

MEDIA INFORMATION

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Strong fundamentals for the 2000/2001 business year

Schaffner Group: Sustained sales growth with net profit disproportionately higher

The Schaffner Group, the world's leading provider of products and services in the area of electromagnetic compatibility (EMC), reports consolidated sales of CHF 184.9 million (1998/99: CHF 150.7 million) for the 1999/2000 business year (to 30 September 2000), representing growth of 22.7%. The Components product unit contributed CHF 144.1 million (CHF 105.4 million), accounting 78% (70%) of consolidated sales revenues. The Test Equipment product unit contributed 22% (30%) or CHF 40.8 million (CHF 45.3 million). The main revenue driver in the 1999/2000 business year was once again industrial electronics with a share of 41% (42%). Telecommunications posted the highest growth rate with a share of 21% (13%). All sectors contributed to the encouraging growth in revenues. The sales breakdown by geographic region shows Asia at the forefront with record growth of 47%, followed by the United States and then Europe with 24% and 19%, respectively. The revised figures for sales distribution by individual continent are: Europe 66%, North America 20%, Asia 13% and the rest of the world 1%. Today, Schaffner is a global company with an active portfolio of over 5,000 clients in around 10 different sectors. As such, the Group is not heavily dependent on any one sector or client.

Net profit disproportionately higher

The income statement of the Schaffner Group was revised in the 1999/2000 business year and adapted to comply with current capital market requirements and the new IAS rules. In particular, the start-up costs for Schaffner Holding AG and Schaffner EMC (Pte.) Ltd., Singapore were charged to equity as of 1 October 1998 and no longer appear in the income statement. Operating income before interest, tax and amortization (EBITA), reported for the first time, was up 33.3% year-on-year at CHF 22.8 million (CHF 17.1 million). The EBITA margin improved to 12.3% (11.3%) during the reporting year. As a result, operating profit after amortization (EBIT) was 35.5% higher than the prior-year figure at CHF 21.7 million (CHF 16.0 million). The EBIT margin improved to 11.7% (10.6%). The stronger profitability of the Schaffner Group is also reflected in consolidated net profit: adjusted for the sale of the subsidiary Schaffner Altrac AG as of 30 September 2000, it increased at a disproportionately higher rate of 30.9% to reach CHF 15.9 million (CHF 12.1 million). Including the extraordinary gain

from the disposal of Schaffner Altrac AG, net profit was CHF 21.2 million. Earnings per registered share (633,100 registered shares at a par value of CHF 50) were CHF 33.44 (adjusted for the Altrac disposal CHF 25.06).

New orders hit record high

The orders intake during the 1999/2000 business year was up 38.7% year-on-year at CHF 205.2 million (CHF 147.9 million). The Components product unit saw a 44.4% increase in new orders to CHF 154.4 million (CHF 107.0 million), posting sales of CHF 144.4 million (CHF 105.4 million). The new production plant in Thailand proved a major contributor to this 37.0% gain from the third quarter onwards. Incoming orders in the Test Equipment product unit accounted for CHF 50.7 million (CHF 40.9 million), up 23.9% year-on-year. Schaffner-Chase EMC Ltd., Schaffner-MEB GmbH and PowerTest – acquired two years ago – made a substantial contribution to the good order flows. Although the difficult situation with the suppliers market during the 4th quarter has now stabilized, it was too late to shift the backlog of orders for test equipment by the close of financial 1999/2000. Sales of test equipment therefore slipped 9.3% to CHF 40.8 million (CHF 45.1 million), despite strong overall market performance.

A sound basis for further growth

The Schaffner Group now has the resources and structures to continue outgrowing the overall market for EMC solutions and to build on its position in the global EMC market. Now that the situation in the suppliers market has eased, Schaffner is confident that it can process the backlog of orders for test equipment during the first quarter of the new business year. With the volume of incoming orders for Schaffner components and test equipment looking good, Schaffner expects growth in both product units to remain high. The Schaffner management is therefore looking for further improvement in profitability. Mid-term, the automotive sector harbours considerable upside potential, having contributed only 1% of revenues to date. In order to meet the requirements of onboard electronics in future models, all the main auto manufacturers will be converting to 42V power systems in the medium term. Consequently, the potential for electromagnetic interference in cars and the need for EMC solutions in automotive electronics is set to take off in a big way. Schaffner is aiming to capture a considerable share of this rapidly growing market.

Portrait

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). Schaffner manufactures and sells EMC components for the protection of electronic devices and systems against electromagnetic interference, laboratory

instruments for the simulation and measurement of electromagnetic interference and automated test systems for power electronics. Schaffner products and services are used by several thousand client firms and specialized test laboratories across a number of industries.

Notice

The Annual General Meeting of Schaffner Holding AG will take place on 9 January 2001 at 4.30 p.m. in the *Landhaus Solothurn*.

If you have any questions about this media information, please contact Alex Oechslin, Group CEO and Chairman of the Board of Directors, or Daniel Hofer, Chief Financial Officer, at the Schaffner Group: tel. +41 32 681 66 26.