



## **SFC RECEIVES \$3.5M PROGRESS PAYMENT ON PROPERTY DAMAGE CLAIM**

Schaffer Corporation Limited (ASX: SFC) today advises the receipt of \$3.5 million cash proceeds as a progress payment on an insurance claim for property damage. To date, the total progress payments received on the claim for property damage total \$5.0 million.

The claim relates to a fire event which destroyed the property at Lot 1 Bennett Avenue, North Coogee, which is owned by Gosh Leather Pty Ltd ("Gosh"), an 83% owned subsidiary of SFC. The property was approximately 6,000 m<sup>2</sup> and was leased to a Materials Recycling Facility since 2008, subsequent to Gosh terminating its own leather operations at the property.

As a result of this progress payment there will be additional net profit after tax in the first half of the 2012/13 financial year, excluding non-controlling interests, of \$2.0 million.

In addition to property damage, the insurance policy also covers loss of rental for an indemnity period of 12 months to 27 April 2013, which is being paid in progress payments.

The negotiation on the claim has not yet reached a final settlement. A further announcement will be made once there is more certainty on the final outcome of the property damage claim.

For further information, please contact:

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