



Media Information

The Schaffner Group in fiscal 2005/2006:

Sustained growth with EMC components and modules

The Schaffner Group increased its net sales in fiscal 2005/2006 by 10.3% to CHF 184.0 million (fiscal 2004/2005: CHF 166.8 million). Adjusted for currency effects, this was an increase of 8.4%. Thanks to a favorable increase in earnings in the operational business and extraordinary net proceeds of CHF 9.9 million relating to the sale of the Swiss properties, the Schaffner Group made a profit in the year under review despite substantial costs relating to the divestment of the Test Systems business. EBIT rose sharply to CHF 7.7 million (CHF 2.5 million) and net profit came to CHF 3.6 million (CHF -0.4 million). With the payout of CHF 11.00 per registered share within the framework of a nominal capital reduction from CHF 50.00 to CHF 39.00, the Board of Directors is taking into account the extraordinary inflow of funds resulting from divestment of Test Systems activities as well as the sale of the properties. For the new 2006/2007 fiscal year, the Schaffner Group is expecting to achieve a sustained increase in sales of 15–20%, with a rise in the EBIT margin from 4% to 6–7%.

Continuing operations

Net sales in the continuing EMC components and modules unit rose by 12.3% to CHF 137.8 million (CHF 122.8 million) in fiscal 2005/2006. Adjusted for currency effects, this was an increase of 10.5%. At CHF 10.1 million (CHF 7.1 million), EBIT exceeded the previous year by 42.3%, and the EBIT margin rose to 7.4% (5.8%). With a rise of 49.3% to CHF 6.5 million (CHF 4.3 million), the net result also showed a clear increase on the previous year. The positive trend is based on continuing robust demand for Schaffner components and modules in all key areas, in particular the following segments: automotive, industrial electronics, power supplies and telecommunications. The geographical breakdown reflects the global structure of the Schaffner Group, with double-digit growth rates in Germany (+21.4%) and the US (+19.5%), as well as ongoing dynamic development in the booming Asia-Pacific market (+23.4%).

Discontinued operations

The Test Systems business, which is up for sale, contributed to Schaffner Group sales with net sales of CHF 46.2 million (CHF 44.1 million), representing a figure of around 25% (26%) for fiscal 2005/2006. EBIT amounted to CHF -2.5 million (CHF -4.7 million), and the loss of the Test Systems business was reduced to CHF -2.9 million (CHF -4.7 million). The Test Systems result is heavily impacted by the effects of ongoing divestment, in particular a loss of CHF 3.0 million on the power electronics business line in Ireland, which has been sold, and goodwill amortization totaling

CHF 9.2 million for the Cable & ElectroEmulation business line in Germany, which is up for sale. The sale of the EMC test systems business line within the framework of a management buyout to a group of investors headed by Johannes Schmid, Head of the Test Systems Division, which was announced at the end of July 2006, was concluded at the end of November 2006 as planned. Discussions with potential buyers relating to the sale of the remaining Test Systems business line, Cable & ElectroEmulation (net sales for 2005/2006 of around CHF 15 million), are underway.

Capital structure

The net debt of the Schaffner Group as at the accounting cut-off date of September 30, 2006 was CHF 39.1 million (30.9.2005: CHF 38.2 million), while the ratio of net debt to shareholders' equity (gearing) amounted to 0.77. The proportion of shareholders' equity in total assets rose to 36.0% (34.4%). At CHF 9.0 million, cash and cash equivalents accounted for 6.4% of total assets. On the accounting cut-off date, the inflow of funds from the sale of the Swiss properties in Luterbach of CHF 20.0 million and CHF 8.4 million from the sale of the EMC test systems business line had not yet been included in the balance sheet. The principal reason for what were in part considerable year-on-year shifts in the balance sheet is that the sale of the Test Systems Division primarily involved tangible fixed assets and inventories instead of share deals.

Nominal capital reduction and payout of CHF 11.00 per registered share

Due to the extraordinary inflow of funds from the ongoing sale of the Test Systems activities and the Swiss properties, the Board of Directors of Schaffner Holding AG is proposing to the Annual General Meeting of Shareholders, to be held on 17 January 2007, a payout of CHF 11.00 per registered share within the framework of a reduction in nominal capital from CHF 50.00 to CHF 39.00. This sum will be made up of CHF 1.50 per registered share in accordance with Schaffner Holding AG's long-term payout ratio target of 25% of net profit and a one-time special payment of CHF 9.50 per registered share.

Outlook

In the first two months of the new fiscal, the Schaffner Group recorded continued, robust demand for EMC and power quality components and modules. Provided that economic conditions remain stable, for the fiscal 2006/2007 the Schaffner Group is expecting to achieve a sustained increase in sales of 15–20% for continuing operations, with a rise in the EBIT margin from 4% to 6–7%. It is also aiming, within the next five years, for annual net sales of around CHF 250 million and an average EBIT margin of 10%, to be achieved by means of organic growth and acquisitions.

Luterbach, December 7, 2006

For further information

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Schaffner Group
Key figures

| | | 1.10.05 – 30.9.06 | 1.10.04 – 30.9.05 (restated) ¹ |
|-------------------------------------|-------------|--------------------------|--|
| Net sales Group | CHF million | 184.0 | 166.8 |
| EBIT Group | CHF million | 7.7 | 2.5 |
| <i>as % of net sales</i> | % | 4.2 | 1.5 |
| Net profit/loss Group | CHF million | 3.6 | -0.4 |
| <i>as % of net sales</i> | % | 1.9 | -0.2 |
| | | | |
| Net sales continuing operations | CHF million | 137.8 | 122.8 |
| EBIT continuing operations | CHF million | 10.1 | 7.1 |
| <i>as % of net sales</i> | % | 7.4 | 5.8 |
| Profit/loss continuing operations | CHF million | 6.5 | 4.3 |
| <i>as % of net sales</i> | % | 4.7 | 3.5 |
| | | | |
| Net sales discontinued operations | CHF million | 46.2 | 44.1 |
| EBIT discontinued operations | CHF million | -2.5 | -4.7 |
| <i>as % of net sales</i> | % | -5.4 | -10.6 |
| Profit/loss discontinued operations | CHF million | -2.9 | -4.7 |
| <i>as % of net sales</i> | % | -6.3 | -10.8 |
| | | | |
| Total assets | CHF million | 141.8 | 134.0 |
| Shareholders' equity | CHF million | 51.0 | 46.1 |
| <i>as % of total assets</i> | % | 36.0 | 34.4 |
| | | | |
| Result-dependent payout per share | CHF | 1.50 | 0.00 |
| <i>as % of net profit/loss</i> | % | 25.4 | – |
| Special payment per share | CHF | 9.50 | 0.00 |
| Total payout per share | CHF | 11.00 | 0.00 |

¹ Figures for previous year adjusted by share-based payments totaling CHF 664,000

Dates

| | |
|------------------|--|
| January 16, 2007 | Publication of first quarter 2006/2007 net sales and order intake |
| January 17, 2007 | Annual General Meeting of Shareholders |
| May 11, 2007 | Publication of 2006/2007 Interim Report |
| July 12, 2007 | Publication of third quarter 2006/2007 net sales and order intake |
| November 2, 2007 | Publication of fourth quarter 2006/2007 net sales and order intake |
| December 6, 2007 | Publication of Annual Report 2006/2007 |
| January 15, 2008 | Publication of first quarter 2007/2008 net sales and order intake |
| January 16, 2008 | Annual General Meeting of Shareholders |

Schaffner – safety for electronic systems

Schaffner is the international leader in electromagnetic compatibility (EMC) and power quality (PQ), focusing on high-growth sectors such as the automotive industry, building automation, industrial electronics, consumer goods, aerospace, medical technology, power supplies, telecommunications, transportation and alternative energy production. Schaffner develops, produces, and markets standard and customer-specific components and modules. Schaffner continually strives to secure and expand its leading position through a program of innovation, customer-focused logistics, cost-efficient practices and a constant drive for quality.