Consolidated interim financial statements

1 July 2011 to 31 December 2011

Solid result despite strong Swiss franc

> Growth in local currency terms including acquisitions: 10.4 %

> Organic growth in local currency terms: 4.6 %

> Sales with CHF 464.8 million at prior-year level despite negative currency influences

> EBITDA margin of 16.5 %

> Integration of acquisitions on track

> Guidance for current financial year confirmed

Dear Shareholders
Ladies and Gentlemen

Good performance in an increasingly demanding market environment

In the first half of financial year 2011/2012, Kaba Group achieved another solid result. The two Business Segments Access + Data Systems EMEA/Asia Pacific and Americas achieved pleasant organic growth figures and reported strong margins. The Business Segment Industrial Locks also posted good organic growth and operating margins at a high level which were lower than the prior-year ones due to higher cost of materials at the Chinese subsidiary. Meanwhile, because of its early-cycle character, the Key Systems Business Segment posted results that were already starting to reflect the first signs of the gathering economic downturn.

Kaba's markets were for the most part in good health in the first half of 2011/2012. Our operations in Central and Northern European countries in particular posted good results. Southern Europe was once again affected by clients' reluctance to invest. Growth in America slowed slightly over the course of the period under review, but in local currency terms Kaba still saw sales increase in North America. Apart from Japan, the Asian markets performed well.

Kaba also successfully started its programs for strengthening organic growth, posting good growth rates for the first half of 2011/2012. In local currency terms, i.e. after adjusting for exchange rate movements, sales went up by 10.4 %. All figures are shown on a comparable basis, i.e. after eliminating the influence of the Door Automation Business Segment.

The increase in sales was a result of both organic growth (+ 4.6 %, or CHF 19.4 million, converted) and the acquisitions made during the past year (+ 5.8 % or CHF 24.5 million, converted). Unfortunately, this good news was neutralized by a further deterioration in the exchange rate situation. Overall, therefore, Kaba Group achieved sales of CHF 464.8 million during the period under review (prior-year period: CHF 465.8 million).

The sales performance differed from segment to segment, primarily because of the different reaction times to economic developments. While Access + Data Systems and Safe Locks (Industrial Locks Business Segment) are late-cycle businesses, the Key Systems Business Segment is early-cyclical. The latest results confirm this once again and are in line with the scenario on which Kaba based the guidance it gave at its Capital Market Day in November 2011.

Against this background, Kaba is confirming its guidance for the current financial year. The company expects sales growth of around 5 % (in local currency terms, including 2010/2011 acquisitions) and an EBITDA margin of 15 % to 16 %.

Ulrich Graf, Chairman of the Board of Directors, and Riet Cadonau, CEO

Currency influences have negative impact

Once again, Kaba was confronted by negative exchange rate influences. Weaker foreign currencies caused a CHF 44.9 million, or 9.6 %, reduction in the sales figures. The currency situation also caused a CHF 6.9 million, or 10.9 %, drop in EBIT compared to the prior-year period.

The weakening of the euro and US dollar against the Swiss franc are the main currency influences when Kaba converts the results reported by its subsidiaries into the Group reporting currency, the Swiss franc (translation effect). However, the Group's transaction risks are limited thanks to its decentralized structure and local production sites, since most earnings in foreign currencies are set against expenditure and financing costs in the same currencies. The average value of the euro dropped 9.1 % from CHF 1.32 in the prior-year period to CHF 1.20, while the US dollar fell 13.9 % from CHF 1.01 to CHF 0.87.

Operating margins at prior-year level

Kaba Group's EBITDA margin reached 16.5 %, which is practically the same as the year-back figure (16.9 %). EBITDA came to CHF 76.7 million (prior-year period: CHF 78.8 million). EBIT during the half-year under review stood at CHF 64.6 million (prior-year period: CHF 63.1 million), giving an EBIT margin of 13.9 % (prior-year period: 13.5 %). Kaba Group's net profit came to CHF 43.8 million (prior-year period: CHF 44.9 million).

Access + Data Systems EMEA/Asia Pacific records organic growth of 6.7 % and an increased EBITDA margin of 17.4 %

The Access + Data Systems EMEA/Asia Pacific Business Segment benefited from the growth initiatives launched at the start of the financial year. With organic growth of 6.7 % in local currency (CHF 14.1 million, converted), it outperformed the overall market significantly and won further market share. Acquisitions contributed 9.9 % in local currency (CHF 20.9 million, converted) of the sales growth. The appreciation of the Swiss franc against the main currencies took 6.3 %, or CHF 14.2 million, off the sales figure compared with the prior-year period. As a result, total sales were up CHF 20.8 million, or 9.2 %, to CHF 246.8 million (prior-year period: CHF 226.0 million).

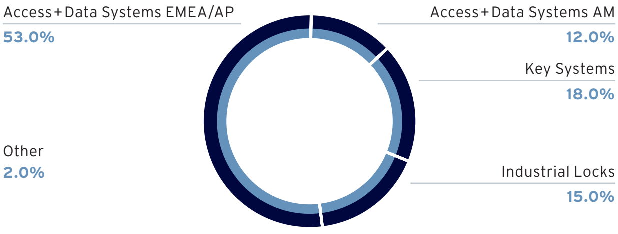
The EBITDA of CHF 43.0 million reflected a margin of 17.4 %, which is higher than for the same period in the previous year (16.2 %) mainly because of the rise in sales. EBIT stood at CHF 36.3 million (prior-year period: CHF 30.9 million), giving an EBIT margin of 14.7 % (prior-year period: 13.7 %).

Access + Data Systems Americas posts organic sales growth of 6.5 %, while EBITDA margin is held at high year-back figure

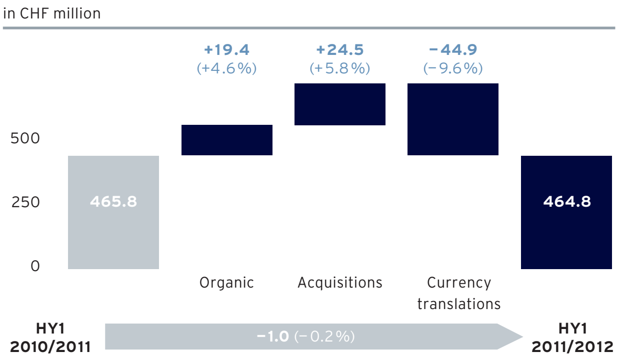
The Access + Data Systems Americas Business Segment recorded a 6.5 % (CHF 3.6 million, converted) rise in organic growth in local currency terms. Currency-adjusted, acquisitions contributed 4.9 % (CHF 2.7 million, converted) of the sales growth. This pleasant result was, however, more than offset by the negative effect of currency translation. The appreciation of the Swiss franc against the US dollar reduced the sales figure by 13.1 %, or CHF 8.4 million, compared with the previous year, so bottom-line sales actually fell by CHF 2.1 million, or 3.3 %, to CHF 61.8 million (prior-year period CHF 63.9 million).

The EBITDA of CHF 13.4 million reflects a margin of 21.7 %, which is practically as high as a year previously (21.8 %). EBIT stood at CHF 12.0 million (prior-year period: CHF 12.3 million), giving an EBIT margin of 19.4 % (prior-year period: 19.2 %).

THIRD-PARTY SALES BY SEGMENTS



SALES DEVELOPMENT



OVERVIEW SEGMENT RESULTS

	Access + Data Systems EMEA / AP		Access + Data Systems AM		Industrial Locks		Key Systems	
in CHF million	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Total sales	**246.8**	**226.0**	**61.8**	**63.9**	**80.3**	**87.9**	**84.7**	**98.0**
Organic growth rate in %	6.7 %	0.1 %	6.5 %	2.4 %	4.7 %	18.3 %	−2.7 %	7.5 %
Operating profit before depreciation and amortization (EBITDA)	**43.0**	**36.7**	**13.4**	**13.9**	**20.3**	**25.7**	**9.0**	**13.6**
in % of sales	17.4 %	16.2 %	21.7 %	21.8 %	25.3 %	29.2 %	10.6 %	13.9 %
Operating profit (EBIT)	**36.3**	**30.9**	**12.0**	**12.3**	**17.2**	**22.2**	**6.5**	**9.9**
in % of sales	14.7 %	13.7 %	19.4 %	19.2 %	21.4 %	25.3 %	7.7 %	10.1 %

Industrial Locks generates solid organic growth of 4.7 % – operating margins at high level

In local currency terms, there was a 4.7 % organic increase in sales by the Industrial Locks Business Segment during the half-year under review (CHF 3.6 million, converted). Currency influences reduced the sales figure by 12.7 % (CHF 11.2 million, converted). Overall, the Business Segment Industrial Locks posted sales of CHF 80.3 million (prior-year period CHF 87.9 million).

EBITDA reached CHF 20.3 million, with the EBITDA margin at 25.3 % (prior-year period: CHF 25.7 million resp. 29.2 %). The appreciation of the Swiss franc once again had a negative impact when the results were translated from local currencies. However, the main reason for the lower margin was the higher cost of materials at the Chinese subsidiary. EBIT fell to CHF 17.2, producing an EBIT margin of 21.4 % (prior-year period: CHF 22.2 million resp. 25.3 %).

Key Systems feels initial effects of the economic downturn

At the Key Systems Business Segment, an early cyclical business, first-half results were already affected by the economic downturn, especially in America and certain European countries. Currency-adjusted, there was an organic decrease in sales of 2.7 % (CHF 2.3 million, converted). Acquisitions contributed 1.0 % in local currency (CHF 0.9 million, converted). Once again, the main reason for the sales decrease was negative currency influences totalling 12.1 % (CHF 11.9 million, converted). In sum, the Business Segment sales fell by 13.6 % compared with the prior-year period, from CHF 98.0 million to CHF 84.7 million.

The lower sales figures caused a deterioration in fixed cost coverage. In addition, higher material costs affected the EBITDA margin, which fell from 13.9 % in the prior-year period to 10.6 %. EBITDA came to CHF 9.0 million (prior-year period CHF 13.6 million). EBIT declined to CHF 6.5 million, leading to an EBIT margin of 7.7 % (prior-year period: CHF 9.9 million resp. 10.1 %).

Strong balance sheet

Kaba Group's balance sheet as at 31 December 2011 was very solid, leaving the Group well equipped for future challenges. Net debt decreased from CHF 241.4 million on 31 December 2010 to CHF 68.7 million on 31 December 2011 (net debt on 30 June 2011: CHF 32.8 million). As at the balance sheet date of 31 December 2011, the equity ratio stood at 53.8 % (30 June 2011: 52.8 %; 31 December 2010: 34.9 %).

Free cash flow affected by one-off effects

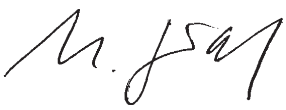
During the period under review free cash flow went down to CHF 15.7 million (prior-year period: CHF 26.2 million). The main reasons for this were payments for restructuring and optimization of customer systems provided for in the previous year (CHF 10.4 million) and withholding tax payments that can be reclaimed and that will therefore have a positive effect on free cash flow in subsequent months (CHF 9.0 million).

Integration of acquisitions goes according to plan
The previous year's acquisition of Møller Undall Group, based in Drammen (Norway), significantly strengthened Kaba's sales capabilities in Northern Europe. Kaba also acquired e-DATA, which has offices in Dallas (USA) and Stuttgart (Germany). This company specializes in web-based plug-and-play solutions that combine access control and time recording and that are aimed at clients, such as retail chains, which run networks of stores. The integration of both companies into Kaba Group is proceeding as planned.

Outlook: confirmation of guidance
Kaba confirms that it expects sales growth of around 5% in local currency terms for the current financial year 2011/2012; this includes the acquisitions made during the 2010/2011 financial year. The full-year EBITDA margin is likely to be between 15% and 16%. In the Business Segments Access + Data Systems EMEA/Asia Pacific and Americas as well as in Industrial Locks Kaba expects to see continued organic growth and solid margins in the second half of the year. In the Key Systems Business Segment, cost-reduction measures were initiated with the aim of strengthening margins.

Thank you
We would like to thank you, our valued shareholders, for the interest and loyalty you have shown in Kaba. Your company has proved that it can implement growth initiatives effectively and gain market share. This is thanks to our associates, who with their expertise and commitment have seized the market opportunities that have arisen in a challenging environment, and to our customers, who have consistently placed their trust in us.

Yours sincerely



Ulrich Graf
Chairman of the Board of Directors

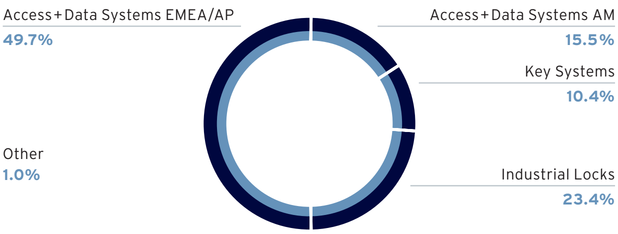
Riet Cadonau
CEO

Key figures HY1 2011/2012

KEY FIGURES

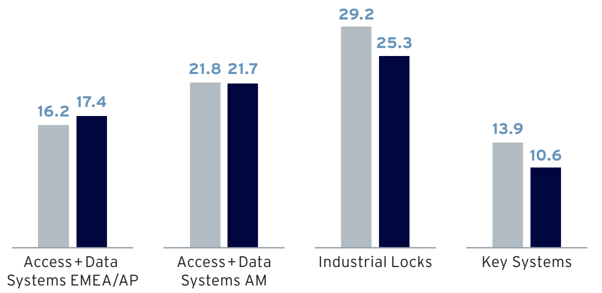
in CHF million	Reporting half-year ended 31.12.2011	%	Financial year ended 30.06.2011	%	Reporting half-year ended 31.12.2010	%
Net sales	464.8	100.0	945.2	100.0	465.8	100.0
Operating profit before depreciation (EBITDA)	**76.7**	**16.5**	**150.9**	**16.0**	**78.8**	**16.9**
Operating profit (EBIT)	**64.6**	**13.9**	**88.7**	**9.4**	**63.1**	**13.5**
Profit from continuing operations before taxes	61.2	13.2	77.6	8.3	57.7	12.4
Profit from continuing operations	43.2	9.3	54.3	5.7	42.2	9.1
Discontinued operations	0.6		167.3		2.7	
Net profit	**43.8**	**9.4**	**221.6**	**23.4**	**44.9**	**9.6**
Free cash flow (net) before dividend	15.7		242.9		26.2	
Equity ratio	53.8%		52.8%		34.9%	
Basic earnings per share (in CHF)	11.5		58.3		11.8	
Diluted earnings per share (in CHF)	11.5		58.3		11.8	
Market capitalization	1,247.8		1,393.3		1,526.6	
Net debt / EBITDA (Gearing)	0.5		0.2		1.4	

EBITDA CONTRIBUTION BY SEGMENTS



EBITDA MARGIN BY SEGMENTS*

in %



*Other 9.5% (previous year –5.9%)

IMPRINT

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 **Picture credits:** © Günter Bolzern

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- currency and raw material price fluctuations,
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- political risks in countries where the Company operates,
- changes in applicable law
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Consolidated income statement and Statement of comprehensive income

Consolidated income statement

in CHF million	Reporting half-year ended 31.12.2011	in %	Financial year ended 30.06.2011	in %	Reporting half-year ended 31.12.2010	in %
Net sales	**464.8**	**100.0**	**945.2**	**100.0**	**465.8**	**100.0**
Changes in finished goods and work in progress	0.2	0.0	1.9	0.2	5.3	1.1
Other operating income	5.1	1.1	10.2	1.1	5.1	1.1
Material expenses	−152.9	−32.9	−309.7	−32.8	−152.3	−32.7
Personnel expenses	−172.9	−37.2	−354.9	−37.5	−174.6	−37.5
Other operating expenses	−67.6	−14.5	−141.8	−15.0	−70.5	−15.1
Operating profit before depreciation (EBITDA)	**76.7**	**16.5**	**150.9**	**16.0**	**78.8**	**16.9**
Depreciation and amortization	−15.3	−3.3	−31.4	−3.3	−15.7	−3.4
Operating profit (EBIT) before items affecting comparability	**61.4**	**13.2**	**119.5**	**12.7**	**63.1**	**13.5**
Items affecting comparability	3.2	0.7	−30.8	−3.3	0.0	0.0
Operating profit (EBIT)	**64.6**	**13.9**	**88.7**	**9.4**	**63.1**	**13.5**
Result from associates and joint ventures	0.1	0.0	0.1	0.0	−0.1	−0.0
Financial expenses	−3.8	−0.8	−11.7	−1.2	−5.5	−1.2
Financial income	0.3	0.1	0.5	0.1	0.2	0.0
Profit from continuing operations before taxes	**61.2**	**13.2**	**77.6**	**8.3**	**57.7**	**12.4**
Income taxes	−18.0	−3.9	−23.3	−2.6	−15.5	−3.3
Profit from continuing operations	**43.2**	**9.3**	**54.3**	**5.7**	**42.2**	**9.1**
Discontinued operations	0.6		167.3		2.7	
Net profit	**43.8**		**221.6**		**44.9**	
Net profit attributable to non-controlling interests	0.0		0.0		0.0	
Net profit attributable to owners of the parent	43.8		221.6		44.9	
Basic earnings per share from continuing operations (in CHF)	11.3		14.3		11.1	
Basic earnings per share from discontinued operations (in CHF)	0.2		44.0		0.7	
Diluted earnings per share from continuing operations (in CHF)	11.3		14.3		11.1	
Diluted earnings per share from discontinued operations (in CHF)	0.2		44.0		0.7	
Average number of full-time equivalent employees	7,615		7,404		7,302	

Statement of comprehensive income

in CHF million, except per share amounts	Reporting half-year ended 31.12.2011	Financial year ended 30.06.2011	Reporting half-year ended 31.12.2010
Net profit for the reporting period	**43.8**	**221.6**	**44.9**
Other comprehensive income			
Translation exchange differences	49.3	−114.7	−65.2
Cumulated translation adjustments transferred to the income statement	0.0	1.9	0.4
Other comprehensive income, net of tax	**49.3**	**−112.8**	**−64.8**
Total comprehensive income for the period	**93.1**	**108.8**	**−19.9**
Net profit attributable to non-controlling interests	0.0	0.0	0.0
Net profit attributable to owners of the parent	93.1	108.8	−19.9

Consolidated balance sheet

Assets

in CHF million	Reporting half-year ended 31.12.2011	in %	Financial year ended 30.06.2011	in %	Reporting half-year ended 31.12.2010	in %
Current assets						
Cash and cash equivalents	77.5	8.4	83.8	9.7	88.3	9.4
Trade receivables	158.6	17.2	156.9	18.1	178.0	19.0
Inventories	175.6	19.0	163.7	18.9	201.6	21.5
Current income tax assets	18.1	2.0	5.8	0.7	6.9	0.7
Other current assets	17.8	1.9	16.4	1.9	20.2	2.2
Total current assets	**447.6**	**48.4**	**426.6**	**49.3**	**495.0**	**52.9**
Non-current assets						
Property, plant and equipment	161.9	17.5	158.3	18.3	180.9	19.3
Goodwill and other intangible assets	281.5	30.4	255.0	29.5	232.5	24.9
Investments in associates and joint ventures	3.0	0.3	3.2	0.4	3.4	0.4
Non-current financial assets	21.2	2.3	14.7	1.7	18.4	2.0
Deferred income tax assets	9.3	1.0	7.9	0.9	5.3	0.6
Total non-current assets	**476.9**	**51.6**	**439.1**	**50.7**	**440.5**	**47.1**
Total assets	**924.5**	**100.0**	**865.7**	**100.0**	**935.5**	**100.0**

Liabilities and equity

in CHF million	Reporting half-year ended 31.12.2011	in %	Financial year ended 30.06.2011	in %	Reporting half-year ended 31.12.2010	in %
Current liabilities						
Current borrowings	142.4	15.4	113.4	13.1	227.7	24.3
Trade payables	45.7	4.9	48.6	5.6	56.2	6.0
Current income tax liabilities	20.2	2.2	15.1	1.7	20.5	2.2
Accrued and other current liabilities	106.4	11.5	124.0	14.3	115.4	12.3
Provisions	30.9	3.4	36.2	4.2	12.2	1.3
Total current liabilities	**345.6**	**37.4**	**337.3**	**38.9**	**432.0**	**46.2**
Non-current liabilities						
Non-current borrowings	3.8	0.4	3.2	0.4	102.0	10.9
Accrued pension costs and benefits	37.3	4.0	34.6	4.0	38.4	4.1
Deferred income tax liabilities	35.3	3.8	28.1	3.2	35.9	3.8
Provisions (non-current)	4.5	0.5	4.5	0.6	0.0	0.0
Other non-interest bearing liabilities	0.6	0.1	0.5	0.1	0.5	0.1
Total non-current liabilities	**81.5**	**8.8**	**70.9**	**8.3**	**176.8**	**18.9**
Total liabilities	**427.1**	**46.2**	**408.2**	**47.2**	**608.8**	**65.1**
Equity						
Share capital	0.4	0.0	0.4	0.0	0.4	0.0
Additional paid-in capital	631.0	68.3	630.9	72.9	628.5	67.2
Retained earnings	−39.9	−4.3	−30.6	−3.5	−207.5	−22.2
Treasury stock	−4.4	−0.5	−4.2	−0.5	−3.6	−0.4
Translation exchange differences	−90.5	−9.8	−139.8	−16.1	−91.8	−9.8
Total equity owners of the parent	**496.6**	**53.7**	**456.7**	**52.8**	**326.0**	**34.8**
Non-controlling interests	0.8	0.1	0.8	0.1	0.7	0.1
Total equity	**497.4**	**53.8**	**457.5**	**52.8**	**326.7**	**34.9**
Total liabilities and equity	**924.5**	**100.0**	**865.7**	**100.0**	**935.5**	**100.0**

Consolidated cash flow statement

in CHF million	Reporting half-year ended 31.12.2011	Financial year ended 30.06.2011	Reporting half-year ended 31.12.2010
Net profit for the year	**43.8**	**221.6**	**44.9**
Depreciation and amortization	15.3	34.4	17.7
Income tax expenses	18.0	25.3	17.5
Interest expenses	2.5	10.5	4.5
Interest income	−0.3	−0.4	−0.2
(Gain) loss on disposal of fixed assets, net	0.0	0.5	0.1
Adjustment for non-cash items	−2.3	−0.5	2.4
Gain recognized on disposal of discontinued operations	−0.6	−165.7	−2.7
Change in trade receivables	6.1	−7.1	12.5
Change in inventories	−1.6	−17.2	−16.1
Change in other current assets	−1.2	−6.3	−5.2
Change in trade payables	−5.1	3.3	1.8
Change in accrued pension cost	1.6	0.0	1.2
Change in accrued and other current liabilities	−26.5	50.5	−16.1
Cash generated from operations	**49.7**	**148.9**	**62.3**
Income taxes paid	−22.0	−35.9	−14.4
Interest paid	−2.5	−8.0	−4.5
Interest received	0.2	0.4	0.2
Net cash from operating activities	**25.4**	**105.4**	**43.6**
Cash flows from investing activities			
Purchase of property, plant and equipment	−8.7	−30.6	−17.9
Proceeds from sale of property, plant and equipment	0.6	0.5	0.2
Acquisition of subsidiaries, net of cash acquired	0.0	−48.4	−0.8
Sale of subsidiaries, net of cash sold	0.0	219.0	2.7
Purchases of other intangible assets	−0.5	−2.1	−0.8
Decrease in other non-current financial assets	0.6	0.0	1.0
Increase in other non-current financial assets	−1.7	−0.9	−1.8
Net cash used in investing activities	**−9.7**	**137.5**	**−17.4**
Cash flows from financing activities			
Proceeds from (repayment of) current borrowings, net	26.7	−96.5	14.7
Proceeds from non-current borrowings	1.2	0.0	0.1
Repayment of non-current borrowings	0.0	−106.2	−0.5
Decrease in other non-current liabilities	0.0	−0.1	0.0
(Purchase) sale of treasury stock	−1.0	−3.3	−2.8
New shares issued	0.1	2.7	0.3
Dividends paid to company's shareholders	−53.2	−26.6	−26.6
Net cash flows from financing activities	**−26.2**	**−230.0**	**−14.8**
Translation exchange differences	4.2	−11.5	−5.5
Net increase (decrease) in cash and cash equivalents	**−6.3**	**1.4**	**5.9**
Cash and cash equivalents at beginning of period	83.8	82.4	82.4
Cash and cash equivalents at end of period	77.5	83.8	88.3
Net increase (decrease) in cash and cash equivalents	**−6.3**	**1.4**	**5.9**

Changes in equity

in CHF millon	Share capital	Additional paid-in capital	Retained earnings	Treasury stock	Cumul. translation adjustm.	Non-controlling interests	Total equity
Prior half-year ended 31.12.2010							
Balance at 30.06.2010	**0.4**	**628.2**	**−225.9**	**−1.8**	**−27.0**	**0.0**	**373.9**
Net profit for the reporting period			44.9				44.9
Other comprehensive income, net of tax					−64.8		−64.8
Total comprehensive income for the period			**44.9**		**−64.8**	**0.0**	**−19.9**
Dividend paid			−26.6				−26.6
Non-controlling interest on acquisition of subsidiary						0.7	0.7
New shares issued	0.0	0.3					0.3
Treasury stock purchased				−2.8			−2.8
Treasury stock re-issued			0.1	1.0			1.1
Balance at 31.12.2010	**0.4**	**628.5**	**−207.5**	**−3.6**	**−91.8**	**0.7**	**326.7**
Financial half-year ended 31.12.2011							
Balance at 30.06.2011	**0.4**	**630.9**	**−30.6**	**−4.2**	**−139.8**	**0.8**	**457.5**
Net profit for the reporting period			43.8				43.8
Other comprehensive income, net of tax					49.3		49.3
Total comprehensive income for the period			**43.8**		**49.3**	**0.0**	**93.1**
Dividend paid			−53.2				−53.2
Non-controlling interest on acquisition of subsidiary						0.0	0.0
New shares issued	0.0	0.1					0.1
Treasury stock purchased				−1.0			−1.0
Treasury stock re-issued			0.1	0.8			0.9
Balance at 31.12.2011	**0.4**	**631.0**	**−39.9**	**−4.4**	**−90.5**	**0.8**	**497.4**

Notes

The consolidated financial statements of Kaba Group include the operations of Kaba Holding AG and all direct and indirect subsidiaries in which Kaba controls more than 50 % of votes or otherwise has the power to govern the financial and operating policies. Investments in associates and joint ventures where Kaba exercises significant influence, but does not have control (normally with an interest between 20 % and 50 %), are accounted for using the equity method of accounting.

The unaudited consolidated interim financial statements cover the period from 1 July 2011 until 31 December 2011 and are prepared in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". These consolidated interim financial statements do not include all the notes contained in the consolidated annual financial statements, and for that reason should be read in conjunction with the consolidated financial statements for the year ended 30 June 2011.

Kaba Group's business is not affected by significant seasonal or cyclical fluctuations, but shows a tendency to weaker results in the second half of the financial year.

Income tax expense is recognized based upon the best estimate of the weighted average annual income tax rate expected for the full financial year.

The accounting principles applied in the interim financial statements are consistent with those used in the annual report as at 30 June 2011, with the exception of the following new standards and interpretations that have become effective for the financial year beginning 1 July 2011.

The following new or revised standards and interpretations have been applied in the current reporting period 2011/2012 without having a significant effect on the Kaba Group's results and financial position:

> IFRS 7 "Financial instruments: Disclosures"
  (effective 1 July 2011)
> IAS 24 (amended), "Related party disclosures"
  (effective 1 January 2011)
> IFRIC 14 (amended), "Prepayments of a minimum funding
  requirement" (effective 1 January 2011)
> Improvements to IFRS 2010, "Clarifications
  of existing IFRS" (effective 1 January 2011)

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the consolidated interim financial statements. If in future such estimates and assumptions, which are based on management's best judgment at the date of the consolidated interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the reporting period in which the circumstances change.

Change in the basis of segmentation

Segment information follows the new internal reporting structure as from 1 July 2011. The former segment Access + Data Systems is now divided into two segments, Access + Data Systems EMEA/AP and Access + Data Systems AM. Prior-year comparables have been restated.

Items affecting comparability

A curtailment as well as vested negative past service cost relating to the Swiss pension plan resulted in a positive one-time effect of CHF 3.2 million.

Events after the reporting period

No events to report.

Segment reporting

in CHF million	Access + Data Systems EMEA / AP Reporting half-year ended 31.12.2011	Access + Data Systems EMEA / AP Prior half-year ended 31.12.2010	Access + Data Systems AM Reporting half-year ended 31.12.2011	Access + Data Systems AM Prior half-year ended 31.12.2010	Industrial Locks Reporting half-year ended 31.12.2011	Industrial Locks Prior half-year ended 31.12.2010	Key Systems Reporting half-year ended 31.12.2011	Key Systems Prior half-year ended 31.12.2010
Net sales third parties	246.7	225.8	55.0	56.7	71.5	80.5	83.8	96.4
Intercompany sales	0.1	0.2	6.8	7.2	8.8	7.4	0.9	1.6
Total sales	**246.8**	**226.0**	**61.8**	**63.9**	**80.3**	**87.9**	**84.7**	**98.0**
Operating profit before depreciation and amortization (EBITDA)	**43.0**	**36.7**	**13.4**	**13.9**	**20.3**	**25.7**	**9.0**	**13.6**
in % of sales	17.4 %	16.2 %	21.7 %	21.8 %	25.3 %	29.2 %	10.6 %	13.9 %
Operating profit (EBIT) before items affecting comparability	**36.3**	**30.9**	**12.0**	**12.3**	**17.2**	**22.2**	**6.5**	**9.9**
in % of sales	14.7 %	13.7 %	19.4 %	19.2 %	21.4 %	25.3 %	7.7 %	10.1 %
Items affecting comparability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit (EBIT)	**36.3**	**30.9**	**12.0**	**12.3**	**17.2**	**22.2**	**6.5**	**9.9**
in % of sales	14.7 %	13.7 %	19.4 %	19.2 %	21.4 %	25.3 %	7.7 %	10.1 %
Result from associates								
Financial expenses								
Financial income								
Profit before taxes								
Change in sales	20.8	−18.7	−2.1	0.0	−7.6	9.8	−13.3	3.3
in %	9.2 %	−7.6 %	−3.3 %	0.0 %	−8.6 %	12.5 %	−13.6 %	3.5 %
Of which translation exchange differences	−14.2	−19.0	−8.4	−1.5	−11.2	−3.8	−11.9	−7.7
in %	−6.3 %	−7.8 %	−13.1 %	−2.3 %	−12.7 %	−4.9 %	−12.1 %	−8.1 %
Of which acquisition (disposal) impact	20.9	0.0	2.7	0.0	0.0	0.0	0.9	4.5
in %	9.9 %	0.0 %	4.9 %	0.0 %	0.0 %	0.0 %	1.0 %	5.2 %
Currency-adjusted internal growth sales	14.1	0.3	3.6	1.5	3.6	13.6	−2.3	6.5
in %	6.7 %	0.1 %	6.5 %	2.4 %	4.7 %	18.3 %	−2.7 %	7.5 %
Operating assets	283.8	295.8	146.9	60.4	209.5	212.1	132.0	140.2
Operating liabilities	−112.2	−91.9	−28.7	−19.8	−21.9	−23.0	−42.9	−41.8
Net operating assets	171.6	203.9	118.1	40.7	187.6	189.1	89.1	98.4
Capital expenditure	4.2	12.6	0.6	0.0	0.8	0.9	3.0	2.6
Depreciation and amortization	6.7	5.8	1.4	1.6	3.1	3.5	2.5	3.7
Average number of full-time-equivalent employees	2,564	2,362	683	639	2,899	2,875	1,371	1,330

Other: Reporting half-year ended 31.12.2011	Other: Prior half-year ended 31.12.2010	Corporate: Reporting half-year ended 31.12.2011	Corporate: Prior half-year ended 31.12.2010	Eliminations: Reporting half-year ended 31.12.2011	Eliminations: Prior half-year ended 31.12.2010	Group: Reporting half-year ended 31.12.2011	Group: Prior half-year ended 31.12.2010	in CHF million
7.8	6.4	0.0	0.0	0.0	0.0	464.8	465.8	Net sales third parties
0.6	0.4	0.0	0.0	−17.2	−16.8	0.0	0.0	Intercompany sales
8.4	**6.8**	**0.0**	**0.0**	**−17.2**	**−16.8**	**464.8**	**465.8**	**Total sales**
0.8	**−0.4**	**−9.8**	**−10.7**	**0.0**	**0.0**	**76.7**	**78.8**	**Operating profit before depreciation and amortization (EBITDA)**
9.5%	−5.9%	0.0%	0.0%	0.0%	0.0%	16.5%	16.9%	in % of sales
0.7	**−0.5**	**−11.3**	**−11.7**	**0.0**	**0.0**	**61.4**	**63.1**	**Operating profit (EBIT) before items affecting comparability**
8.3%	−7.4%	0.0%	0.0%	0.0%	0.0%	13.2%	13.5%	in % of sales
0.0	0.0	3.2	0.0	0.0	0.0	3.2	0.0	Items affecting comparability
0.7	**−0.5**	**−8.1**	**−11.7**	**0.0**	**0.0**	**64.6**	**63.1**	**Operating profit (EBIT)**
8.3%	−7.4%	0.0%	0.0%	0.0%	0.0%	13.9%	13.5%	in % of sales
						0.1	−0.1	Result from associates
						−3.8	−5.5	Financial expenses
						0.3	0.2	Financial income
						61.2	**57.7**	**Profit before taxes**
1.6	0.0	0.0	0.0	−0.4	−0.8	−1.0	−6.4	Change in sales
23.5%	0.0%	0.0%	0.0%	N/A	N/A	−0.2%	−1.4%	in %
0.0	0.0	0.0	0.0	0.8	2.1	−44.9	−29.9	Of which translation exchange differences
0.0%	0.0%	0.0%	0.0%	N/A	N/A	−9.6%	−6.3%	in %
0.0	0.0	0.0	0.0	0.0	0.0	24.5	4.5	Of which acquisition (disposal) impact
0.0%	0.0%	0.0%	0.0%	N/A	N/A	5.8%	1.0%	in %
1.6	0.0	0.0	0.0	−1.2	−2.9	19.4	19.0	Currency-adjusted internal growth sales
23.5%	0.0%	0.0%	0.0%	N/A	N/A	4.6%	4.3%	in %
4.8	4.5	36.1	22.4			813.2	735.4	Operating assets
−1.3	−1.4	−17.6	−12.5			−224.6	−190.3	Operating liabilities
3.5	3.1	18.5	9.8			588.6	545.0	Net operating assets
0.0	0.0	0.6	1.0			9.2	17.1	Capital expenditure
0.1	0.1	1.5	1.0			15.3	15.7	Depreciation and amortization
46	45	51	51			7,615	7,302	Average number of full-time-equivalent employees