



## Media Information

### Schaffner Group first-half results 2006/2007

#### Double-digit growth in continuing business thanks to power quality

In its continuing operations, the Schaffner Group increased net sales of components for optimizing energy utilization and increasing the operating reliability of electrical and electronic systems in the first six months of fiscal 2006/2007 by 18.6% year on year to CHF 79.2 million (first half 2005/2006: CHF 66.8 million). Adjusted for currency effects, the rise in sales amounted to 16.8%. At the same time, order intake increased by 28.3% to CHF 92.6 million (CHF 72.2 million). The book-to-bill ratio for the first six months of the current fiscal year came to 1.17. The decline in EBIT to CHF 3.5 million – EBIT margin: 4.4% – (CHF 5.0 million – EBIT margin: 7.4%) can be attributed mainly to a weak first quarter in the automotive business, start-up costs for new products in Shanghai and a rise in the cost of materials that could only be offset by price increases with a certain time lag in the first half of the year. As a consequence, the net profit from continuing operations slipped back to CHF 2.0 million (CHF 3.8 million). Schaffner's management expects the results for the full year 2006/2007 to show a year-on-year increase in net sales from continuing operations and an EBIT margin of around 6%.

Including its discontinued operations – the EMC test systems business sold at the end of November 2006 and the last test systems activity, Cable & ElectroEmulation, sold at the end of April 2007 – the Schaffner Group generated accumulated net sales of CHF 92.4 million (CHF 91.0 million) and increased the net profit to CHF 1.1 million (CHF 0.8 million). Accumulated order intake amounted to CHF 105.0 million (CHF 96.5 million).

#### Continuing operations

The positive sales growth for components for optimizing energy utilization and increasing the operating reliability of electrical and electronic systems has a broad base. Schaffner is global market leader for EMC components, a market segment that is experiencing disproportionate growth in Asia. Since the integration of Jacke Transformatoren GmbH, Schaffner has also ranked as one of the leading manufacturers worldwide of power quality components and is the only company operating globally that offers EMC and power quality competence from a single source. This, in addition to market growth, has resulted in a significant increase in sales in the area of power quality. Schaffner's power quality technology is used in a range of applications including the conversion and regeneration of electricity in solar and wind energy production. It is also used in rail technology. In combination with electronic motor controls, the company's products enable the energy consumed in electric drives to be reduced by a substantial amount.

Shortly after the integration of Jacke Transformatoren GmbH, the manufacture of power quality components also commenced in the Schaffner plants in China and Hungary and production volume was increased considerably in order to meet the needs of the rapidly growing market for power quality solutions and globally active customers. The geographic breakdown of sales shows the international structure of the Schaffner Group: Europe accounted for the lion's share of sales with 74%, the US contributed 9% and 17% was achieved in the dynamic Asia/Pacific market.

### **Discontinued operations**

Following the sale of the EMC test systems business line within the framework of an MBO at the end of November 2006 to an investor group headed by Johannes Schmid, the former Head of Test Systems Division, the divestment of the Test Systems operations was completed at the end of April 2007 with the sale of the last business line, Cable & ElectroEmulation, to the present management team as part of another MBO. Discontinued operations generated net sales of CHF 13.2 million (CHF 24.2 million) in the first six months of fiscal 2006/2007, as well as a net profit of CHF –0.9 million (CHF – 3.1 million).

### **Outlook**

In view of the prevailing economic conditions, for the 2006/2007 fiscal year the Schaffner Group expects to achieve a further sustained increase in sales year on year as well as an EBIT margin of around 6%. The increase in profitability required to realize this in the second half of the year will result from the rise in the cost of materials, which has now been passed on to the market, a marked increase in profitability in the automotive business as a result of an upturn in sales and lower manufacturing costs for the part of power quality component manufacturing that has been transferred to Hungary.

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**The detailed 2006/2007 Interim Report is available at [www.schaffner.ch](http://www.schaffner.ch)**

**Schaffner Group**

**Consolidated key figures first half 2006/2007**

			<b>1.10.06 – 31.3.07</b>	1.10.05 – 31.3.2006
Net sales from continuing operations	in CHF million		<b>79.2</b>	66.8
EBIT from continuing operations	in CHF million		<b>3.5</b>	5.0
<i>as % of net sales</i>	%		<b>4.4</b>	7.4
Operating result from continuing operations	in CHF million		<b>2.0</b>	3.8
<i>as % of net sales</i>	%		<b>2.6</b>	5.7
Net sales from discontinued operations	in CHF million		<b>13.2</b>	24.2
Operating result from discontinued operations	in CHF million		<b>-0.9</b>	-3.1
<i>as % of net sales</i>	%		<b>-6.9</b>	-12.7
Consolidated net profit	in CHF million		<b>1.1</b>	0.8
<i>as % of net sales</i>	%		<b>1.2</b>	0.8
			<b>31.3.07</b>	30.9.06
Total assets	in CHF million		<b>149.4</b>	141.8
Shareholders' equity	in CHF million		<b>48.7</b>	51.0
<i>as % of total assets</i>	%		<b>32.6</b>	36.0

**Net sales/order intake first half 2006/2007**

			1.10.06 – 31.3.07	Change on previous year in %	1.10.05 – 31.3.06
<b>Net sales</b>					
Continuing	in CHF million		79.2	16.8 <sup>1</sup>	18.6
Discontinued	in CHF million		13.2	- <sup>2</sup>	- <sup>2</sup>
Consolidated	in CHF million		92.4	0.0 <sup>1</sup>	1.5
<b>Order intake</b>					
Continuing	in CHF million		92.6	26.2 <sup>1</sup>	28.3
Discontinued	in CHF million		12.4	- <sup>2</sup>	- <sup>2</sup>
Consolidated	in CHF million		105.0	7.1 <sup>1</sup>	8.9

**Net sales/order intake second quarter 2006/2007**

			1.1.07 – 31.3.07	Change on previous year in %	1.1.06 – 31.3.06
<b>Net sales</b>					
Continuing	in CHF million		45.0	17.8 <sup>1</sup>	20.1
Discontinued	in CHF million		4.3	- <sup>2</sup>	- <sup>2</sup>
Consolidated	in CHF million		49.3	-6.5 <sup>1</sup>	-4.8
<b>Order intake</b>					
Continuing	in CHF million		46.7	23.3 <sup>1</sup>	25.7
Discontinued	in CHF million		4.3	- <sup>2</sup>	- <sup>2</sup>
Consolidated	in CHF million		51.0	1.6 <sup>1</sup>	3.7

<sup>1</sup> Currency-adjusted

<sup>2</sup> Comparison not meaningful as a result of divestment

## Calendar

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 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 aerospace, automotive industry, building automation, consumer goods, industrial electronics, medical technology, power supplies, renewable energy, transportation and telecommunications. 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.