BEYOND SECURITY KABA

> Media release

RÜMLANG 16 SEPTEMBER 2013 - 2012/2013 FINANCIAL YEAR TO 30 JUNE 2013

Kaba finishes financial year with solid results

- Sales growth (consolidated) of 1.8% to CHF 964.3 million
- EBITDA margin of 15.6% within guidance range
- Very solid balance sheet, high net cash position and equity ratio
- Proposed dividend of CHF 11.00 per share; increased distribution rate of 49.0%

Kaba Group finished a challenging financial year with solid results. Despite difficult economic conditions in many markets, the company's key financials nearly matched the prior year's positive figures. Exceptionally good results were achieved in some countries, including Germany and Switzerland, and in the Key Systems division. Overall, Kaba saw consolidated sales improve by 1.8% to CHF 964.3 million (prior year: CHF 947.5 million). In local currency, sales were down -1.0%. The strengthening of the main currencies (Euro, US dollar) delivered a positive contribution to the sales figure.

Profitability – within guidance range
During the year under review, Kaba recorded EBITDA of CHF 149.9 million and an EBITDA margin of 15.6%, which was within the targeted range of 15.5% to 16.5% (prior year: EBITDA of CHF 151.2 million; EBITDA margin of 16.0%). This year-on-year change in EBITDA is mainly due to various one-off personnel expenses and other operating expenses.

Including items affecting comparability (CHF 1.8 million), EBIT came to CHF 120.3 million, and the EBIT margin to 12.5% (prior year: EBIT of CHF 123.3 million; EBIT margin of 13.0%).

Kaba made a profit from continuing operations of CHF 84.0 million (prior year: CHF 85.5 million). The Group finished the year under review with a consolidated net profit of CHF 85.5 million (prior year: CHF 88.3 million).

Divisional performances

Access + Data Systems (ADS) EMEA/AP – result at prior-year level
Within ADS EMEA/AP, the operational performance varied from region to region. While EMEA was able to maintain the level of sales and profitability despite a difficult economic environment, business units in Asia Pacific did not perform as well as expected. Overall, the division’s consolidated sales improved 1.9% to CHF 566.9 million (prior year: CHF 556.4 million); in local currency, sales decreased by -0.3%. EBITDA improved to CHF 80.4 million (prior year: CHF 79.4 million), giving an EBITDA margin of 14.2% (prior year 14.3%).

Access + Data Systems (ADS) America – unexpectedly difficult markets
The ADS Americas division was confronted by a weak overall market performance during the year under review. Towards the end of the 2012 calendar year there was an unexpectedly sharp cooling of demand as a result of the economic situation and insecurities about fiscal policy. The market only began to recover in spring 2013, and the division was able to benefit from this. Overall, ADS Americas achieved an increase of 0.8% in consolidated sales to CHF 230.4 million (prior year: CHF 228.6 million); in local currency, sales fell by -3.6%. The unsatisfactory sales performance in the first three quarters was reflected in profitability. EBITDA came to CHF 66.8 million (prior year CHF 69.5 million), though the EBITDA margin remained remarkably high at 29.0% (prior year: 30.4%).

Key Systems – operating margins increased again
The Key Systems division can look back on a pleasing financial year. In a challenging environment, its sales rose by 2.9% to CHF 186.2 million (prior year: CHF 181.0 million). In local currency, sales were slightly lower by -0.3%. Thanks to rigorous cost management, profitability improved again. EBITDA stood at CHF 27.9 million while the EBITDA margin rose by 2.7 percentage points to 15.0% (prior year: EBITDA of CHF 22.3 million; EBITDA margin of 12.3%). Key Systems thus reinforced its strategic objective of cost leadership.

Balance sheet – high net cash position and equity ratio
Kaba's finances are very robust. Total assets at 30 June 2013 amounted to CHF 972.3 million (30 June 2012: CHF 954.7 million). Cash and cash equivalents rose to CHF 142.3 million (previous year: CHF 125.6 million), and net liquidity increased to CHF 56.1 million (prior year: CHF 11.7 million). With an equity ratio of 61.5%, the company has once again clearly exceeded its target range of 30% to 40% as at 30 June 2013 (30 June 2012: 57.8%). With this solid balance sheet structure Kaba is very well equipped to successfully implement its corporate strategy and increase its payout ratio as defined in the new dividend policy.

Growth initiatives and acquisitions
Kaba has set itself the goal of accelerating the Group's growth rate. A targeted growth program has been approved to enable an expansion of business in the Asia Pacific region. This includes measures to strengthen organic growth as well as to make acquisitions.

With the acquisition of Flexon Llaves (in February 2013), Kaba has reinforced its position in the growth markets of South America, while the acquisition of Shenzen Probuck Technologies Co. Ltd. (announced in August 2013) will strengthen its distribution organization in China. Further purchases are planned in emerging growth markets.

Sustainability reporting initialized
During the year under review Kaba dealt with the topic of sustainability in a structured way for the first time and produced a Sustainability Report. Based on systematically recorded environmental and social data, the company has published a transparent Sustainability Report in accordance with Global Reporting Initiative (GRI) standards. An energy and CO_2 balance sheet has also been produced as part of the Carbon Disclosure Project (CDP). Sustainability is one of the corporate values defined by Kaba to guide the conduct of all its employees. Further information about sustainability and detailed figures can be found online at www.kaba.com/sustainability.

Proposals by the Board of Directors to the Annual General Meeting of 29 October 2013

Dividend payments
On 19 April 2013 the Board of Directors decided to increase its dividend distributions from the previous range of 30% to 35% of consolidated net profit to 40% to 60%. In accordance with the revised dividend policy, the Board of Directors is proposing to the Annual General Meeting that a dividend of CHF 11.00 be paid on each share, which gives a payout ratio of 49.0%.

Elections to the Board of Directors and consultative vote on the Compensation Report
The Board of Directors is proposing that the Annual General Meeting elect John Heppner to the Board

of Kaba Holding AG. He would replace Maurice P. Andrien whom the Board would like to thank for his very valuable work. John Heppner has profound knowledge of the industry and of manufacturing, particularly in the American market. The Board is also proposing the re-election of Elton SK Chiu, Daniel Daeniker, Rolf Dörig and Karina Dubs-Kuenzle. Starting this year, all members of the Board of Directors will be elected for a term of one year rather than three years as was previously the case. The General Meeting will also be able to take a consultative vote on the Compensation Report.

Outlook

The market environment will remain challenging in the current financial year. Kaba anticipates moderate sales growth in Europe and Asia, but in North America it expects to see a recovery. On this basis the company believes it will achieve organic growth of between 1.5% and 2.5% in 2013/2014, with an EBITDA margin of 15.5% to16.5% (all in local currency).

In the medium term, assuming the economic environment is good, Kaba can reach organic growth of between 5.0% and 6.0% and thus increase its EBITDA margin to 18.0%. Achieving this level, which in November 2011 was announced as the target for 2014/2015, is likely to be pushed back 12 months as a result of the recessionary market tendencies seen in various regions in 2012/2013, and because of the decision to make additional investments.

KABA GROUP KEY FIGURES

in CHF million	**Financial year to 30 June 2013**	**Financial year to 30 June 2012**
Consolidated net sales	**964.3**	**947.5**
Operating profit before depreciation (EBITDA)	**149.9**	**151.2**
as % of sales	15.6	16.0
Operating profit (EBIT) before items affecting comparability	118.5	120.1
as % of sales	12.3	12.7
Operating profit (EBIT)	**120.3**	**123.3**
as % of sales	12.5	13.0
Profit from continuing operations	**84.0**	**85.5**
Net profit	**85.5**	**88.3**
Earnings per share in CHF	22.5	23.2
Total assets	**972.3**	**954.7**
Cash and cash equivalents	142.3	125.6
Net liquidity	**56.1**	**11.7**
Equity capital	**598.6**	**553.1**
as % of total assets	**61.5**	**57.8**
Number of employees (average)	7398	7540

KEY FIGURES, DIVISIONS

in CHF million	ADS EMEA/AP Financial year 2012/2013	ADS EMEA/AP Financial year 2011/2012	ADS AMERICAS Financial year 2012/2013	ADS AMERICAS Financial year 2011/2012	KEY SYSTEMS Financial year 2012/2013	KEY SYSTEMS Financial year 2011/2012
Sales	**566.9**	**556.4**	**230.4**	**228.6**	**186.2**	**181.0**
EBITDA	**80.4**	**79.4**	**66.8**	**69.5**	**27.9**	**22.3**
as % of sales	14.2	14.3	29.0	30.4	15.0	12.3
EBIT	**61.6**	**61.0**	**62.1**	**65.0**	**25.0**	**17.2**
as % of sales	10.9	11.0	27.0	28.4	13.4	9.5
Number of employees (average)	5001	5120	926	950	1366	1374

All of Kaba Group's publications can be found at www.kaba.com/publications.

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ABOUT KABA

Kaba – Beyond security

With its innovative products, systems and services, globally active technology group Kaba is a leading provider of high quality access management solutions, locks, cylinders, physical access systems, enterprise data and time recording, and hotel access systems. The Group is also global market leader for high security locks, key blanks, transponder keys and key manufacturing machines. The listed Group has sales of around one billion Swiss francs and employs around 7,500 people in more than 60 countries. For more than 150 years Kaba has set trends in security and beyond – in terms of functionality, convenience and design, and always with a focus on optimum value to customers.

SIX Swiss Exchange: KABN
For more information please visit www.kaba.com.

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- The general economic situation
- Competition with other companies
- The effects and risks of new technologies
- The company's ongoing capital requirements
- Financing costs
- Delays in the integration of acquisitions
- Changes in operating expenses

> Fluctuations in exchange rates and raw materials prices
> Attracting and retaining skilled employees
> Political risks in countries where the company operates
> Changes to the relevant legislation
> Other factors named in this communication

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