



Interim Report
2000/2001

Schaffner Holding AG

SCHAFFNER

To Our Shareholders

Schaffner Group reports substantially higher profitability for first-half 2000/2001

During the first half of the 2000/2001 business year, the Schaffner Group grew at a significantly faster rate than the multi-year market average and once again expanded its share of the global market for EMC solutions. Test Equipment increased its contribution to overall group sales to 30%. Components succeeded in increasing sales from their already high prior-year level.

Profitability higher

In the first half of the 2000/2001 business year (to 31 March 2001), the Schaffner Group achieved consolidated sales of CHF 91.2 million (CHF 78.1 million), representing year-on-year growth of 16.7% on the comparable figures. Considering the sales contribution of Schaffner Altrac AG (sold on 30 September 2000) during the same period of the previous year group sales grew by 10.8% (31 March 2000: CHF 82.3 million). Earnings before interest, tax and amortization (EBITA) grew at a disproportionately higher rate of 28.6% to CHF 11.4 million (CHF 8.9 million) and were equivalent to 12.5% (11.4%) of sales; consolidated net profit was CHF 8.1 million (CHF 5.3 million), 54.0% above the comparable prior-year figures.

Schaffner Group: a broad market basis

During the first six months of the current business year, approximately three quarters of consolidated sales were generated in the industrial electronics, telecommunications and electronic data-processing/office equipment market sectors. Revenues from the industrial electronics sector were up 34% year-on-year, contributing 46% to aggregate group sales. Telecommunications contributed 19% (+16.5%) and sales in electronic data-processing/office equipment remained stable with a share of 12%. In geographical terms, sales in the

Asian market saw particularly strong growth, rising by 50.8% year-on-year (share of overall sales: 12.0%), followed by North America with an increase of 26.6% (share of overall sales: 20.5%) and Europe with 9.4% (share of overall sales: 67.5%).

Test Equipment: sustained strong demand

In the first half of 2000/2001, Test Equipment benefited from the series of investments and acquisitions made by the Group in recent years (Schaffner-Chase EMC Ltd., Schaffner-MEB GmbH, Power Test). As a total solution provider, the Schaffner Group today develops, produces and supplies turnkey anechoic chambers for EMC testing, primarily for the telecommunications industry in the US and Asian markets. Buoyed by sustained high demand, new orders for Test Equipment rose 34.0% over the first six months of the previous year to total CHF 32.7 million (CHF 24.4 million). Test Equipment had already begun the new 2000/2001 business year with an above-average backlog, with the result that total orders in hand were 40% higher in the first six months, totalling CHF 19.5 million. In the first half of 2000/2001, Test Equipment achieved a 40.7% increase in sales over the comparable prior-year period to reach a total of CHF 27.3 million (CHF 19.4 million).

Components:

moderate growth from a high level

After the previous year's jump in revenues, first-half 2000/2001 sales of Components stabilized at a high level, although once again outperforming the market. Sales at CHF 63.9 million (CHF 58.7 million) and incoming orders at CHF 66.8 million (CHF 65.8 million) were up 8.9% and 1.5% respectively on the comparable prior-year figures. Alongside the existing areas of application, the Schaffner Group expects additional growth momentum for EMC system solutions to come from building technology (including smart house technology) and the switch to 42-volt electrical systems in the automotive industry. As this market lags the model cycles of major car manufacturers, it will not contribute substantially to sales before the 2002/2003 business year.

Changes in the Group Management

The Board of Directors of Schaffner Holding AG has appointed Dr Fritz Gantert (43) as the new Chief Executive Officer of the Schaffner Group. He will assume his new function on 1 August 2001. Fritz Gantert graduated from the Federal Institute of Technology (ETH) in Zurich with a degree in mechanical engineering, holds an MBA from the GSBA in Zurich and has many years of experience in the auto suppliers market and telecommunications sector. After holding various management-level positions within the Ascom Group, Fritz Gantert joined Sarna Polymer Holding Inc. in 1998, where he heads the Sarnamotive Division as a member of the Group Executive Board.

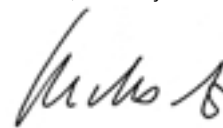
Beat Zwahlen (41) will join the Schaffner Group Management as the new Chief Financial Officer on 1 June 2001. He will replace Daniel Hofer, who is leaving the Group to take up a new business challenge. Beat Zwahlen is a business economist and a certified accountant. Prior to joining the

Schaffner Group, Beat Zwahlen held positions in various organizations including ATAG Ernst & Young, Visura, STG Coopers & Lybrand and Landis & Gyr (Europe) Corp. Most recently, he was a member of the Executive Committee of the Rieter Automotive Division where he was responsible for Finance & Controlling, Information Technology & Administration.

Outlook

Given the strong sales activity reported in first-half 2000/2001, the Schaffner Group anticipates a moderate improvement in full-year earnings to 30 September 2001 compared with last year's excellent result. With its complementary product units EMC Components and Test Equipment, its broad customer base and the low correlation between its two core product areas in their respective markets, the Schaffner Group is well equipped to achieve sustained long-term growth ahead of the market average.

Luterbach, 15 May 2001



Dr Alex Oechslin
Chairman of the Board of Directors

Consolidated Financial Statements

Consolidated Balance Sheet

	31/03/01	30/09/00
in CHF 1,000		
Non-current assets	43,165	40,955
Current assets	97,623	105,563
Total assets	140,788	146,518
Shareholders' equity	64,280	62,058
Minority interests	244	195
Total liabilities	76,264	84,265
Total liabilities and shareholders' equity	140,788	146,518

Statement of changes in equity

	Share capital	Capital reserves	Cumulative translation differences	Retained earnings	Treasury shares	Total shareholders' equity
in CHF 1,000						
At 30/09/00	31,655	52,641	1,098	-19,694	-3,642	62,058
Capital increase	142	333				475
Translation differences			-1,277			-1,277
Treasury shares				542	-2,531	-1,989
Net profit after minority interests				8,115		8,115
Dividend payment				-3,102		-3,102
At 31/03/01	31,797	52,974	-179	-14,139	-6,173	64,280

Schaffner Group

Consolidated Income Statement

	First half 2000/2001	First half ¹⁾ 1999/2000	Pro forma First half 1999/2000 without Altrac
in CHF 1,000			
Net sales	91,224	82,305	78,149
Cost of goods sold	-52,233	-47,670	-44,640
Gross profit	38,991	34,635	33,509
Operating expenses	-27,545	-25,194	-24,611
EBITA	11,446	9,441	8,898
Amortisation Goodwill	-542	-542	-542
EBIT	10,904	8,899	8,356
Financial income, net	-954	-1,932	-1,932
EBT	9,950	6,967	6,424
Income taxes	-1,779	-1,209	-1,209
Net profit before minority interests	8,171	5,758	5,215
Minority interests	-56	56	56
Net profit after minority interests	8,115	5,814	5,271
Basic earnings per share, in CHF	13.05	9.24	8.38
Diluted earnings per share, in CHF	12.80	9.10	8.25

¹⁾ Restatement previous year due to IAS 38 (see also annual report 1999/2000, note 33)

Consolidated Cash Flow Statement

	First half 2000/2001	First half 1999/2000
in CHF 1,000		
Cash flow from operating activities	13,426	10,165
Cash flow from investing activities	-6,188	-3,675
Cash flow from financing activities	-10,554	-5,246
± Translation differences on cash and cash equivalents	-233	294
= Change in cash and cash equivalents	-3,549	1,538

These consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2000.

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