

Media information

Poor economic environment hits Schaffner Group's half-year results

The Schaffner Group is the world's leading provider of products and services in the area of electromagnetic compatibility (EMC). In the first half of the business year, the Group generated sales of CHF 73.9 million (first-half 2000/2001: CHF 91.2 million), indicating that the company is feeling the effects of the poor economic conditions that characterized the last few months of 2001. Although the order-book for Schaffner has improved slightly in both the first and second quarters of the current business year, management expects financial 2001/2002 (October to September) to be a transitional year, with the development over the next four months being crucial. Schaffner remains cautiously optimistic for the coming year 2002/2003, partially influenced by the positive signals emanating from the new market segment, the auto suppliers industry.

Stabilization of business in the second quarter

Compared with the first three months of 2001/2002, the Schaffner Group saw sales improve 44.7% to CHF 43.7 million (first quarter 2001/2002: CHF 30.2 million) in the second quarter. Sales in the Components business amounted to CHF 29.3 million (CHF 22.6 million). The Test Equipment business, including Schaffner Electrottest GmbH, which was acquired as of 1 January 2002, achieved sales of CHF 14.3 million (CHF 7.6 million) during the same period. The trend in orders received by the Components business in the United States, where figures for the three months of the second quarter have exceeded those for each of the corresponding months in the previous year, gives occasion for subdued optimism. In this period CHF 5.8 million of group sales (13.3%) were generated in the US, while CHF 30.0 million (68.7%) and CHF 7.9 million (18.0%) were generated in Europe and Asia.

Poor economic environment weighs on half-year sales

Schaffner's sales of CHF 73.9 million for the first half of the 2001/2002 business year (previous year: CHF 91.2 million) reflect the extremely low level of incoming orders in recent months. The Components business achieved half-year sales of CHF 51.9 million (CHF 63.9 million), while sales in Test Equipment business amounted to CHF 21.9 million (CHF 27.3 million), down year on year.

As a result of the unsatisfactory order-book situation in the first six months – itself a result of the poor general economic conditions – increased price pressure in the Components business, and delays by customers in calling orders already placed with Test Equipment business, management expects to see a more or less balanced operating profit (EBITA) for the first half of 2001/2002. The detailed half-year results will be published on 21 May 2002. Although the order-book situation in the first half of 2001/2002 improved tangibly over the second half of last year, Schaffner expects financial 2001/2002 to be a transitional year, with the development over the next four months being crucial.

Potential for sustained growth remains intact

With its solid financial position, a broad customer base and an effective international sales and service organization, the Schaffner Group has all the prerequisites for sustained growth. Management expects that the Components business in particular will benefit rapidly from any upturn in the economy and will consequently be able to further increase its market share. Demand in the auto suppliers market is also developing satisfactorily. As a result of progress with this project, Schaffner is already expecting to see this new market segment contributing tangibly to group sales in the first quarter of the next business year.

Calendar of events:

21 May 2002	Media information: First-half results and half-yearly report 2001/2002
11 July 2002	Media information: 3 rd quarter 2001/2002
24 October 2002	Media information: 4 th quarter 2001/2002
17 December 2002	Media information: Business year and presentation of the Annual Report 2001/2002
9 January 2003	Annual General Meeting of Shareholders 2003

Luterbach, 10 April 2002

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Profile

The Schaffner Group is the world's leading provider of products and services in the area of electromagnetic compatibility (EMC), which is becoming more and more important with the ever rising potential for electromagnetic interference (EMI). The Schaffner Group manufactures and sells EMC components for the protection of electronic devices and systems against electromagnetic interference, test equipment for the simulation and measurement of electromagnetic interference and automated test systems for power electronics.