



SFC ANNOUNCES PROFIT UPGRADE FOR YEAR ENDING 30-JUN-07

Schaffer Corporation Limited (ASX: SFC) announces a profit upgrade for the financial year ending 30 June 2007.

SFC estimates full year net profit after tax (NPAT) for FY07 will be approximately \$10m (EPS: 70¢/share approx). This result is subject to finalisation of the June trading month and final audit.

The forecast result for FY07 is more than 20% above the \$8.1 million NPAT reported for the year ended 30 June 2006.

The NPAT upgrade has been driven by improved performances by the Building Products and Property divisions. Howe's earnings will be a slight improvement on the previous year as the Leather division's FY2006 result was significantly impacted by redundancy and Gosh closure costs.

The SFC Board intends to hold SFC's final ordinary dividend at 25¢/share (fully franked) notwithstanding the earnings improvement (i.e. 50¢ fully franked for the full year). The Board's dividend policy remains one of balancing returns to shareholders with the requirement to fund growth in the Building Products and Property divisions.

Dated: 18th June 2007