



SCHAFFER CORPORATION REPORTS NET PROFIT OF \$4.8M

Schaffer Corporation Limited (ASX: SFC) today announced net profit after tax (NPAT) for the 2011 financial year of \$4.8 million, which was seven percent higher than the previous year and ahead of guidance provided in June 2011.

SFC's Chairman, Mr John Schaffer, said that the result was boosted by improved earnings performance at the Howe automotive leather business and the sale of property interests.

"After a disappointing result last year, we are pleased to be reporting a small increase in earnings," Mr Schaffer said.

"SFC has taken hard strategic decisions within all of our businesses and Automotive Leather's improved earnings performance is a reflection of the benefits.

"Last year was difficult for the Building Materials division with strong margin pressure but we are seeing a number of large Government and resources infrastructure project wins coming through the system for Delta and Building Products is leveraged to an improvement in consumer spending and new housing," Mr Schaffer added.

Mr Schaffer noted that approved new leather programmes in Europe and Asia should see growth in revenue and volumes at Automotive Leather and further strengthening in margins.

SFC continues to work to maximise the efficiency of its operations and capital management, with net debt specific to SFC reducing by \$10.9 million to \$3.0 million at 30 June 2011.

"We have been operating in difficult conditions for several years, which makes forecasting difficult. Nonetheless, SFC anticipates exceeding its result for the first half of the 2011 financial year in the current period," Mr Schaffer said.

Mr Schaffer concluded that, in line with June guidance, SFC will pay a final dividend of \$0.10 per share (fully franked) on 23 September 2010, bringing total dividends for the year to \$0.20 per share (fully franked).

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