culture which puts us in good stead to venture forward in a world of increasing change and uncertainty.

A toast to 50 years as a listed public company

Thank you to you, our shareholders, for your loyalty and support over the 50 years that Schaffer Corporation Limited (previously Calsil Limited) has been a publicly listed company.

We acknowledge you, along with the employees, associates, executive managers and board members that have made significant contributions to Schaffer Corporation's success over the past 50 years.

Here's to another successful 50 years!

