No. 28

Shareholder Newsletter 1 July 2006 to 30 June 2007

Kaba reaches record level

Annual financial statements as at 30.6.2007

- Net sales increase 20% to CHF 1,25 billion
- Group profits post 24.5% and EBIT 21% increase over last year
- Net cash flow from operating activities CHF 134.0 million (+30%)
- Organic net sales growth of 5.7% (in HY2 6.3%)
- Overproportional productivity growth (EBITDA +24%)

Key figures of Kaba Group per 30 June **In CHF million**	**2006/2007**	**2005/2006**	**Change on previous year in %**
Consolidated net sales	1,248.7	1,041.0	20.0
Operating profit before depreciation (EBITDA)	186.5	150.4	24.0
in % of sales	14.9%	14.4%	
Operating profit (EBIT)	143.7	118.8	21.0
in % of sales	11.5%	11.4%	
Consolidated net profit	**84.8**	**68.1**	**24.5**
in % of sales	6.8%	6.5%	
Earnings per share in CHF	22.6	19.0	18.8
Net cash from operating activities	**134.0**	**103.1**	**30.0**
Cash flows from investing activities	**−278.3**	**−32.7**	**751.1**
Free cash flow (net)	**−144.3**	**70.4**	**−305.0**
Total assets	1,162.7	693.2	67.7
Net working capital	272.8	201.9	35.1
Net debt	491.6	264.6	85.8
Shareholders' equity	215.1	77.5	177.5
in % of total assets	18.5%	11.2%	
Net operating assets	740.1	354.9	108.5
Return on net operating assets **Operating profit (EBIT) as % of net operating assets**	**19.4%**	**33.5%**	
Net debt/EBITDA	**2.64**	**1.76**	**49.8**
Number of employees (average)	8,585	5,721	50.1

Dear Shareholder
Dear Madam, Dear Sir

In the past financial year, Kaba notched up record figures. Net sales and profits were up by a fifth. Also, Kaba made rapid progress in its strategic expansion in the year under review. With the acquisition of the Wah Yuet Group, Kaba has a production site in China which boasts a high level of efficiency, speed of delivery and flexibility and which is of great importance for the future development of the Group.

In the space of ten years, Kaba has grown to become a global technology group with an outstanding position. In the 2006/2007 financial year, the new CEO led Kaba on an ambitious growth course; his attention will also be focused on continued productivity increases and a further strengthening of the Group's earning power.

Financial 2006/2007

In the 2006/2007 financial year, the Kaba Group boosted its net sales by 20 % from CHF 1,041.0 million to CHF 1,248.7 million. A significant share of the total increase of CHF 207.7 million was the result of two major acquisitions. The Chinese Wah Yuet Group has been included in the Group's consolidated figures since 10 August 2006, while CSS Inc. in the United States has been included since 1 October 2006. The two companies together generated net sales of CHF 148.8 million, thus adding 14.3 % to last year's figure for the Group. There were no currency effects, as the appreciation of the euro and the depreciation of the US dollar cancelled each other out. In local currencies and acquisition-adjusted, net sales growth was 5.7 % (4.0 % last year).

Consolidated EBIT (operating earnings before interest and taxes) rose by 21% or CHF 24.9 million to CHF 143.7 million (last year CHF 118.8 million). The first-time consolidation of the companies acquired added 12.4 % or CHF 14.7 million to EBIT. Currency effects, on the other hand, reduced EBIT by CHF 1.5 million. Currency- and acquisition-adjusted, EBIT in the year under review was up by CHF 11.7 million, or 9.8 % – considerably exceeding the comparable growth in net sales for the period (5.7 %). These figures demonstrate that robust organic growth is bringing even greater productivity improvements, with a corresponding positive impact on EBIT performance. Group profits posted a 24.5 % improvement, up from CHF 68.1 million to CHF 84.8 million.

The first-time consolidation of newly acquired companies must take place using the purchase method of accounting in accordance with the International Financial Reporting Standards (IFRS). Purchase accounting reduced the EBIT figure for the Kaba Group by CHF 10.6 million, leaving a total of CHF 143.7 million. Before purchase accounting, EBIT was CHF 154.3 million. The Kaba Group did succeed in improving its EBIT margin both in its existing operations and through acquisitions; however, after the application of purchase accounting, the EBIT margin increased only slightly to 11.5 % (see table, p. 8).

Return on net operating assets (RONOA) fell from 33.5 % to 19.4 % because of accounting changes. Previously Kaba charged goodwill from acquisitions directly against equity capital, whereas now such goodwill is included in its balance sheet assets. The resulting increase in total operating assets reduced return on net operating assets accordingly, but a ratio of 19.4 % is still very good in overall sector terms.

The figure for return on equity (ROE) was 39.4 %.

Door Systems improves EBIT margin to 8.6 %

Large order volumes in platform screen doors expose the Door Systems segment to a certain degree of volatility. After the completion of some major projects at the end of the first quarter, new orders from China and France began to impact positively on the figures only in the last quarter of the financial year. At the end of February, Kaba Gilgen AG signed a contract with the Paris Métro to the value of CHF 70.0 million. This large-scale project entails developing, producing, installing and putting into operation more than 10 km of facades between platform and track, equipped with 2,000 fully automatic half-height screen doors. The systems will be installed stage-by-stage. The first tranche of the project, with a value of CHF 36.0 million, will involve installation on line 1 of the metro system. Between March 2007 and September 2009, 54 platforms at 25 stations will be fitted with 972 half-height screen doors. It will then be the turn of line 13 in the second stage of the project. Here, 1,020 fully automatic half-height screen doors will be put in place on 68 platforms at 32 stations.

Unfortunately, growth in the fourth fiscal quarter (4.8%) failed to make up for the fallow period in the second and third quarters. Other activities (automatic doors and security doors) showed a positive performance for the whole year, so that currency-adjusted net sales for the segment were just about maintained for the 2006/2007 financial year. The EBIT margin improved to 8.6% (8.2% in the previous year).

Access + Data Systems grows 7.2% and maintains EBIT margin

The Access + Data Systems segment provides mechanical and mechatronic locking systems, electronic access control systems and hotel and safe locks. On 1 July 2006, Data Collection, previously a separate segment, also became part of Access + Data systems. The figures for last year are given on a like-for-like basis.

The segment boosted its sale by CHF 176.1 million or 34.8% to CHF 681.6 million in the year under review. The Wah Yuet Group (consolidated from 10 August 2006) and CSS Inc. (consolidated from 1 October 2006) contributed CHF 144.3 million to this. Currency conversions (appreciation of the euro, depreciation of the US dollar and Asian currencies) removed CHF 4.3 million or −0.9% from the total. Acquisition- and currency-adjusted, the segment saw an increase of 7.2%. The EBIT margin before purchase accounting (see table, p. 8) was maintained.

Access + Data Systems EMEA region shows robust growth and sustains high EBIT margin

In the EMEA market region (Europe, Middle East and Africa), the Access + Data Systems segment grew 10.9% to CHF 372 million. Currency- and acquisition adjusted, the increase was 7.1% (and 8.2% in the second half). Growth was broadly based across the whole market. The EBIT margin was maintained at an above-average level.

The new, unified distribution structure, which replaced distribution and service setups in each country or region structured along product group lines, very much proved its worth in its first financial year. Unified distribution for locking and access control systems, security doors and workforce management system components has met with overall approval on the part of sophisticated customers and partners. The competence of the distribution units has been significantly enhanced and customer service processes have been made considerably simpler.

With this systematic, market-oriented development in the way it operates, the Group is once again setting trends. Whilst at the same time strengthening its market position as a reliable provider of comprehensive personal security and data recording systems for local specialist security dealers, system integrators and VAR partners, and as a preferred component and system supplier. Increasingly, users of complex applications (e.g. ERP solutions from SAP, Oracle/Peoplesoft, Microsoft, etc.) rely on Kaba, as the solutions provided by the Kaba Group can be combined very easily with these systems.

Kaba is a pioneer when it comes to bringing together complex access and data collecting systems – a trend which is increasingly prevalent in the market. In the future, even more rapid development in this area looks likely. Mechanical, mechatronic and electronic-digital components can be combined flexibly like building blocks. This means customer requirements can be satisfied in a flexible and highly effective way. The hybrid concept CardLink, for example, integrates wired and unwired access control elements into a single system. With this system, access authorization for unwired doors and rooms can be issued inexpensively using central software and unified master data – a financially efficient solution with very clear benefits for the customer.

The compelling advantages which Kaba brings are reflected in significant growth in market volumes, allowing Kaba to add further to its leading position in the Access + Data Systems product segment.

Access + Data Systems boosts its market position in America and maintains above-average EBIT margin

In the Americas, the Kaba Group added significantly to its market position. The Access + Data Systems segment increased net sales 45.1% in the 2006/2007 financial year, with a total of CHF 234.2 million. This does not include the business of the Wah Yuet Group in the USA, as these OEM (original equipment manufacturers) activities are recorded in the Asia Pacific figures.

The increase in net sales was due, in part, to CSS Inc. acquired by Kaba in the year under review. The company is one of the world's leading manufacturers of electronic hotel and security locks, marketed under the Saflok and La Gard brands. From 1 October 2006, the date CSS Inc. was first included in the Group's consolidated figures, it generated net sales of CHF 65.9 million, adding 40.8% to the segment's growth figure. The devaluation of the US dollar, however, reduced the total by

CHF 8.7 million or 5.4 %. Currency- and acquisition-adjusted, growth was 9.6 %.

Strong order input from the US Government and commercial building sector was generated by a number of customer-friendly product innovations in the mechatronic area. In the period under review, sales were led by pushbutton locks, high security locks and mechatronic access control products.

Lean structures and continued strict cost management at all established Kaba businesses contributed to a strong EBIT margin level. The first-time consolidation of the new acquisition put slight pressure on the segment's margin, as expected: on one hand with CSS working with lower margins as typical for that market sector; on the other hand as a consequence of purchase accounting. Integration was completed as planned.

Segment Access + Data Systems strengthens its profile in Asia Pacific in the premium segment and benefits from Wah Yuet Group

The first-time consolidation of the Wah Yuet Group at 10 August 2006 gave a significant boost to the figures. Net sales rose from CHF 32.5 million to CHF 105.7 million, a jump of 225 %. Currency- and acquisition-adjusted, the figure was 12.1 % (previous year −7.3 %). The EBIT margin approached a level usual for the sector.

The resources available continued to be invested in building up the market and in accelerated development of new customer segments. The markets in the Asia Pacific region offer very promising growth potential, particularly in the area of mechatronic and electronic access as well as door systems.

Integration of the Wah Yuet Group has already had a positive impact on earnings figures, with locks and keys in particular being supplied to an increased extent from the low-cost production operation in China instead of from Europe or North America. And cooperation with several potential OEM clients, who are supported by Kaba's American and Japanese distribution structures, has been successful. On the other hand, the weakness of the US real estate market has made further advances of Wah Yuet Group in earnings more difficult. Profitability before the application of purchase accounting continued to be well above the Kaba average.

Key + Ident Systems returns to double-digit growth and almost maintains EBIT margin

The Key + Ident Systems segment shows growth which, currency- and acquisition-adjusted, with a figure of 11.3 % was clearly in excess of the sector average. Both in Europe and in America, demand continued strong. Part of the growth in net sales was the result of price increases, which were necessary in order to compensate for higher raw materials costs. Net sales in local currencies rose to CHF 149.2 million in Europe (last year 125.6 million) and to CHF 119.5 million in America (last year 110.4 million).

The average EBIT margin slipped from 10.1 % last year to 9.4 % in the period under review, but remained stable in the actual key systems business. This was despite the fact that it was only possible to pass higher raw material prices on to customers partially and with a time lag. The segment's reduction in margins was the result of a major development project in the Legic area (RFID-chip-based systems), part of the identification systems business, which had an impact on the income statement.

Other / eliminations / finances

In accordance with IFRS accounting standards, centralized Group costs are charged as a lump sum to the segment accounts under "Other / eliminations / finances". This column also includes all consolidation corrections, such as the elimination of sales and other transfers between segments. In addition, two businesses appear here which do not fit into the current segment structure: Capitol, the hardware business in Canada and the origin of Unican, and Safe + Vault, the bank installation business in Switzerland from which Kaba originated. In the year under review, Capitol in Montreal saw a turnaround, with a significant improvement in EBIT in comparison to last year's figure.

Cash flow from operating activities rises by 30%

Cash flow from operating activities (i.e. earnings generating cash flow, plus changes to net current assets) rose by 30% from CHF 103.1 million to CHF 134.0 million. This can be ascribed to the Group's increased ability to generate cash flow as a result of acquisition as well as to leaner inventory management. The resulting efficiency gains compensated for the increased inventory value caused by higher raw material prices.

Despite the acquisition of equity holdings to the tune of CHF 258 million, net indebtedness rose by just CHF 227 million. Net debt divided by EBITDA was a comfortable 2.6 (last year, before the acquisitions: 1.8).

Ongoing profitability creates positive equity capital

For several years, Kaba's equity capital was negative. This resulted from the fact that Kaba charged goodwill from acquisitions directly against equity capital as at the acquisition date, in accordance with Swiss GAAP FER accounting standards. The application of IFRS standards does not change this past. However, the ongoing generation of profits as well as a small share capital increase have now resulted in positive equity capital of CHF 215.1 million, or 18.5% of total assets, as at 30 June 2007. Future profits will lead to further increases in equity capital.

Outlook

The Kaba Group has an excellent position in the important sales regions of Europe and America. With the establishment of new markets, Kaba is on a solid growth course and is aiming at 5% growth. In this, we are assuming markets will continue healthy in all Kaba's Total Access areas.

The companies acquired in the USA and China during the period under review are an ideal addition to the existing business and offer considerable medium-term growth potential. Further impetus to earnings can also be expected. For the 2007/2008 financial year, Kaba anticipates that its EBIT margin will strengthen to over 12% and that profits will see another double-digit increase. In this, we are assuming constant raw material prices. Kaba could generate sustained high cash flow.

Board of Directors proposes higher dividends

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 on 23 October 2007 that the dividend be increased by CHF 1.40 to CHF 6.50 per share.

Elections to the Board of Directors

At the Annual General Meeting on 23 October 2007, the terms of office of Maurice P. Andrien, Rolf Dörig and Karina Dubs-Kuenzle will expire. The Board of Directors will propose their re-election.

Invitation to the Annual General Meeting
on Tuesday, 23 October 2007, 3 p.m.
at the Mövenpick-Hotel Zurich-Regensdorf,
Zentrum, 8105 Regensdorf

Our shareholders will find enclosed the following documentation for the AGM:

- Invitation with agenda and Board of Directors proposals
- Reply form
- Reply envelope
- Order form for documentation

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

The Kaba Group's reporting

In response to requests from many shareholders, we are only sending the Shareholder Newsletter to your home. We have enclosed an order form which you can use to request the following publications:

- Annual Report
- Investor's Handbook
- Company Profile

You can also go to our website www.kaba.com to see or download all of our publications.

Thank you for your interest and for the trust you have placed in the Kaba Group.

Yours sincerely,
for Kaba Holding AG

Ulrich Graf
Chairman of the Board of Directors

Rudolf Weber
CEO

Comments on Purchase Accounting

Purchase Accounting

Under IFRS rules, newly acquired companies are included in the accounts according to the purchase accounting-method. The assets and liabilities of the acquired company are valued individually at fair market value for inclusion on the balance sheet. The difference between the net assets at fair values and the purchase price is carried as goodwill on the post-acquisition balance sheet. Under IFRS 3, various types of intangible assets such as customer base, patents, technology and maintenance contracts are also valued separately for inclusion on the post-acquisition balance sheet. In subsequent years, these intangible assets have to be amortized through regular writedowns. Because these writedowns are charged to the income statement, application of the purchase accounting-method to acquisitions has a negative effect on the income statement in subsequent years.

Effect of purchase accounting (PA) on EBIT and the EBIT margin

	Kaba consolidated		Segment Access + Data Systems	
in CHF million	**2006/2007**	**2005/2006**	**2006/2007**	**2005/2006**
Net sales	1,248.7	1,041.0	681.6	505.5
Increase	207.7		176.1	
Increase in %	20.0%		34.8%	
EBIT (posted)	143.7	118.8	115.6	94.3
EBIT margin (posted)	11.5%	11.4%	17.0%	18.7%
Increase (posted)	24.9		21.3	
Increase in %	21.0%		22.6%	
EBIT before PA	154.3	118.8	126.2	94.3
EBIT-Marge before PA	12.4%	11.4%	18.5%	18.7%
Increase before PA	35.5		31.9	
Increase in %	29.9%		33.8%	

Consolidated income statement

In CHF million except per share amounts	Financial year ended 30.6.2007	%	Financial year ended 30.6.2006	%
Net sales	**1,248.7**	**100.0**	**1,041.0**	**100.0**
Changes in finished goods and work in progress	0.7	0.1	6.8	0.6
Other operating income	15.2	1.2	12.1	1.1
Material expenses	−431.8	−34.6	−329.4	−31.6
Personnel expenses	−448.9	−35.9	−405.2	−38.9
Other operating expenses	−197.4	−15.8	−174.9	−16.8
Operating profit before depreciation (EBITDA)	**186.5**	**15.0**	**150.4**	**14.4**
Depreciation and amortization	−42.8	−3.5	−31.6	−3.0
Operating profit (EBIT)	**143.7**	**11.5**	**118.8**	**11.4**
Result from associates and joint ventures	−0.2	0.0	0.0	0.0
Financial expenses	−32.4	−2.6	−23.9	−2.3
Financial income	2.2	0.2	0.7	0.1
Profit before taxes	**113.3**	**9.1**	**95.6**	**9.2**
Income taxes	−28.5	−2.3	−27.5	−2.7
Net profit before minority interests	**84.8**	**6.8**	**68.1**	**6.5**
Net profit attributable to minorities	0.0		0.0	
Net profit attributable to equity holders of the company	84.8		68.1	
Basic earnings per share (in CHF)	22.6		19.0	
Diluted earnings per share (in CHF)	22.5		19.0	

Consolidated balance sheet
Assets

in CHF million	Financial year ended 30.6.2007	%	Financial year ended 30.6.2006	%
Current assets				
Cash and cash equivalents	86.0	7.4	38.8	5.6
Accounts receivable trade	252.7	21.7	194.0	28.0
Inventories	239.4	20.6	187.0	27.0
Current income taxes	6.8	0.6	9.6	1.4
Other current assets	24.0	2.1	24.0	3.4
Total current assets	**608.9**	**52.4**	**453.4**	**65.4**
Non-current assets				
Property, plant and equipment	221.5	19.0	195.8	28.3
Goodwill and other intangible assets	292.1	25.1	16.9	2.4
Investments in associated and joint ventures	6.3	0.5	0.0	0.0
Non-current financial assets	15.1	1.3	3.0	0.4
Deferred income taxes	18.8	1.7	24.1	3.5
Total non-current assets	**553.8**	**47.6**	**239.8**	**34.6**
Total assets	**1,162.7**	**100.0**	**693.2**	**100.0**

Consolidated balance sheet
Liabilities and equity

in CHF million	Financial year ended 30.6.2007	%	Financial year ended 30.6.2006	%
Current liabilities				
Current borrowings	367.4	31.6	151.4	21.8
Accounts payable trade	76.8	6.6	63.7	9.2
Current income tax liabilities	26.1	2.2	20.9	3.0
Accrued and other current liabilities	158.0	13.6	137.1	19.8
Provisions	15.3	1.4	11.9	1.7
Total current liabilities	**643.6**	**55.4**	**385.0**	**55.5**
Non-current liabilities				
Non-current borrowings	210.2	18.0	152.0	21.9
Accrued pension cost and benefits	54.5	4.7	53.8	7.8
Deferred income taxes	37.8	3.2	23.1	3.3
Other non-interest bearing liabilities	1.5	0.2	1.8	0.3
Total non-current liabilities	**304.0**	**26.1**	**230.7**	**33.3**
Total liabilities	**947.6**	**81.5**	**615.7**	**88.8**
Equity				
Share capital	0.4	0.0	18.6	2.7
Additional paid-in capital	614.7	52.9	546.9	79.0
Equity conversion element of convertible bond	9.3	0.8	9.3	1.3
Retained earnings	−407.5	−35.0	−492.7	−71.1
Treasury stock	−1.1	−0.1	−1.9	−0.3
Cumulative translation adjustment	−0.7	−0.1	−2.9	−0.4
Total shareholders' equity	**215.1**	**18.5**	**77.3**	**11.2**
Minority interests	0.0		0.2	
Total equity	**215.1**	**18.5**	**77.5**	**11.2**
Total liabilities and equity	**1,162.7**	**100.0**	**693.2**	**100.0**

Consolidated statement of cash flows

in CHF million	Financial year ended 30.6.2007	Financial year ended 30.6.2006
Net profit for the year	**84.8**	**68.1**
Depreciation and amortization	42.8	31.6
Income tax expenses	28.5	27.5
Interest expenses	34.2	22.2
Interest income	−1.8	−0.6
Loss (gain) on disposal of fixed assets, net	−1.9	−0.2
Adjustment for non-cash items	1.1	0.9
Change in accounts receivable trade	−18.5	−9.6
Change in inventories	−2.3	−6.9
Change in other current assets	5.0	1.9
Change in accounts payable trade	2.3	0.5
Change in accrued pension cost	−1.6	−2.0
Change in accrued and other current liabilities	3.3	6.6
Cash generated from operations	**175.9**	**140.0**
Income taxes paid	−17.7	−21.7
Interest paid	−26.0	−15.7
Interest received	1.8	0.5
Net cash from operating activities	**134.0**	**103.1**
Cash flows from investing activities		
Purchase of property plant and equipment	−26.5	−26.8
Proceeds from sale of property plant and equipment	11.2	1.1
Acquisition of subsidiaries, net of cash acquired	−251.7	0.0
Acquisition of associates and joint ventures	−6.4	0.0
Purchases of other intangible assets	−4.6	−7.9
Decrease of other non-current financial assets	0.6	1.1
Increase of other non-current financial assets	−0.9	−0.2
Net cash used in investing activities	**−278.3**	**−32.7**
Cash flows from financing activities		
Issuance (repayment) of short-term debt, net	212.0	−54.9
Proceeds from borrowings	2.6	0.0
Repayment of long-term debt	−0.4	−0.2
Decrease in other non-current liabilities	−0.1	−0.2
Dividends paid to minority shareholders	0.0	0.0
Treasury stock purchased	0.0	−1.9
New shares issued	3.6	0.4
Repayment of par value (free of withholding tax)	−19.3	−17.2
Net cash used in financing activities	**198.4**	**−74.0**
Translation exchange differences	−6.9	−1.4
Net increase (decrease) in cash and cash equivalents	**47.2**	**−5.0**
Cash and cash equivalents at beginning of period	38.8	43.8
Cash and cash equivalents at end of period	86.0	38.8
Net increase (decrease) in cash and cash equivalents	**47.2**	**−5.0**

Consolidated changes in equity for financial year 2006/2007

in CHF millon	Share capital	Additional paid-in capital	Equity convers. element of conv. bond [1]	Cash flow hedging reserve	Retained earnings	Treasury stock	Cumul. translation adjustm.	Minority interests	Total equity
Financial year ended 30.6.2006									
Balance at 30.6.2005	**35.8**	**545.5**	**9.3**	**0.0**	**−560.8**	**0.0**	**2.3**	**0.2**	**32.3**
Adjustment cash flow hedging reserve									0.0
Tax effect on adjustment cash flow hedging reserve									0.0
Translation adjustments							−5.2		−5.2
Net income directly recognized in equity							**−5.2**		**−5.2**
Net profit for the year					68.1				68.1
Total recognized income					**68.1**				**68.1**
Repayment of par value (free of withholding tax)	−17.2								−17.2
New shares issued		0.5							0.5
Treasury stock (purchased) re-issued						−1.9			−1.9
Employee options granted		0.9							0.9
Balance at 30.6.2006	**18.6**	**546.9**	**9.3**	**0.0**	**−492.7**	**−1.9**	**−2.9**	**0.2**	**77.5**
Financial year ended 30.6.2007									
Balance at 30.6.2006	**18.6**	**546.9**	**9.3**	**0.0**	**−492.7**	**−1.9**	**−2.9**	**0.2**	**77.5**
Adjustment cash flow hedging reserve									0.0
Tax effect on adjustment cash flow hedging reserve									0.0
Valuation adjustment treasury stock					0.4	−0.4			0.0
Translation adjustments							2.2	−0.2	2.0
Net income directly recognized in equity					**0.4**	**−0.4**	**2.2**	**−0.2**	**2.0**
Net profit for the year					84.8				84.8
Total recognized income					**85.2**	**−0.4**	**2.2**	**−0.2**	**86.8**
Repayment of par value (free of withholding tax)	−19.3								−19.3
New shares issued	1.1	66.7							67.8
Treasury stock (purchased) re-issued						1.2			1.2
Employee options granted		1.1							1.1
Balance at 30.6.2007	**0.4**	**614.7**	**9.3**	**0.0**	**−407.5**	**−1.1**	**−0.7**	**0.0**	**215.1**

[1] net of income tax

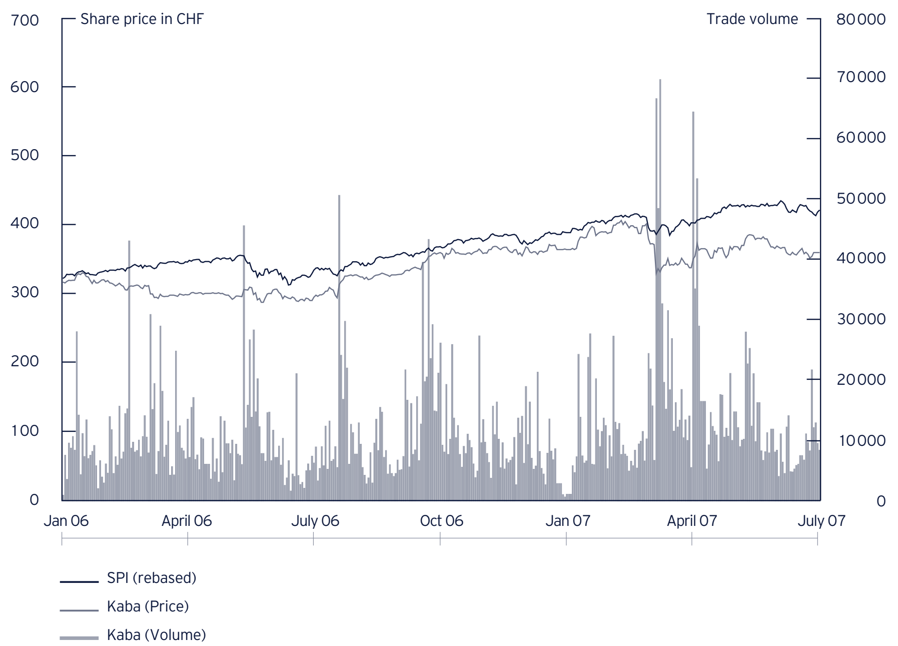
Segment reporting – full year

In CHF million	Door Systems	Access + Data Systems	Key + Ident Systems	Other/ Eliminations/ Finance	Group
Prior year ended 30.6.2006					
Net sales third parties	269.4	503.6	227.4	40.6	1,041.0
Intercompany sales	2.0	1.9	4.4	−8.3	0.0
Total segment sales	**271.4**	**505.5**	**231.8**	**32.3**	**1,041.0**
Segment operating profit (EBIT)	**22.3**	**94.3**	**23.4**	**−21.2**	**118.8**
in % segment sales	8.2%	18.7%	10.1%	N/A	11.4%
Financial year ended 30.6.2007					
Net sales third parties	272.9	679.6	256.0	40.2	1,248.7
Intercompany sales	1.4	2.0	5.0	−8.4	0.0
Total segment sales	**274.3**	**681.6**	**261.0**	**31.8**	**1,248.7**
Segment operating profit (EBIT)	**23.5**	**115.6**	**24.5**	**−19.9**	**143.7**
in % segment sales	8.6%	17.0%	9.4%	N/A	11.5%
Segment operating profit currency- and acquisition-adjusted	**23.4**	**103.1**	**23.8**	**−19.7**	**130.6**
Growth segment sales	2.9	176.1	29.2	−0.5	207.7
in %	1.1%	34.8%	12.6%	N/A	20.0%
Whereof currency impact	5.3	−4.3	−1.4	0.0	−0.4
in %	2.0%	−0.9%	−0.6%	N/A	0.0%
Whereof acquisition impact	0.0	144.3	4.5	0.0	148.8
in %	0.0%	28.5%	1.9%	N/A	14.3%
Currency-adjusted internal growth segment sales	−2.4	36.1	26.1	−0.5	59.3
in %	−0.9%	7.2%	11.3%	N/A	5.7%

Segment reporting – 2^{nd} half year

In CHF million	Door Systems	Access + Data Systems	Key + Ident Systems	Other/ Eliminations/ Finance	Group
Reporting half-year Dec. 2005 to June 2006					
Net sales third parties	135.4	254.9	121.5	20.3	532.1
Intercompany sales	0.9	1.0	2.3	−4.2	0.0
Total segment sales	**136.3**	**255.9**	**123.8**	**16.1**	**532.1**
Segment operating profit (EBIT)	**10.0**	**43.3**	**14.2**	**−10.2**	**57.3**
in % segment sales	7.3%	16.9%	11.5%	N/A	10.8%
Reporting half-year Dec. 2006 to June 2007					
Net sales third parties	137.4	361.4	137.9	21.7	658.4
Intercompany sales	0.7	0.9	2.8	−4.4	0.0
Total segment sales	**138.1**	**362.3**	**140.7**	**17.3**	**658.4**
Segment operating profit (EBIT)	**11.7**	**57.2**	**11.8**	**−7.9**	**72.8**
in % segment sales	8.5%	15.8%	8.4%	N/A	11.1%
Segment operating profit currency- and acquisition-adjusted	**11.8**	**49.6**	**10.9**	**−7.0**	**65.3**
Growth segment sales	1.8	106.4	16.9	1.2	126.3
in %	1.3%	41.6%	13.7%	N/A	23.7%
Whereof currency impact	3.6	−1.0	0.5	−0.2	2.9
in %	2.6%	−0.4%	0.4%	N/A	0.5%
Whereof acquisition impact	0.0	86.4	3.5	0.0	89.9
in %	0.0%	33.8%	2.8%	N/A	16.9%
Currency-adjusted internal growth segment sales	−1.8	21.0	12.9	1.4	33.5
in %	−1.3%	8.2%	10.4%	N/A	6.3%

Stock price trend



Agenda

23 October 2007, Tuesday 3 p.m.
Annual General Meeting of Kaba Holding AG

5 March 2008, Wednesday
Shareholder Newsletter and press release on the half-year results to 31 December 2007

17 September 2008, Wednesday
Presentation for financial analysts
Results press conference
Shareholder newsletter with the results for the 2007/2008 financial year
Distrubution of Annual Report
Invitation to the Annual General Meeting of Shareholders

21 October 2008, Tuesday, 3 p.m
Annual General Meeting of Kaba Holding AG

Please visit our website at www.kaba.com. There, you will find our latest share price, the most recent press releases, the Annual Report to 30 June 2007, Kaba's Sustainability Charta and the ever-popular Investor's Handbook. You will also see which new Kaba products and systems you may use to increase your own security and personal convenience.

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