



## Media Information

### **Schaffner at the mercy of the economy in fiscal 2001/2002**

Modest increase in new orders in the first two months of 2002/2003

**In the 2001/2002 fiscal year (to September 30), the Schaffner Group achieved consolidated sales of CHF 159.3 million (2000/2001: CHF 177.2 million). Adjusted for the contribution of Schaffner Electrotest, which was integrated in January 2002, sales stood at CHF 148.5 million. As a result of one-off costs for restructuring the Test Systems business and value adjustments, the target of a balanced group result was not achieved and the company registered a loss of CHF 5.8 million (previous year: profit of CHF 10.6 million). The Board of Directors of Schaffner Holding AG proposes to the Annual General Meeting of Shareholders on January 9, 2003 that no dividend be paid out for fiscal 2001/2002 on account of the negative financial results posted for the year. Now that the structural adaptations have largely been completed, the management is confident that it will return to profitability in the new fiscal year.**

During fiscal 2001/2002, the Schaffner Group consolidated its leading position in the global EMC market and established itself as a partner for the international automotive supplier industry. With the opening of a new high-performance engineering and production center in China, the Group strengthened its position in the Asia-Pacific region. The integration of the established German company Schaffner Electrotest will complement and bolster the long-term technological and market potential of the Test Systems business. The company, which was acquired in January 2002, develops and manufactures equipment for testing whether cables and subassemblies function correctly. On the order front, the number of incoming orders reflected the weak state of the economy. For the first time in the history of the Schaffner Group, the Components and Test Systems businesses both suffered simultaneously from a decline in demand. In the 2001/2002 fiscal year, the Schaffner Group registered incoming orders of CHF 159.5 million, down 3.3% compared with the year-back figure of CHF 165.0 million. Adjusted for the acquisition of Schaffner Electrotest, this figure was CHF 148.1 million. Sales of CHF 159.3 million were approximately 10% lower than in the previous year. Nevertheless, the book-to-bill ratio stabilized at 1.0 (0.9). The Components business achieved sales of CHF 109.1 million (CHF 122.9 million), accounting for 68.5% (69.4%) of Group sales, together with an order intake of CHF 108.9 million (CHF 115.1 million). Sales

on a like-for-like basis in the Test Systems business were CHF 39.4 million (CHF 54.3 million), while order intake amounted to CHF 39.3 million (CHF 49.9 million). Including Schaffner Electrotest, which was consolidated for the first time for nine months of the year, the Test Systems business achieved sales of CHF 50.2 million, contributing 31.5% (30.6%) of consolidated sales, and an order intake of CHF 50.6 million. In geographical terms, Europe contributed 66.4% (62.9%) of sales and the United States generated 15.6% (18.7%). The Asia-Pacific region accounted for 16.6% (16.7%). The remaining 1.4% (1.7%) came from a variety of smaller markets. Industrial electronics was the main revenue driver in the year under review, generating 37% (39%) of sales. This sector essentially comprises the following segments: drives and control systems with 18% (18%), process automation with 13% (17%) and elevators and lifting systems with 6% (4%). Other key sales areas included telecommunications with 18% (19%), medical technology with 7% (6%), electronic data processing and office automation with 7% (9%) and power supplies with 6% (9%). A positive trend was also observed as far as the automotive industry was concerned. Becoming established as a supplier to automotive system integrators boosted the share of sales coming from this sector to 6% (2%). The Schaffner Group's customer base remains highly varied. Its ten biggest customers accounted for a relatively modest 21.2% (19.1%) of sales in fiscal 2001/2002, the biggest single customer having a share of 5.6% (2.8%).

### **Negative Group result**

The operating result before interest, tax and amortization (EBITA) in fiscal 2001/2002 was CHF –2.1 million (CHF 13.6 million), whereas the figure after amortization (EBIT) was CHF –4.8 million (CHF 12.2 million). This represented a net loss of CHF – 5.8 million (profit CHF 10.6 million). Shareholders' equity decreased in the year under review to stand at CHF 51.9 million (CHF 63.8 million) on September 30, 2002, which translates into an equity ratio of 36.8% (48.2%). The Schaffner Group's 2001/2002 results continued to reflect one-off costs, including CHF 4.5 million for restructuring measures – primarily in Ireland and Germany – and a CHF 1.2 million value adjustment for the Test Systems business finished products and subassemblies warehouse in light of the new conditions in the telecommunications market. The result also includes other strategic expenditure on products and markets amounting to CHF 4.7 million, chiefly for the successful entry into the automotive supplier market and for the construction and commissioning of the new engineering and production center in China.

**Positive signals from the market for fiscal 2002/2003**

Fourth-quarter sales were stable year-on-year at CHF 41.7 million (CHF 41.9 million). Order intake showed a gratifying trend, rising 23.2% from CHF 31.5 million the previous year to CHF 38.8 million. The positive tone was set most clearly by the largest single order for test systems in the history of the Schaffner Group. The order, amounting to around CHF 6 million, is being financed by the World Bank and involves the refitting of a complete EMC test laboratory for the National Metrology Laboratory in Turkey. In the first two months of the new fiscal year, the Schaffner Group reported a further increase in incoming orders compared with the fourth quarter of 2001/2002. Existing framework agreements with global key customers in the telecommunications and industrial electronics sectors were renewed, and new framework agreements have been concluded with two internationally active industrial groups. The company has already begun series production of the first components for keyless access systems to be used in automobiles in the high-volume lower mid-range, and the Schaffner Group management expects to see a progressive increase in volume. Preparations for series production for a further high-volume platform are proceeding according to plan, and the Schaffner Group has several new projects in the pipeline which will underpin the continued growth of the automotive sector going forward.

**Calendar:**

January 9, 2003	7 <sup>th</sup> Annual General Meeting of Shareholders in Solothurn
January 10, 2003	1 <sup>st</sup> quarter 2002/2003: sales and order intake
May 20, 2003	1 <sup>st</sup> half 2002/2003
July 10, 2003	3 <sup>rd</sup> quarter 2002/2003: sales and order intake
December 16, 2003	Fiscal 2002/2003: presentation of financials to the media and financial analysts in Zurich
January 9, 2004	8 <sup>th</sup> Annual General Meeting of Shareholders in Solothurn

Luterbach, December 17, 2002

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**Schaffner – safety for electronic systems**

Schaffner is the international leader in electromagnetic compatibility (EMC), focusing on high-growth sectors such as automotive, building automation, industrial and consumer electronics, aerospace, medical technology, power supplies, telecommunications and transportation as well as the public sector. The Schaffner Group develops, produces and markets standard and customer-specific components, modules, test systems and test facilities. As a global provider, Schaffner strives to secure and expand on its leading market positions through a program of innovation, a constant drive for quality, cost-efficient practices and customer-focused logistics.

**Schaffner Group**  
**Key figures fiscal 2001/2002**

<b>in CHF million</b>	<b>2001/2002</b>	2000/2001	1999/2000	1998/1999
<b>Orders</b>	<b>159.5</b>	165.0	204.8	148.2
Components	<b>108.9</b>	115.1	154.2	107.0
Test Systems	<b>50.6</b>	49.9	50.6	41.1
<b>Sales</b>	<b>159.3</b>	177.2	184.9	150.7
Components	<b>109.2</b>	122.9	144.1	105.4
Test Systems	<b>50.2</b>	54.3	40.8	45.3
<b>Corporate output</b>	<b>153.8</b>	177.2	192.9	150.0
<b>EBITA</b>	<b>-2.1</b>	13.6	22.8	17.1
as % of corporate output	<b>-1.4</b>	7.7	11.8	11.4
<b>EBIT</b>	<b>-4.8</b>	12.2	21.7	16.0
as % of corporate output	<b>-3.1</b>	6.9	11.2	10.7
<b>Net profit/loss</b> (after minority interests)	<b>-5.8</b>	10.6	21.2	12.1
as % of corporate output	<b>-3.7</b>	6.0	11.0	8.1
<b>Net profit/loss</b> (adjusted for acquisitions and disposals)	<b>-3.8</b>	9.7	15.9	12.1
<b>Restructuring cost</b>	<b>4.5</b>	1.5	-	-
<b>Total assets</b>	<b>141.1</b>	132.4	146.5	117.0
<b>Shareholders' equity</b>	<b>51.9</b>	63.8	62.1	43.5
as % of total assets	<b>36.8</b>	48.2	42.4	37.2
<b>Dividend</b> (in CHF)	<b>0.00<sup>1</sup></b>	3.50	5.00	4.00

<sup>1</sup> As per the proposal of the Board of Directors