Security in a dynamic world

No 36 Shareholder Newsletter

1 July 2010 to 30 June 2011

KABA®

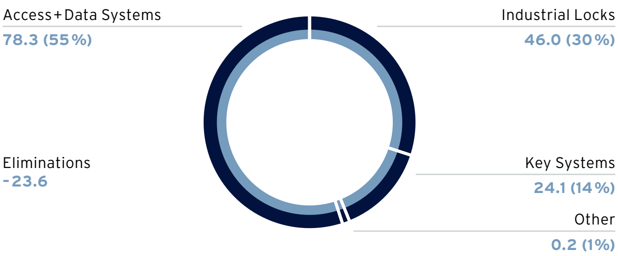
Key figures 2010/2011

KEY FIGURES

in CHF million except per share amounts/personnel	Financial year ended 30.06.2011	in %	Financial year ended 30.06.2010	in %
Net sales	945.2	100.0	952.1	100.0
Operating profit before depreciation (EBITDA)	**150.9**	**16.0**	**159.1**	**16.7**
Operating profit (EBIT) before items affecting comparability	**119.5**	**12.7**	**125.0**	**13.1**
Profit from continuing operations before taxes	77.6	8.3	106.3	11.2
Profit from continuing operations	54.3	5.7	78.4	8.2
Discontinued operations	167.3		8.5	
Net profit	221.6	23.4	86.9	7.7
Basic earnings per share (in CHF)	58.3		20.7	
Diluted earnings per share (in CHF)	58.3		20.7	
Market capitalization	1,393.3		1,098.1	
Return on net operating assets (RONOA)	23.2 %		21.9 %	
Net debt/EBITDA (Gearing)	0.2		1.3	

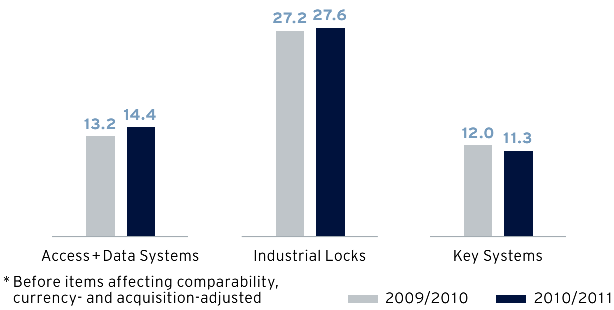
EBIT BY SEGMENTS

in CHF million



EBIT MARGIN BY SEGMENTS*

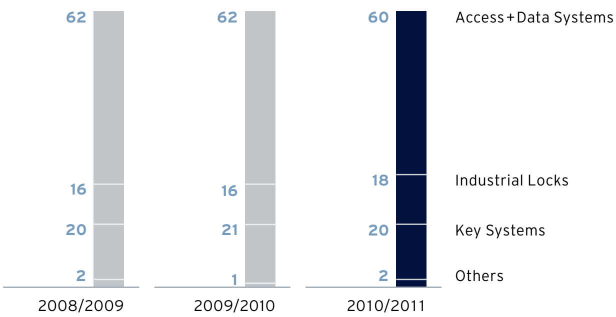
in %



* Before items affecting comparability, currency- and acquisition-adjusted

SALES BY SEGMENTS

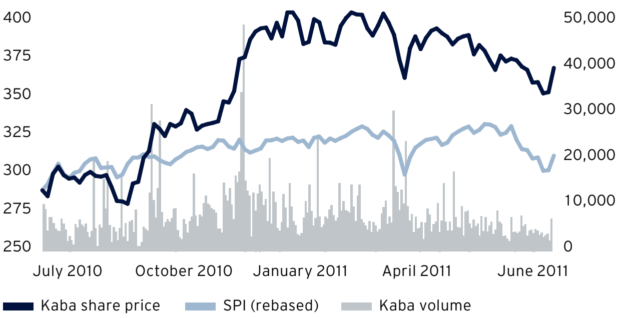
in %



SHARE PRICE DEVELOPMENT

Share price in CHF

Trade volume



Kaba is growing profitably

> Net sales up 5.9 % (acquisition- and currency-adjusted)
> 7.8 % growth in second half of the year (acquisition- and currency-adjusted)
> Like-for-like EBIT margin up from 13.1 % to 13.7 %
> CHF 167.3 million profit from sale of Door Automation
> Consolidated net profit more than doubled: CHF 221.6 million
> Payout to double exceptionally: CHF 14.00 per share proposed
> Efficiency projects launched

Dear Shareholders
Ladies and Gentlemen

Kaba put in an impressive operational performance in the 2010/2011 financial year. The Group fulfilled expectations in terms of both sales and earnings, further consolidating its position in the global security market. At the same time, strategic and operational decisions were made that should encourage the Group's profitable growth and facilitate further gains in market share.

COMPARABILITY

As Door Automation was sold in the reporting period, all sales and costs relating to Door Automation in both the year under review and the previous year are netted under the "Discontinued operations" item in the income statement. This means that the figures in the income statement down to the "Profit from continuing operations" item are comparable with regards to Kaba's continuing operational business. For example, under "Net sales" the prior-year figure shown is CHF 177.9 million, or 15.7 %, lower than the one published in the previous year's reporting (CHF 1,130 million).

General performance

5.9 % organic sales growth

In financial 2010/2011, Kaba Group achieved sales of CHF 945.2 million, which is 0.7 % below the CHF 952.1 million posted for the previous year. The slight decline is due mainly to the strength of the Swiss franc. Kaba's organic sales growth, i. e. growth after adjusting for currency movements and acquisitions, came to 5.9 %. Currency influences reduced the sales figure by 9.1 % or CHF 86.6 million. The average value of the euro dropped 12.2 % from CHF 1.47 in the previous year to CHF 1.29, while the US dollar fell 11.2 % from CHF 1.07 to CHF 0.95. In addition to organic growth (CHF 56.5 million), acquisitions contributed CHF 23.2 million, or 2.4 % to currency-adjusted growth.
Organic growth actually accelerated in the second half of the 2010/2011 financial year. A rise of 4.4 % in the first half-year was followed by an increase of 7.8 % in the second. However, currency influences hit hard in the second half. The euro weakened by 12.6 % on average in the first half compared with the equivalent period of the previous financial year (to CHF 1.323), and by 11.9 % (to CHF 1.26) in the second half of the year. The average value of the US dollar fell 3.7 % to CHF 1.009 in the first half, and by 16.7 % in the second half to CHF 0.90. The sales figure was reduced by CHF 30.6 million as a result of currency influences in the first half, and by CHF 56.0 million in the second, giving an overall reduction in sales of CHF 86.6 million in the 2010/2011 financial year.

The currency-induced reduction in sales of CHF 56.0 million (11.6 %) in the second half was mitigated by organic growth of CHF 37.5 million (7.8 %) and by acquisition-driven growth of CHF 18.8 million (3.9 %). The level of sales was therefore maintained in the second half despite the difficult foreign exchange situation (increase of CHF 0.3 million or 0.1 %). The disposal of the Door Automation segment led to a CHF 86.1 million (15.2 %) drop in sales in the second half of the year (compared to the figures as published in 2010).

Like-for-like EBIT margin improves

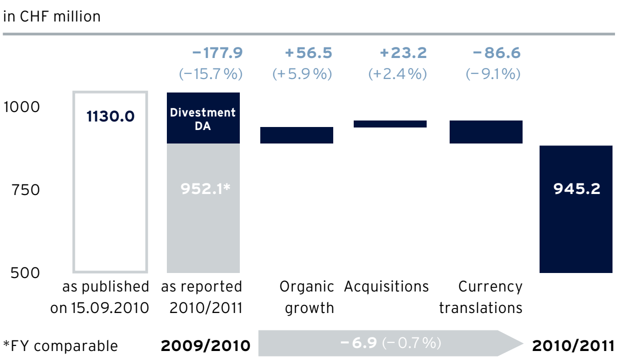
Thanks to a strong second half, EBIT increased acquisition- and currency-adjusted to CHF 129.7 million in the period under review (previous year CHF 125.0 million). The like-for-like EBIT margin rose from 13.1 % to 13.7 %.
Like-for-like EBIT in the second half improved from CHF 57.8 million to CHF 59.8 million, and the EBIT margin from 12.0 % to 12.4 %.
Strong organic sales growth and good earnings in the second six months by the Access + Data Systems segment confirmed the promise of its first-half results. The Industrial Locks and Key Systems segments also posted good growth, though this was not quite as strong in the second half as in the first because catch-up demand in the wake of the recession began to tail off. The Industrial Locks business segment strengthened its like-for-like EBIT margin compared with the year-back figure. The Key Systems business segment saw its EBIT margin slip slightly, though it remains high.

Currency conversion losses also affected results adversely at the EBIT level. They cost a total of CHF 9.6 million when measured against the year-back figures, CHF 5.2 million in the first half and CHF 4.4 million in the second half year.
Pleasingly, net finance costs were reduced by CHF 7.8 million, from CHF 19.0 million in the previous year to CHF 11.2 million in 2010/2011.
Profit from ongoing operations (CHF 85.1 million before items affecting comparability) exceeded the previous year's figure (CHF 78.4 million) by CHF 6.7 million, or 8.5 %, despite currency influences taking CHF 9.6 million off EBIT.
Profit from the sale of the Door Automation segment, together with its operating result for the period under review until its sale on 1 April 2011 (i.e. for 9 months), is shown under "Discontinued operations".
Consolidated profit more than doubled, going up by CHF 134.7 million, or 155 %, from CHF 86.9 million in the previous year to CHF 221.6 million in 2010/2011. Earnings per share rose accordingly from CHF 22.90 to CHF 58.30.

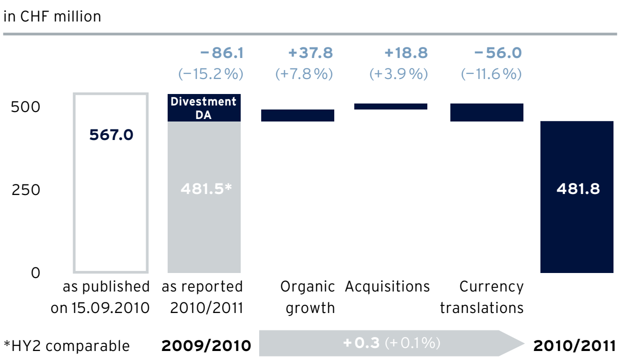
Reporting by segment

All the following EBIT figures are, unless stated otherwise, given before "items affecting comparability" (i. e. before exceptional costs) and after adjusting for currencies and acquisitions.

SALES DEVELOPMENT FY 2010/2011



SALES DEVELOPMENT HY2 2010/2011



Access + Data Systems posts organic growth of 4.6 % and an overproportionally large increase in EBIT

As expected, the Access + Data Systems business segment profited from the recovery of markets in Europe and America. Demand rose steadily, leading to a worldwide organic growth of CHF 27.6 million, or 4.6 % (previous year −2.7 %) during the period under review. In the second half of the year, a strong rise in demand led to a 9.1 % organic increase in sales.

The acquisition of Møller Undall Group on 1 March 2011 and of e-DATA on 27 May 2011 contributed another CHF 12.7 million, or 2.1 %, to sales. The appreciation of the Swiss franc, especially against the euro and the US dollar, took CHF 46.4 million, or 7.8 %, off the sales figure, so bottom-line sales actually declined by CHF 6.1 million, or 1.0 %, to CHF 587.7 million.

The adjusted EBIT figure of CHF 84.9 million gives a margin of 14.4 %, marking another year-on-year increase after the previous year's 13.2 %. Sales growth also had a greater leverage effect on EBIT in the second half of the year: the comparable EBIT margin rose from 11.5 % to 13.3 %.

There was 5.5 % organic sales growth in Europe to CHF 426.7 million. In the second half, organic growth came to 9.2 %. The production site in Bühl (Germany, Physical Access Systems) benefited from substantial orders from Asian clients for tripod barriers. The Workforce Management business improved significantly in terms of sales and earnings. With the acquisition of the Møller Undall Group of Norway on 1 March 2011, Kaba Group greatly expanded its position as the second largest provider of locking systems in Scandinavia.

In the Americas, sales started to rise again, growing organically by 5.7 % to CHF 136.3 million. In the second six months, sales grew by 12.3 % organically. The expected recovery in the commercial buildings and hotels market got underway. In the USA and Canada, lawyers filed class-action suits against some Kaba Group subsidiaries. This relates to specific models of pushbutton locks sold by Kaba Access Control in North America. The class action suits claim that the functionality of these locks can be compromised by special high-powered industrial magnets. Kaba Access Control is vigorously defending itself from the lawsuits.

Kaba acquires e-DATA

On 27 May 2011 Kaba Group acquired the company e-DATA, which is based in Dallas (Texas, USA) and Stuttgart (Germany). e-DATA specializes in Web-based solutions that combine access control and time management. The company's product portfolio includes an integrated biometric fingerprint module that meets the US FIPS 201 standard. This complements and completes Kaba's E-Plex product line. e-DATA employs 38 people and in 2010 achieved turnover of approximately CHF 6 million.

With this acquisition, Kaba Group is expanding its worldwide share of defined vertical markets, including the retail market. e-DATA has well-established business relations with local

OVERVIEW SEGMENT RESULTS FY

	Access + Data Systems		Industrial Locks		Key Systems		Group	
in CHF million	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010
Total sales	**587.7**	**593.8**	**171.9**	**169.0**	**198.5**	**201.1**	**945.2**	**952.1**
Organic growth rate in %	4.6 %	−2.7 %	11.6 %	−1.7 %	4.4 %	4.3 %	5.9 %	−0.6 %
Operating profit (EBIT) before items affecting comparability, currency- and acquisition-adjusted	**84.9**	**78.3**	**47.4**	**46.0**	**22.5**	**24.1**	**129.7**	**125.0**
in % of sales	14.4 %	13.2 %	27.6 %	27.2 %	11.3 %	12.0 %	13.7 %	13.1 %

and international clients. e-DATA's technology is based on the Linux operating system and has been in use worldwide since 1999.

Industrial Locks posts strong growth and an excellent EBIT margin

Industrial Locks achieved the best growth rates of all Kaba Business Segments during the year under review. Its 11.6 % organic growth resulted in sales of CHF 171.9 million. Chinese company Wah Yuet Group made a particularly impressive contribution to the increase. Although organic growth declined slightly in the second half, it remained very healthy at 6.7 %.
Currency-adjusted EBIT rose from CHF 46.0 million to CHF 47.4 million, or from 27.2 % to 27.6 % of sales. In the second half, the EBIT margin increased from 25.8 % to 28.9 %.

Key Systems continues its dynamic development

The Key Systems Business Segment continued to achieve dynamic growth. Driven by robust demand in America and Europe, organic sales increased by 4.4 % (previous year: 4.3 %) to CHF 198.5 million. In the second half of the year, the growth rate of 2.1 % was more or less the same as the rate of GDP growth, thus matching the long-term historical trend. EBIT decreased slightly from CHF 24.1 million (12.0 % of sales) in the previous year to CHF 22.5 million (11.3 % of sales).

In India, Kaba's subsidiary Silca S.p.A increased its stake in Minda Silca from 50 % to 65 % on 1 August 2010. The company, which posted annual sales of CHF 12 million, manufactures keys and key copying machines for the replacement keys business and OEM sector. It is an important cornerstone for Kaba in the fast-growing Indian market.

Important developments in the financial year

A younger Management Board

During the year under review, Group Management underwent a comprehensive rejuvenation. Riet Cadonau (50) became the new CEO as from 1 July 2011. He previously managed the Ascom Group in Dübendorf (CH) for around four years, and sat on Kaba Group's Board of Directors from 2006 to 2011. Riet Cadonau succeeds Rudolf Weber, who has led the Kaba Group successfully for the last five years.
On 1 November 2011, Kaba's longstanding and highly respected Chief Financial Officer (CFO), Dr Werner Stadelmann, will hand over his post to Beat Malacarne (49). Beat Malacarne is currently CFO at SBB Cargo AG (Basel, CH) and previously worked for many years for Holcim, especially in Asia.

OVERVIEW SEGMENT RESULTS HY 2

	Access + Data Systems		**Industrial Locks**		**Key Systems**		**Group**	
in CHF million	6 months ended 30.06.2011	6 months ended 30.06.2010	6 months ended 30.06.2011	6 months ended 30.06.2010	6 months ended 30.06.2011	6 months ended 30.06.2010	6 months ended 30.06.2011	6 months ended 30.06.2010
Total sales	**300.3**	**288.7**	**84.1**	**90.8**	**100.5**	**106.4**	**481.8**	**481.5**
Organic growth rate in %	9.1 %	− 1.4 %	6.7 %	14.1 %	2.1 %	12.2 %	7.8 %	6.0 %
Operating profit (EBIT) before items affecting comparability, currency- and acquisition-adjusted	**39.8**	**33.3**	**24.3**	**23.4**	**11.9**	**14.7**	**59.8**	**57.8**
in % of sales	13.3 %	11.5 %	28.9 %	25.8 %	11.8 %	13.8 %	12.4 %	12.0 %

At the start of the current financial year, the former Head of Key Systems Europe/Asia Pacific, Roberto Gaspari (52), took over management of the biggest segment, Access + Data Systems EMEA/Asia Pacific. He replaces Ulrich Wydler, who led the segment successfully for many years.

The rejuvenation and strengthening of management has been further reinforced by the appointment of the following new members of Group Management:

> Stefano Zocca (48), new Head of Key Systems Europe/ Asia Pacific/South America
> Dr Andreas Häberli (43), new Chief Technology Officer (CTO)
> Dr Patrick Grawehr (47), new Head of Group Services

Sale of Door Automation segment completed

The sale of the Door Automation business segment to Japanese group Nabtesco was announced in January 2011 and completed on 1 April 2011. The transaction did not include the Security Doors area (Physical Access Systems), which had already been merged into the Access + Data Systems segment in 2009. The sale generated gross proceeds of CHF 227.8 million and a one-time profit of CHF 167.3 million, which also included Door Automation's ongoing results up to the time of sale. This profit is shown separately in the income statement under "Discontinued operations". Kaba will invest CHF 33.2 million of these proceeds in projects to improve Kaba Group's efficiency and market position.

Investments into the future

Kaba wants to invest CHF 18.1 million in increasing efficiency primarily at the Group's European subsidiaries. The selected measures should lead to positive effects in the Access + Data Systems EMEA/Asia Pacific segment which will be felt as follows: an increase in earnings of CHF 5.0 million in the second year, and an increase in earnings of CHF 10.0 million from the third year on. The CHF 18.1 million is divided between IT investments (CHF 5.0 million), a program to increase efficiency (CHF 9.6 million) and the development of sales capacities in Asia Pacific (CHF 0.5 million) as well as external project costs (CHF 3.0 million). Kaba will provide more information about these measures on the Capital Market Days in November 2011. In addition, in order to increase customer loyalty and satisfaction, Kaba is investing CHF 15.1 million in optimizing its products, customer services and marketing efforts.

The elements of the above projects (program to increase efficiency, optimization of customer systems) that have an impact on the accounts as per 30 June 2011 are recognized in the income statement under "Items affecting comparability". This position also includes the costs of the overlap between old and new management as well as potential costs of litigation and other risks.

Balance sheet and outlook

Net debt reduced

Net cash from operating activities, i.e. cash profit after allowing for changes in net working capital, was slightly lower than the previous year at CHF 105.4 million (CHF 127 million) owing to the sale of the Door Automation business. However, as a percentage of sales (excluding Door Automation) net cash from operating activities reached 11.2 % which is equivalent to the year-back figure (which included Doors) and thus is still much higher than the long-term goal of 10 % of sales. Despite renewed sales growth during the year under review, net working capital was maintained at practically the same level as a proportion of sales. As a result, the operating result continued to reduce net debt.

In financial 2010/2011, net debt decreased from CHF 232.7 million to CHF 32.8 million. As a result, the net debt benchmark (net debt divided by EBITDA) was reduced to 0.2 (previous year: 1.3).

Equity ratio reaches 53 %

As a result of continued profit generation and the sale of Door Automation, equity capital rose to CHF 457.5 million as at 30 June 2011. This corresponds to 52.8 % of total assets (previous year 37.8 %).

Outlook/Capital Markets Days

The relevant global economic indicators currently reflect a mixed picture with sometimes contradictory signals. While demand in most of the security industry's markets is robust, national budgetary issues, massive changes in exchange rates, volatile world stock markets and political uncertainties in various regions have made many investors, especially

government and quasi-governmental institutions, more reticent about investing.
Although Kaba's currency risks are limited mainly to conversion losses, it is prioritizing the reduction of transaction risks. Unresolved debt problems for governments and for the economy as a whole also underline the need for rigorous cost management. Kaba is determinedly tackling the various challenges by means of the financial interventions described above. At the same time, Kaba is making targeted investments in IT infrastructure and thus in increasing efficiency. In Asia Pacific, action to encourage organic growth is being promoted, which is leading to a gradual expansion of the installed base. Kaba Group's priorities in the current financial year include the successful integration of Scandinavian company Møller Undall Group, as well as of e-DATA in the USA and Germany, and of Minda Silca in India India, which were all acquired in 2010/2011.
With a solid installed base, which accounts for over two thirds of Kaba's business, and a balanced portfolio of first-class products that generate high and measurable economic value for customers and users, Kaba Group is very well positioned for continued profitable growth. Over the next few years, Kaba's strategy is based explicitly on acquiring companies that strengthen or enhance its existing portfolio and promise to reinforce the Group's earning power over the long te rm. Kaba has already begun to build up a pipeline of suitable potential acquisitions, including some companies in emerging markets.
Finally, the new management wants to accentuate Kaba's strategy. The insights and effects of this will be presented on Capital Markets Days on 10 November 2011 in Zurich and 11 November 2011 in London.

Proposal to exceptionally pay out CHF 14.00 per share (previous year: CHF 7.00) from Kaba Holding AG's capital reserves

Based on the Group's excellent consolidated results for the 2010/2011 financial year, the Board of Directors intends to propose paying out to shareholders an exceptional CHF 14.00 per share. This is double the previous year's CHF 7.00.
The Board of Directors will propose a distribution which is in line with the Board of Directors' policy of distributing 30% to 35% of the Group's operating profit: in relation to the reporting period in question, the Board of Directors is applying 31% of the consolidated profit of continuing operations. In addition, the shareholders would participate in an exceptional payment of 22% of the one-time profit arising out of the Door Automation sale. In total the payout ratio is 24% of the exceptionally high consolidated profit.
This amount is to be paid in the form of a distribution from tax-privileged capital reserves. The Board of Directors has shown once again that it is serious about its shareholder-friendly payout policy.

Elections to the Board of Directors/ changes in personnel

The terms of office of Ulrich Graf, Riet Cadonau and Klaus Schmidt expire on the date of the Annual General Meeting, 25 October 2011. Riet Cadonau became CEO on 1 July 2011, and on this date stepped down from the Board of Directors, as announced, for reasons of good corporate governance. Existing Board member Daniel Daeniker took over from him as Chair of the Audit Committee.
For personal reasons, Klaus Schmidt is not putting himself forward for re-election. Kaba Group's Board of Directors regrets this decision and thanks Klaus Schmidt for the valuable contribution he has made during his six years on the board. The Board of Directors proposes that Ulrich Graf be re-elected. As from the current 2011/2012 financial year, Ulrich Graf, the long-serving executive Chairman of the Board of Directors, is heading the Board as non-executive Chairman.
The Board of Directors of Kaba Holding AG will propose to the forthcoming Annual General Meeting on 25 October 2011 that Thomas Pleines be elected to the Board of Directors. Born in 1955, Thomas Pleines is a German national and has spent a large part of his career at the Allianz Group, including several years in Switzerland. Thomas Pleines has a degree in jurisprudence from Frankfurt University and is a lawyer.

Invitation to the Annual General Meeting of Shareholders on Tuesday, 25 October 2011, 3 p.m. at the Mövenpick Hotel Zurich-Regensdorf, Zentrum, 8105 Regensdorf

On 19 September 2011, our shareholders are being sent the following documentation for the AGM:

> Invitation with agenda and Board of Directors' proposals
> Reply form
> Reply envelope

To take part in our AGM, please complete the enclosed reply form and return it to us in the reply envelope provided in time for Kaba to receive it by Thursday, 20 October 2011. You will then receive an entry ticket/voting card and a map (for those travelling by car) or timetable (for those carriving by train). Since there are only a limited number of parking spaces available, we recommend that you use public transport.

Kaba Group reporting

In response to requests from shareholders the only document we are sending out automatically is the Shareholders' Letter.

You can also go to our Web site www.kaba.com to see and/or download and order all of our publications.

Thank you

We would like to thank you, our valued shareholders, for the interest and the confidence you have shown in Kaba. Special thanks go to all our employees. Your knowledge, skills, and commitment are vital prerequisites for Kaba's very good performance in the past and for its ability to achieve new and ambitious growth targets in the future. Thank you also to our customers for the confidence they show in our products and services.

Yours sincerely, for Kaba Holding AG

Ulrich Graf
Chairman of the Board
of Directors

Rudolf Weber
CEO until 30 June 2011

Thank you Rudolf Weber

On 30 June 2011 Rudolf Weber stepped down as CEO of Kaba Group after five years in the post, and after eight years before that as a member of the Board of Directors. We could just list the key benchmark figures to show what he has achieved at Kaba, but this would not do full justice to the impact he has had on the Group.

Between 2006/2007 — his first financial year as CEO — and these latest 2010/2011 results, Kaba has continued to make very positive headway under his leadership.

Kaba has become more innovative, more international, more focused, and more customer-oriented. Kaba is a highly respected player in the global security industry. It continuously optimizes its product portfolio and sets new technological benchmarks. Under Rudolf Weber's leadership, Group Management always kept a watchful eye on productivity and the cost structure, which has continuously been reviewed and optimized. With this consistent approach, the outgoing CEO was able to steer Kaba Group successfully through the recession. Following the successful sale of the Door Automation business segment in spring 2011, Rudolf Weber handed over leadership of the company to his successor Riet Cadonau on 1 July 2011. I would like to thank him in the name of the Board of Directors, but also on behalf of all employees, shareholders, and customers, for all he has achieved, and wish him well for the future.

Ulrich Graf
Chairman of the Board of Directors

Consolidated income statement and Statement of comprehensive income

Consolidated income statement

in CHF million except per share amounts	Note	Financial year ended 30.06.2011	in %	Financial year ended 30.06.2010	in %
Net sales	**5**	**945.2**	**100.0**	**952.1**	**100.0**
Changes in finished goods and work in progress		1.9	0.2	– 3.7	– 0.4
Other operating income	6	10.2	1.1	9.9	1.0
Material expenses	7	– 309.7	– 32.8	– 293.7	– 30.8
Personnel expenses	8	– 354.9	– 37.5	– 361.7	– 38.0
Other operating expenses	9	– 141.8	– 15.0	– 143.8	– 15.1
Operating profit before depreciation (EBITDA)		**150.9**	**16.0**	**159.1**	**16.7**
Depreciation and amortization	16, 17	– 31.4	– 3.3	– 34.1	– 3.6
Operating profit (EBIT) before items affecting comparability		**119.5**	**12.7**	**125.0**	**13.1**
Items affecting comparability	9a	– 30.8	– 3.3	0.0	0.0
Operating profit (EBIT)		**88.7**	**9.4**	**125.0**	**13.1**
Result from associates and joint ventures	18	0.1	0.0	0.3	0.0
Financial expenses	10	– 11.7	– 1.2	– 19.7	– 2.1
Financial income	11	0.5	0.1	0.7	0.1
Profit from continuing operations before taxes		**77.6**	**8.3**	**106.3**	**11.2**
Income taxes	12	– 23.3	– 2.6	– 27.9	– 2.9
Profit from continuing operations		**54.3**	**5.7**	**78.4**	**8.2**
Discontinued operations	32	167.3		8.5	
Net profit		**221.6**		**86.9**	
Net profit attributable to non-controlling interests		0.0		0.0	
Net profit attributable to owners of the parent	3	221.6		86.9	
Basic earnings per share from continuing operations (in CHF)	3	14.3		20.7	
Basic earnings per share from discontinued operations (in CHF)	3	44.0		2.2	
Diluted earnings per share from continuing operations (in CHF)	3	14.3		20.7	
Diluted earnings per share from discontinued operations (in CHF)	3	44.0		2.2	

Information for the financial year ended 30 June 2010 and the related notes have been re-presented for discontinued operations.

Statement of comprehensive income

in CHF million, except per share amounts	Financial year ended 30.06.2011	Financial year ended 30.06.2010
Net profit	**221.6**	**86.9**
Other comprehensive income		
Translation exchange differences	– 114.7	8.7
Cumulated translation adjustments transferred to the income statement	1.9	0.0
Other comprehensive income, net of tax	**– 112.8**	**8.7**
Total comprehensive income	**108.8**	**95.6**
Net profit attributable to non-controlling interests	0.0	0.0
Net profit attributable to owners of the parent	108.8	95.6

Consolidated balance sheet
Assets

in CHF million	Note	Financial year ended 30.06.2011	in %	Financial year ended 30.06.2010	in %
Current assets					
Cash and cash equivalents		83.8	9.7	82.4	8.3
Trade receivables	13	156.9	18.1	200.4	20.2
Inventories	14	163.7	18.9	198.7	20.0
Current income tax assets		5.8	0.7	7.7	0.8
Other current assets	15	16.4	1.9	22.5	2.3
Total current assets		**426.6**	**49.3**	**511.7**	**51.6**
Non-current assets					
Property, plant and equipment	16	158.3	18.3	185.2	18.7
Goodwill and other intangible assets	17	255.0	29.4	263.8	26.6
Investments in associates and joint ventures	18	3.2	0.4	5.6	0.6
Non-current financial assets	18a	14.7	1.7	19.1	1.9
Deferred income tax assets	24	7.9	0.9	5.7	0.6
Total non-current assets		**439.1**	**50.7**	**479.4**	**48.4**
Total assets		**865.7**	**100.0**	**991.1**	**100.0**

Consolidated balance sheet
Liabilities and equity

in CHF million	Note	Financial year ended 30.06.2011	in %	Financial year ended 30.06.2010	in %
Current liabilities					
Current borrowings	19	113.4	13.1	212.8	21.5
Trade payables		48.6	5.6	56.1	5.7
Current income tax liabilities		15.1	1.7	18.0	1.8
Accrued and other current liabilities	20	124.0	14.3	138.4	14.0
Provisions	21	36.2	4.2	11.9	1.1
Total current liabilities		**337.3**	**38.9**	**437.2**	**44.1**
Non-current liabilities					
Non-current borrowings	19	3.2	0.4	102.3	10.3
Accrued pension costs and benefits	22	34.6	4.0	39.5	4.0
Deferred income tax liabilities	24	28.1	3.2	37.5	3.8
Provisions (non-current)	21	4.5	0.6	0.0	0.0
Other non-interest bearing liabilities		0.5	0.1	0.7	0.0
Total non-current liabilities		**70.9**	**8.3**	**180.0**	**18.1**
Total liabilities		**408.2**	**47.2**	**617.2**	**62.2**
Equity					
Share capital	3	0.4	0.0	0.4	0.0
Additional paid-in capital		630.9	72.8	628.2	63.5
Retained earnings		– 30.6	– 3.5	– 225.9	– 22.8
Treasury stock		– 4.2	– 0.5	– 1.8	– 0.2
Translation exchange differences		– 139.8	– 16.1	– 27.0	– 2.7
Total equity owners of the parent		**456.7**	**52.7**	**373.9**	**37.8**
Non-controlling interests		0.8	0.1	0.0	–
Total equity		**457.5**	**52.8**	**373.9**	**37.8**
Total liabilities and equity		**865.7**	**100.0**	**991.1**	**100.0**

Consolidated cash flow statement

in CHF million	Note	Financial year ended 30.06.2011	Financial year ended 30.06.2010
Net profit		**221.6**	**86.9**
Depreciation and amortization	16, 17, 32	34.4	38.3
Income tax expenses	12, 32	25.3	32.1
Interest expenses	10, 32	10.5	17.6
Interest income	11	−0.4	−0.6
(Gain) Loss on disposal of fixed assets, net		0.5	0.4
Adjustment for non-cash items		−0.5	1.0
Gain recognized on disposal of discontinued operations	32	−165.7	0.0
Change in trade receivables		−7.1	−12.0
Change in inventories		−17.2	−4.2
Change in other current assets		−6.3	−0.2
Change in trade payables		3.3	9.0
Change in accrued pension cost		0.0	1.9
Change in accrued and other current liabilities		50.5	4.4
Cash generated from operations		**148.9**	**174.6**
Income taxes paid		−35.9	−34.3
Interest paid		−8.0	−13.9
Interest received		0.4	0.6
Net cash from operating activities		**105.4**	**127.0**
Cash flows from investing activities			
Purchase of property, plant and equipment	16, 32	−30.6	−24.8
Proceeds from sale of property, plant and equipment	16	0.5	1.3
Acquisition of subsidiaries, net of cash acquired	4	−48.4	0.0
Sale of subsidiaries, net of cash sold	32	219.0	0.0
Purchases of other intangible assets	17	−2.1	−2.4
Decrease in other non-current financial assets		0.0	0.1
Increase in other non-current financial assets		−0.9	−2.1
Net cash used in investing activities		**137.5**	**−27.9**
Cash flows from financing activities			
Proceeds from (repayment of) current borrowings, net	19	−96.5	96.8
Repayment of convertible bond	19	0.0	−180.8
Proceeds from non-current borrowings	19	0.0	0.4
Repayment of non-current borrowings	19	−106.2	−0.4
Decrease in other non-current liabilities		−0.1	−0.4
(Purchase) Sale of treasury stock		−3.3	0.0
New shares issued		2.7	0.0
Dividends paid to company's shareholders		−26.6	−17.9
Net cash flows from financing activities		**−230.0**	**−102.3**
Translation exchange differences		−11.5	11.7
Net increase (decrease) in cash and cash equivalents		**1.4**	**8.5**
Cash and cash equivalents at beginning of period		82.4	73.9
Cash and cash equivalents at end of period		83.8	82.4
Net increase (decrease) in cash and cash equivalents		**1.4**	**8.5**

Changes in equity

in CHF millon	Share capital	Additional paid-in capital	Equity convers. element of conv. bond[1]	Retained earnings	Treasury stock	Cumul. translation adjustm.	Non-controlling interests	Total equity
Financial year ended 30.06.2010								
Balance at 30.06.2009	**0.4**	**618.9**	**9.3**	**−294.5**	**−3.1**	**−35.7**	**0.0**	**295.3**
Net profit for the reporting period				86.9				86.9
Other comprehensive income, net of tax						8.7		8.7
Total comprehensive income for the period				**86.9**		**8.7**	**0.0**	**95.6**
Dividend paid				−17.9				−17.9
Repayment of convertible bond		9.3	−9.3					0.0
Treasury stock (purchased) re-issued				−0.4	1.3			0.9
Balance at 30.06.2010	**0.4**	**628.2**	**0.0**	**−225.9**	**−1.8**	**−27.0**	**0.0**	**373.9**
Financial year ended 30.06.2011								
Balance at 30.06.2010	**0.4**	**628.2**	**0.0**	**−225.9**	**−1.8**	**−27.0**	**0.0**	**373.9**
Net profit for the reporting period				221.6				221.6
Other comprehensive income, net of tax						−112.8		−112.8
Total comprehensive income for the period				**221.6**		**−112.8**	**0.0**	**108.8**
Dividend paid				−26.6				−26.6
Non-controlling interest on acquisition of subsidiary							0.8	0.8
New shares issued	0.0	2.7						2.7
Treasury stock (purchased) re-issued				0.3	−2.4			−2.1
Balance at 30.06.2011	**0.4**	**630.9**	**0.0**	**−30.6**	**−4.2**	**−139.8**	**0.8**	**457.5**

1) Net of income tax.

Segment reporting full year

in CHF million	Access + Data Systems		Industrial Locks		Key Systems	
	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010
Net sales third parties	580.5	586.3	154.2	154.0	195.8	198.3
Intercompany sales	7.2	7.5	17.7	15.0	2.7	2.8
Total sales	**587.7**	**593.8**	**171.9**	**169.0**	**198.5**	**201.1**
Operating profit before depreciation and amortization (EBITDA)	**94.9**	**94.0**	**49.7**	**54.3**	**26.9**	**32.5**
in % of sales	16.1 %	15.8 %	28.9 %	32.1 %	13.6 %	16.2 %
Operating profit (EBIT) before items affecting comparability	**79.4**	**78.3**	**42.9**	**46.0**	**20.0**	**24.1**
in % of sales	13.5 %	13.2 %	25.0 %	27.2 %	10.1 %	12.0 %
Items affecting comparability	−24.8	0.0	0.0	0.0	−3.5	0.0
Operating profit (EBIT)	**54.6**	**78.3**	**42.9**	**46.0**	**16.5**	**24.1**
in % of sales	9.3 %	13.2 %	25.0 %	27.2 %	8.3 %	12.0 %
Operating profit before depreciation and amortization (EBITDA) currency- and acquisition-adjusted	**101.3**	**96.8**	**54.9**	**56.2**	**30.2**	**33.5**
in % of sales	17.2 %	16.3 %	31.9 %	33.3 %	15.2 %	16.7 %
Operating profit (EBIT) before items affecting comparability, currency- and acquisition-adjusted	**84.9**	**80.8**	**47.4**	**47.6**	**22.5**	**24.7**
in % of sales	14.4 %	13.6 %	27.6 %	28.2 %	11.3 %	12.3 %
Operating profit (EBIT) currency- and acquisition-adjusted	**60.1**	**80.8**	**47.4**	**47.6**	**19.0**	**24.7**
in % of sales	10.2 %	13.6 %	27.6 %	28.2 %	9.6 %	12.3 %
Change in sales	−6.1	−30.8	2.9	−9.8	−2.6	0.1
in %	−1.0 %	−4.9 %	1.7 %	−5.5 %	−1.3 %	0.0 %
Of which translation exchange differences	−46.4	−15.5	−16.7	−6.7	−21.9	−8.5
in %	−7.8 %	−2.5 %	−9.9 %	−3.7 %	−10.9 %	−4.2 %
Of which acquisition (disposal) impact	12.7	1.3	0.0	0.0	10.5	0.0
in %	2.1 %	0.2 %	0.0 %	0.0 %	5.2 %	0.0 %
Currency-adjusted internal growth sales	27.6	−16.6	19.6	−3.1	8.8	8.6
in %	4.6 %	−2.7 %	11.6 %	−1.7 %	4.4 %	4.3 %

Other		Corporate		Eliminations		Group		
Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010	Financial year ended 30.06.2011	Financial year ended 30.06.2010	in CHF million
14.7	13.5	0.0	0.0	0.0	0.0	945.2	952.1	Net sales third parties
1.1	1.2	0.0	0.0	− 28.7	− 26.5	0.0	0.0	Intercompany sales
15.8	**14.7**	**0.0**	**0.0**	**− 28.7**	**− 26.5**	**945.2**	**952.1**	**Total sales**
0.8	**0.5**	**− 21.4**	**− 22.2**	**0.0**	**0.0**	**150.9**	**159.1**	**Operating profit before depreciation and amortization (EBITDA)**
5.1 %	3.4 %	0.0 %	0.0 %	0.0 %	0.0 %	16.0 %	16.7 %	in % of sales
0.6	**0.2**	**− 23.4**	**− 23.6**	**0.0**	**0.0**	**119.5**	**125.0**	**Operating profit (EBIT) before items affecting comparability**
3.8 %	1.4 %	0.0 %	0.0 %	0.0 %	0.0 %	12.7 %	13.1 %	in % of sales
0.0	0.0	− 2.5	0.0	0.0	0.0	− 30.8	0.0	Items affecting comparability
0.6	**0.2**	**− 25.9**	**− 23.6**	**0.0**	**0.0**	**88.7**	**125.0**	**Operating profit (EBIT)**
3.8 %	1.4 %	0.0 %	0.0 %	0.0 %	0.0 %	9.4 %	13.1 %	in % of sales
0.8	**0.5**	**− 23.7**	**− 22.2**	**0.0**	**0.0**	**163.5**	**164.8**	**Operating profit before depreciation and amortization (EBITDA) currency- and acquisition-adjusted**
5.1 %	3.4 %	0.0 %	0.0 %	0.0 %	0.0 %	17.3 %	17.3 %	in % of sales
0.6	**0.2**	**− 25.7**	**− 23.7**	**0.0**	**0.0**	**129.7**	**129.6**	**Operating profit (EBIT) before items affecting comparability, currency- and acquisition-adjusted**
3.8 %	1.4 %	0.0 %	0.0 %	0.0 %	0.0 %	13.7 %	13.6 %	in % of sales
0.6	**0.2**	**− 28.2**	**− 23.7**	**0.0**	**0.0**	**98.9**	**129.6**	**Operating profit (EBIT) currency- and acquisition-adjusted**
3.8 %	1.4 %	0.0 %	0.0 %	0.0 %	0.0 %	10.5 %	13.6 %	in % of sales
1.1	− 0.5	0.0	0.0	− 2.2	6.8	− 6.9	− 34.2	Change in sales
7.5 %	− 3.3 %	0.0 %	0.0 %	N/A	N/A	− 0.7 %	− 3.5 %	in %
0.0	0.0	0.0	0.0	− 1.6	0.8	− 86.6	− 29.9	Of which translation exchange differences
0.0 %	0.0 %	0.0 %	0.0 %	N/A	N/A	− 9.1 %	− 3.0 %	in %
0.0	0.0	0.0	0.0	0.0	0.0	23.2	1.3	Of which acquisition (disposal) impact
0.0 %	0.0 %	0.0 %	0.0 %	N/A	N/A	2.4 %	0.1 %	in %
1.1	− 0.5	0.0	0.0	− 0.6	6.0	56.5	− 5.6	Currency-adjusted internal growth sales
7.5 %	− 3.3 %	0.0 %	0.0 %	N/A	N/A	5.9 %	− 0.6 %	in %

Segment reporting 2nd half-year

in CHF million	Access + Data Systems Financial year ended 30.06.2011	Access + Data Systems Financial year ended 30.06.2010	Industrial Locks Financial year ended 30.06.2011	Industrial Locks Financial year ended 30.06.2010	Key Systems Financial year ended 30.06.2011	Key Systems Financial year ended 30.06.2010
Net sales third parties	300.2	286.1	73.8	82.9	99.4	105.0
Intercompany sales	0.1	2.6	10.3	7.9	1.1	1.4
Total sales	**300.3**	**288.7**	**84.1**	**90.8**	**100.5**	**106.4**
Operating profit before depreciation and amortization (EBITDA)	**44.3**	**41.1**	**23.9**	**27.2**	**13.3**	**18.9**
in % of sales	14.8 %	14.2 %	28.4 %	30.0 %	13.2 %	17.8 %
Operating profit (EBIT) before items affecting comparability	**36.2**	**33.3**	**20.7**	**23.4**	**10.1**	**14.7**
in % of sales	12.1 %	11.5 %	24.6 %	25.8 %	10.0 %	13.8 %
Items affecting comparability	−24.8	0.0	0.0	0.0	−3.5	0.0
Operating profit (EBIT)	**11.4**	**33.3**	**20.7**	**23.4**	**6.6**	**14.7**
in % of sales	3.8 %	11.5 %	24.6 %	25.8 %	6.6 %	13.8 %
Operating profit before depreciation and amortization (EBITDA) currency- and acquisition-adjusted	**48.6**	**42.1**	**28.0**	**28.2**	**15.6**	**19.5**
in % of sales	16.2 %	14.6 %	33.3 %	31.1 %	15.5 %	18.3 %
Operating profit (EBIT) before items affecting comparability, currency- and acquisition-adjusted	**39.8**	**34.2**	**24.3**	**24.2**	**11.9**	**15.1**
in % of sales	13.3 %	11.8 %	28.9 %	26.7 %	11.8 %	14.2 %
Operating profit (EBIT) currency- and acquisition-adjusted	**15.0**	**34.2**	**24.3**	**24.2**	**8.4**	**15.1**
in % of sales	5.0 %	11.8 %	28.9 %	26.7 %	8.4 %	14.2 %
Change in sales	11.6	−8.8	−6.7	8.5	−5.9	8.2
in %	4.0 %	−3.0 %	−7.4 %	10.3 %	−5.5 %	8.4 %
Of which translation exchange differences	−27.5	−5.6	−12.8	−3.1	−14.2	−3.8
in %	−9.5 %	−1.9 %	−14.1 %	−3.8 %	−13.3 %	−3.9 %
Of which acquisition (disposal) impact	12.7	0.9	0.0	0.0	6.1	0.0
in %	4.4 %	0.3 %	0.0 %	0.0 %	5.7 %	0.0 %
Currency-adjusted internal growth sales	26.4	−4.1	6.1	11.6	2.2	12.0
in %	9.1 %	−1.4 %	6.7 %	14.1 %	2.1 %	12.2 %

in CHF million	Other Financial year ended 30.06.2011	Other Financial year ended 30.06.2010	Corporate Financial year ended 30.06.2011	Corporate Financial year ended 30.06.2010	Eliminations Financial year ended 30.06.2011	Eliminations Financial year ended 30.06.2010	Group Financial year ended 30.06.2011	Group Financial year ended 30.06.2010
Net sales third parties	8.4	7.5	0.0	0.0	0.0	0.0	481.8	481.5
Intercompany sales	0.7	0.5	0.0	0.0	− 12.2	− 12.4	0.0	0.0
Total sales	**9.1**	**8.0**	**0.0**	**0.0**	**− 12.2**	**− 12.4**	**481.8**	**481.5**
Operating profit before depreciation and amortization (EBITDA)	**1.1**	**0.9**	**− 12.0**	**− 13.7**	**0.0**	**0.0**	**70.6**	**74.4**
in % of sales	12.1 %	11.3 %	0.0 %	0.0 %	0.0 %	0.0 %	14.7 %	15.5 %
Operating profit (EBIT) before items affecting comparability	**1.0**	**0.8**	**− 13.2**	**− 14.4**	**0.0**	**0.0**	**54.8**	**57.8**
in % of sales	11.0 %	10.0 %	0.0 %	0.0 %	0.0 %	0.0 %	11.4 %	12.0 %
Items affecting comparability	0.0	0.0	− 2.5	0.0	0.0	0.0	− 30.8	0.0
Operating profit (EBIT)	**1.0**	**0.8**	**− 15.7**	**− 14.4**	**0.0**	**0.0**	**24.0**	**57.8**
in % of sales	11.0 %	10.0 %	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %	12.0 %
Operating profit before depreciation and amortization (EBITDA) currency- and acquisition-adjusted	**1.1**	**0.9**	**− 16.5**	**− 13.6**	**0.0**	**0.0**	**76.8**	**77.1**
in % of sales	12.1 %	11.3 %	0.0 %	0.0 %	0.0 %	0.0 %	15.9 %	16.0 %
Operating profit (EBIT) before items affecting comparability, currency- and acquisition-adjusted	**1.0**	**0.8**	**− 17.2**	**− 14.4**	**0.0**	**0.0**	**59.8**	**59.9**
in % of sales	11.0 %	10.0 %	0.0 %	0.0 %	0.0 %	0.0 %	12.4 %	12.4 %
Operating profit (EBIT) currency- and acquisition-adjusted	**1.0**	**0.8**	**− 19.7**	**− 14.4**	**0.0**	**0.0**	**29.0**	**59.9**
in % of sales	11.0 %	10.0 %	0.0 %	0.0 %	0.0 %	0.0 %	6.0 %	12.4 %
Change in sales	1.1	0.4	0.0	0.0	0.2	2.9	0.3	11.2
in %	13.8 %	5.3 %	0.0 %	0.0 %	N/A	N/A	0.1 %	3.0 %
Of which translation exchange differences	0.0	0.0	0.0	0.0	− 1.5	0.3	− 56.0	− 12.2
in %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	N/A	− 11.6 %	− 3.2 %
Of which acquisition (disposal) impact	0.0	0.0	0.0	0.0	0.0	0.0	18.8	0.9
in %	0.0 %	0.0 %	0.0 %	0.0 %	N/A	N/A	3.9 %	0.2 %
Currency-adjusted internal growth sales	1.1	0.4	0.0	0.0	1.7	2.6	37.5	22.5
in %	13.8 %	5.3 %	0.0 %	0.0 %	N/A	N/A	7.8 %	6.0 %

Agenda

25 October 2011, Tuesday, 3 p.m.
> Annual General Meeting of Kaba Holding AG

5 March 2012, Monday
> Presentation for financial analysts
> Results press conference
> Shareholder Newsletter and press release on the half-year results to 31 December 2011

17 September 2012, Monday
> Presentation for financial analysts
> Results press conference
> Shareholders Newsletter with the results for the 2011/2012 financial year
> Distrubution of Annual Report
> Invitation to the Annual General Meeting of Shareholders

23 October 2012, Tuesday, 3 p.m.
> Annual General Meeting of Kaba Holding AG

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Editor
Kaba Holding AG
Hofwisenstrasse 24
8153 Rümlang
Switzerland
Phone +41 44 818 90 61
Fax +41 44 818 90 52
www.kaba.com
investor@kaba.com

Project management
Kaba Management + Consulting AG, Rümlang
Jean-Luc Ferrazzini
Head of Corporate Communications

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- competition from other companies,
- the effects and risks of new technologies,
- the Company's continuing capital requirements,
- financing costs,
- delays in the integration of acquisitions,
- changes in the operating expenses,
- currency and raw material price fluctuations,
- the Company's ability to recruit and retain qualified employees,
- political risks in countries where the Company operates,
- changes in applicable law
- and other factors identified in this publication.

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Kaba Holding AG
Hofwisenstrasse 24
8153 Rümlang
Switzerland
Phone +41 44 818 90 61
Fax +41 44 818 90 52
www.kaba.com