



Media information

Schaffner Group: Presentation of the 2002/2003 financials

Marked improvement in operating results – reappraisal of certain balance sheet positions results in net loss – solid start to the new fiscal year

In fiscal 2002/2003 (to September 30), the Schaffner Group increased its consolidated sales to CHF 163.4 million (2001/2002: CHF 159.3 million). Stringent management of working capital enabled the Group to reduce its interest-bearing debt by around CHF 10 million to CHF 49.5 million (CHF 59.4 million). Free cash flow doubled from CHF 4.5 million to around CHF 9 million. Despite the still difficult market environment and considerable investment in research and application development, earnings before interest, tax and amortization (EBITA) increased significantly to CHF 7.5 million (CHF –2.1 million). The EBIT figure also improved markedly, rising by CHF 9.6 million to CHF 4.8 million (CHF –4.8 million), and the like-for-like net result was up from CHF –5.8 million to CHF 1.3 million. The reappraisal of certain balance sheet positions (see media information of November 27, 2003) resulted in an exceptional write-down of CHF 9.6 million, leading to a reported net loss of CHF –8.2 million (CHF –5.8 million).

Back on track for growth

After adjustment for currency effects, order intake rose 6.9% on the year-back figure to CHF 167.7 million in fiscal 2002/2003 (2001/2002: CHF 159.5 million). The book-to-bill ratio was 1.03. With an increase in operating profitability and a significantly healthier order book (up roughly 15% year-on-year), the Schaffner Group made a solid start to the new fiscal year and, given a stable economic environment, expects to see further improvement in the like-for-like net result.

Broad market base

The automotive sector significantly increased its share of Group sales from 6% in fiscal 2001/2002 to 10%. The most important sector was once again industrial electronics, which accounted for 37% of sales (2001/2002: 37%). Telecommunications is also a key sector, and its share of sales fell only slightly from 18% to 15% in fiscal 2002/2003 despite the precarious financial situation in this market. The automotive industry, industrial electronics and telecommunications are thus Schaffner's three main revenue drivers, contributing just under two thirds of Group sales. Aside from these, the Schaffner Group has a broad customer base spread across a variety of sectors. Medical technology made up 8% of Group sales (7%), electronic data processing and office automation 7% (7%), consumer goods 7% (4%), power

supply 6% (6%) and government and defense contracts 6% (5%), with the remaining 4% (10%) coming from various smaller sectors. In geographical terms, 73% (67%) of Group sales were generated in Europe. The Asia-Pacific region supplied 14% (17%) of consolidated sales, North America 13% (16%).

Dividend proposal

The Board of Directors of Schaffner Holding AG will recommend to the Annual General Meeting that no dividend be paid for fiscal 2002/2003. Waiving the dividend should reinforce the Group's entrepreneurial flexibility with a view to securing sustainable growth and an ongoing increase in profitability.

Creation of conditional share capital for a convertible bond issue

The Board of Directors of Schaffner Holding AG aims to take advantage of the current market environment by floating a convertible bond issue for an amount of up to CHF 50 million with a view to optimizing the financing structure of the Schaffner Group for the long term. The creation of conditional share capital in the amount of CHF 9.5 million (190,000 registered shares at a par value of CHF 50 each) required for this transaction will need to be approved by the Annual General Meeting on January 9, 2004. The date and terms of the issue will be set in line with conditions in the markets and announced accordingly. The issue will be made with due regard for the pre-emptive rights of the existing shareholders.

For further information

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Calendar

January 9, 2004	Publication of first quarter 2003/2004 sales and order intake
January 9, 2004	Annual General Meeting of Shareholders, 4.30 pm, Landhaus, Solothurn
May 13, 2004	Publication of 2003/2004 Interim Report, Conference Call
July 9, 2004	Publication of third quarter 2003/2004 sales and order intake
November 3, 2004	Publication of fourth quarter 2003/2004 sales and order intake
December 15, 2004	Publication of Annual Report 2003/2004, Financial Press Conference
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.