



## Media information

### Schaffner Group in first-half 2003/2004

#### Further growth in sales and return to profit

The Schaffner Group increased net sales by 13% year-on-year in the first six months of fiscal 2003/2004 to CHF 86.2 million (1st half 2002/2003: CHF 76.1 million). EBITA at CHF 4.1 million substantially exceeded the prior-year figure (CHF 2.4 million) and EBIT increased threefold to CHF 3.1 million (CHF 1.0 million). With a consolidated net result of CHF 0.5 million (CHF - 0.6 million), the Schaffner Group achieved the return to profit. The very positive earnings trend reflects the recovery in demand, especially in the important Components business. Particularly pleasing is the already tangible influence of new products and markets, in whose development the Group has invested consistently even in the weak economic environment. For the 2003/2004 fiscal year, the Schaffner Group is maintaining its target of continuous growth in sales and an even stronger improvement in profitability.

#### Demand recovers strongly

For the third quarter in succession, net sales and order intake exceeded their respective year-back figures in a quarterly comparison. In the second quarter of 2003/2004, consolidated net sales at CHF 49.5 million (CHF 42.0 million) were 18% higher (13% on a currency-adjusted basis) than in the comparable prior-year period and order intake totaled CHF 48.5 million (CHF 38.8 million), up 25% (20% on a currency-adjusted basis). Overall, for the first six months of the year the Schaffner Group recorded a 12% increase in order intake (8% on a currency-adjusted basis) to CHF 93.6 million (CHF 83.6 million). As a result, the book-to-bill ratio improved to 1.09 at March 31, 2004 (end of 2002/2003 fiscal year: 1.03).

#### Contrasting trends in the two businesses

Components and Test Systems both received a boost from the Asian market, particularly from China and Japan. The dominant Components business, which contributes more than two thirds of revenues, raised sales by 13% compared with the first half of the previous year to CHF 59.6 million (CHF 52.8 million) and recorded a sharp 24% increase in order intake to CHF 68.1 million (CHF 54.8 million). Components benefited from a rebound in demand in the key German and French markets, where growth rates reached double-digit figures, and the excellent progress made in the automotive supplier business. Test Systems posted a 14% rise in sales to CHF 26.6 million (CHF 23.4 million), while its order intake was 11% lower at CHF 25.5 million (CHF 28.7 million). Within Test Systems, the 'Cable & ElectroEmulation' sector performed below expectations in the first half of the year. The business trend re-

mained unsatisfactory, especially in Europe and the United States, reflecting subdued capital spending among major clients and the cyclical nature of the project business.

#### **Broad diversification across markets**

In a sectoral split, 36% of sales (2002/2003 fiscal year: 37%) were generated in industrial electronics, 19% (15%) in telecommunications and 11% (10%) in the automotive supplier industry. These three major client segments of the Schaffner Group together accounted for two thirds of consolidated sales. As before, the remaining third was broadly distributed across a number of sectors. In a geographical mix, 73% of sales (2002/2003 fiscal year: 73%) were generated in Europe (including smaller markets), 17% (14%) in the Asia-Pacific region and 10% (13%) in the American market.

#### **Investments in markets and products consistently maintained**

Despite the difficult market environment in recent years, the Schaffner Group has continued to invest in research and application development and in rapidly expanding its presence in Asia, especially in China, where the Group will enlarge its production capacity significantly in the course of fiscal 2003/2004. New developments in both of the Group's businesses such as the pluggable high-current power connector with integrated EMC filter, a joint effort with the US company Anderson Power Products (APP), the new generation of output filters and the «Modula» modular test system platform are already making a significant contribution to growth. An additional highlight has been the Schaffner Group's success in the automotive supplier industry: by winning its first order from a major car manufacturer for components for electronic vehicle immobilizer systems, the Group has expanded its position in this market beyond keyless access systems.

#### **Outlook**

In view of the strong increase in demand in the Components business and the above-average growth dynamics in Asia, especially in China, the Schaffner Group is maintaining its target of continuous growth in sales and an even stronger improvement in profitability for the 2003/2004 fiscal year. Extending the Group's capabilities from the EMC sector into related areas such as the automotive industry is providing additional impetus for its expansion.

Luterbach, May 13, 2004

**For further information**

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**Calendar**

July 9, 2004	Publication of third quarter 2003/2004 net sales and order intake
November 3, 2004	Publication of fourth quarter 2003/2004 net sales and order intake
December 15, 2004	Publication of Annual Report 2003/2004, Financial Press conference
January 11, 2005	Publication of first quarter 2004/2005 net sales and order intake
January 12, 2005	Annual General Meeting of Shareholders, 4.30 pm, Landhaus, Solothurn

**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

in CHF million	first half-year 2003/2004	first half-year 2002/2003
<b>Order intake</b>	<b>93.6</b>	83.6
<b>Net sales</b>	<b>86.2</b>	76.1
<b>Corporate output</b>	<b>86.0</b>	73.9
<b>EBITA</b>	<b>4.1</b>	2.4
as % of corporate output	<b>4.8</b>	3.3
<b>Goodwill amortization</b>	- 1.1	-1.4
<b>EBIT</b>	<b>3.1</b>	1.0
as % of corporate output	<b>3.6</b>	1.4
<b>Net profit after minority interests</b>	<b>0.5</b>	-0.6
as % of corporate output	<b>0.6</b>	-0.8
Depreciation and amortization (excluding goodwill)	- 3.8	-3.8
<b>Earnings per share</b> in CHF		
basic	<b>0.85</b>	-0.94
diluted	<b>0.85</b>	-0.94
<b>Free cash flow<sup>1</sup></b>	- 4.2	2.6
	<b>31.3.2004</b>	30.9.2003
<b>Total assets</b>	<b>136.4</b>	126.4
<b>Shareholders' equity</b>	<b>47.3</b>	43.8
as % of total assets	<b>34.7</b>	34.7
<b>Net debt</b>	<b>47.6</b>	46.2

<sup>1</sup> Cash flow from operating activities minus net investments in intangible and tangible fixed assets

### Interim Report 2003/2004

The Interim Report 2003/2004 (PDF file) of Schaffner Holding AG and the media information for the first half-year are available from May 13, 2004, 6.00 am at [www.schaffner.com](http://www.schaffner.com).