> Press release

RÜMLANG 17 SEPTEMBER 2012 – 2011/2012 FINANCIAL YEAR TO 30 JUNE 2012

Kaba: profitable growth in demanding market environment

- 6.2% growth in local currency (including acquisition effects)
- EBITDA margin 16.0%
- Very solid balance sheet, high equity ratio
- Growth target raised slightly for 2012/2013
- Dividend of CHF 9.00 per share proposed, CHF 2.00 of which as jubilee dividend

Kaba Group increased its net sales in the 2011/2012 financial year (to 30 June 2012) by 6.2% in local currency terms. Organic growth accounted for 2.6%, while 3.6% was due to acquisitions made in the prior year. After conversion into Swiss francs, sales came to CHF 947.5 million (prior year CHF 945.2 million). Even though the principal currencies (mainly US dollar and euro) stabilized against the Swiss franc, negative currency effects still reduced sales by - 5.6%, or CHF - 53.0 million (prior year - 9.1%, or CHF - 86.6 million).

EBITDA margin maintained
Despite a challenging market environment, EBITDA reached CHF 151.2 million, and the EBITDA margin was held at 16.0% (prior year CHF 150.9 million, 16.0%). Profit from continuing operations increased to CHF 85.5 million (prior year CHF 54.3 million). The prior year figure includes one-time expenditures of CHF - 30.8 million. Taking discontinued operations into account, Kaba achieved consolidated net profit of CHF 88.3 million (prior year CHF 221.6 million). The prior-year figure includes a one-time amount of CHF 167.3 million from the disposal of the Door Automation division.

Reflecting on the past financial year, CEO Riet Cadonau said: “In a difficult environment we have achieved profitable growth in local currency. At the same time we have adjusted our divisional structures and initiated growth and efficiency programmes. The course has been set for the future.”

Access + Data Systems (ADS) EMEA/AP – profitable growth
The ADS EMEA/AP division achieved good results in the year under review thanks to the swift initiation of growth initiatives. Sales rose 5.1% to CHF 490.3 million (prior year CHF 466.6 million). In local currency, including acquisition effects, the division recorded growth of 10.3%. Profitability also increased. EBITDA rose to CHF 74.1 million, with an EBITDA margin of 15.1% (prior year CHF 66.2 million, or 14.2%).

Access + Data Systems (ADS) Americas – profitable growth
The ADS Americas division increased sales by 3.4% to CHF 132.4 million (prior year CHF 128.0 million). In local currency, including acquisition effects, growth came to 10.5%. Profitability was maintained at around the prior-year level with EBITDA of CHF 29.3 million (prior year CHF 28.8 million) and an EBITDA margin of 22.1% (prior year 22.5%).

Industrial Locks – solid results
The Industrial Locks division achieved sales of CHF 164.7 million (prior year CHF 171.9 million), with currency-adjusted organic growth of 1.9%. EBITDA stood at CHF 45.7 million (prior year CHF 49.7 million), giving an EBITDA margin of 27.7% (prior year 28.9%).

Key Systems – lower results owing to recession
As expected, the Key Systems Division felt the effects of the economic downturn in Southern Europe and elsewhere. Overall, Kaba achieved sales here of CHF 181.0 million (prior year CHF 198.5 million). In local currency, including acquisition effects, sales were - 1.4% down on the previous year. EBITDA stood at CHF 22.3 million (prior year CHF 26.9 million), giving an EBITDA margin of 12.3% (prior year 13.6%).

Very solid balance sheet
The company reduced its debt still further during the year under review. As at 30 June 2012, Kaba held net cash and cash equivalents of CHF 11.7 million (30 June 2011: net debt of CHF 32.8 million). With total assets of CHF 954.7 million, shareholders' equity increased to CHF 553.1 million, giving an equity ratio of 57.8% (prior year 52.8%). This is significantly higher than the target range of 30.0% to 40.0%. In June 2012 Kaba successfully negotiated a five-year syndicated credit facility of CHF 500 million on advantageous terms, meaning that it could terminate the CHF 575 million facility arranged in May 2009 prematurely. Kaba thus has a great deal of financial flexibility and is in excellent shape to implement its growth strategy in the years to come.

Efficient organizational and management structure
In order to exploit the potential for synergies more effectively, especially in the American market, Kaba adjusted its organizational and management structure on 1 July 2012. The Industrial Locks division was integrated into the existing ADS divisions – EMEA/AP and Americas.

Higher dividend in anniversary year
The Board of Directors proposes to the forthcoming Annual General Meeting that it pay a dividend of CHF 9.00 per share. In addition to an ordinary dividend of CHF 7.00, this includes a special dividend of CHF 2.00 to mark Kaba Group's 150th anniversary.

Elections to the Board of Directors
The Board of Directors is proposing to the Annual General Meeting on 23 October 2012 that it re-elect Heribert Allemann. It is also proposing that Hans Hess join the Board. As the Chairman of Swissmem (the trade association for the Swiss engineering, electrical, metals and associated technology-oriented sectors) and a board member at various major Swiss industrial companies, Hans Hess has extensive experience in manufacturing industry.

Outlook
Economic activity has slackened a little in both North America and Asia, but these markets continue to perform robustly. In Europe the key markets of Central and Northern Europe have proved relatively resilient so far in the face of the continuing euro crisis. Consequently, Kaba has slightly lifted its growth target for the 2012/2013 financial year, and expects organic growth – i.e. growth in local currency excluding acquisition effects – of between 1.0% and 2.0% (previously 0% to 1.0% organic growth) and an EBITDA margin of between 15.5% and 16.5%. In the medium term – i.e. for the 2014/2015 financial year – we expect a healthy economic environment again, and hope to secure organic growth of 5.0% to 6.0% with an EBITDA margin of 18.0%. This confirms the medium-term targets announced in November 2011.

KABA GROUP KEY FIGURES AS AT 30 JUNE 2012

in CHF million	FY 2011/2012	FY 2010/2011
Consolidated net sales	947.5	945.2
Operating earnings before depreciation (EBITDA)	151.2	150.9
as % of sales	16.0	16.0
Operating earnings (EBIT) before items affecting comparability, adjusted for currency and acquisition effects	120.1	119.5
as % of sales	12.7	12.7
Operating profit (EBIT)	123.3	88.7
as % of sales	13.0	9.4
Profit from continuing activities	85.5	54.3[1]
Consolidated net profit	88.3	221.6[2]
as % of sales	9.3	23.4
Earnings per share in CHF	23.20	58.30
Total assets	954.7	865.7
Net working capital	150.6	129.5
Net debt	- 11.7	32.8
Equity capital	553.1	457.5
as % of total assets	57.8	52.8
Number of employees (average)	7540	7404

[1] including one-time expenditure of CHF 30.8 million.
[2] including a one-time gain of CHF 167.3 million from the sale of the Door Automation division.

All of Kaba Group's publications, including its 2011/2012 Annual Report, can be found at www.kaba.com/publications

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ABOUT KABA

Kaba (SIX Swiss Exchange: KABN) is a globally active, publicly traded security corporation. Kaba specializes in integrated solutions for security, organization and convenience at building and information access points. Kaba is also the world market's number one provider of key blanks, key cutting and coding machines, transponder keys, and high security locks. It is a leading provider of electronic access systems, locks, master key systems, hotel locking systems and security doors. For more information please visit www.kaba.com

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