

Media Release

Financial year 2006/2007, figures as at 30 June 2007

Kaba unlocks its dynamism: Kaba posts sales of CHF 1.25 billion and a 24.5% rise in profits

Rümlang, 17 September 2007 – **Kaba Group's sales for the 2006/2007 financial year were up 20% at 1.25 billion. Net profit rose 24.5% to CHF 84.8 million. The newly acquired companies Wah Yuet Group and CSS Inc. made significant contributions to this excellent result. Acquisitions- and currency-adjusted, sales were up by 5.7%.**

In financial 2006/2007, the Kaba Group achieved a 20%, or CHF 207.7 million, increase in sales to CHF 1,248.7 million. Part of this rise is due to the first-time consolidation of the Chinese Wah Yuet Group (since 10 August 2006) and the American CSS Inc. (since 1 October 2006). The two companies together contributed CHF 148.8 million of the overall growth. Acquisitions- and currency-adjusted, sales rose 5.7% (previous year 4.0%).

EBITDA went up 24% from CHF 150.4 million to CHF 186.5 million. Consolidated net profit increased 24.5% to CHF 84.8 million. The application of the purchase accounting method to the initial consolidation of the acquisitions had an impact on EBIT (operating earnings before interest and tax). Prior to purchase accounting, EBIT stood at CHF 154.3 million. After purchase accounting, the EBIT figure came out at CHF 143.7 million, which is CHF 24.9 million, or 21%, higher than the previous year. This left the EBIT margin slightly up on 2005/2006 at 11.5%. Acquisitions- and currency-adjusted, EBIT increased by 9.8%, largely thanks to significant productivity gains.

In the second half-year, Kaba Group increased sales by 23.7% to CHF 658.4 million. Growth compared with the same period in the previous year came to 6.3% acquisitions- and currency-adjusted. The EBIT margin went up from 10.8% to 11.1%.

Segments enjoy rising demand

In the Door Systems Segment, sales momentum was slowed by a hiatus in major project orders for platform doors, with a number of projects reaching completion at the beginning of the financial year. New orders for major projects in France and China ensured that sales rose again in the final quarter, however. Thanks to rising demand for automatic doors and security doors, sales still increased by 1.1% to CHF 274.3 million overall, despite the temporary loss of momentum. The EBIT margin increased from 8.2% to 8.6%.

The Access + Data Systems Segment, which since 1 July 2006 also comprises the former Data Collection Segment, increased sales by 34.8 % to CHF 681.6 million. The newly consolidated companies Wah Yuet Group and CSS Inc. contributed the lion's share of this improvement. The segment's EBIT margin prior to purchase accounting held steady.

In the EMEA (Europe, Middle East and Africa) Market Region, segment sales went up 10.9% to CHF 372 million. The EBIT margin remained at a very healthy level. In North America, the segment managed to lift sales by a substantial 45.1% to CHF 234.2 million. In



Asia Pacific, the first-time consolidation of the Wah Yuet Group prompted a 225% increase in sales to CHF 105.7 million.

The Key + Ident Systems Segment saw sales grow 12.6% to CHF 261.0 million, with an EBIT margin of 9.4% (previous year 10.1%). The contraction in margins within this segment is due to a major ident systems development project (RFID chip-based systems) which has had a negative effect on the income statement.

Higher dividend and re-election of three Board members proposed

The improved consolidated profit for the year under review and the deliberate continuation of an investor-friendly distribution policy have prompted the Board of Directors to propose to the Annual General Meeting of Shareholders on 23 October 2007 that the dividend be increased by CHF 1.40 to CHF 6.50 per share. The Board is also proposing the re-election of Karina Dubs-Kuenzle, Maurice P. Andrien and Rolf Dörig.

Positive outlook

Based on the assumption that Total Access markets remain healthy, Kaba Group expects to see organic sales growth of 5% for the current financial year. If raw materials prices remain steady, Kaba believes that its EBIT margin will firm to over 12% in the 2007/2008 financial year. It also anticipates that profit growth will be in double figures and that cash flow will remain high.

Key figures for the Kaba Group as per 30 June 2007

In CHF million	1.7.2006 – 30.06.2007	1.7.2005 – 30.06.2006
Consolidated net sales	1 248.7	1 041.0
Operating profit before depreciation (EBITDA)	186.5	150.4
in % of sales	14.9	14.4
Operating profit (EBIT)	143.7	118.8
in % of sales	11.5	11.4
Consolidated net profit	84.8	68.1
in % of sales	6.8	6.5
Earnings per share in CHF	22.6	19.0
Total assets	1 162.7	693.2
Net working capital	272.8	201.9
Net debt	491.6	264.6
Shareholders' equity	215.1	77.5
as % of total assets	18.5	11.2
Number of employees (average)	8 585	5 721

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Kaba is a globally active, publicly traded security corporation. With its Total Access strategy, the Kaba Group is specialized in integrated solutions for security, organization, and convenience at building and information access points. Kaba is also the world market's no. 1 provider of key blanks, key cutting and coding machines, transponder keys, and high security locks. It is a leading provider of electronic access systems, locks, master key systems, hotel locking systems, security doors, and automatic doors. Further information at www.kaba.com

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