Media release

Financial year 2009/2010, figures as at 30.6.2010

Kaba posts second-half growth and higher consolidated net profit

Rümlang, 15 September 2010 – **Thanks to growth in the second half of the financial year and a significant improvement in earnings, Kaba Group is pleased with its 2009/2010 performance. Kaba Group's net sales for the 2009/2010 financial year (to 30 June 2010) came to CHF 1.13 billion (previous year CHF 1.17 billion). Acquisition- and currency-adjusted, the decline was 0.4%. In the second half-year, the Group posted organic growth of 4.2%. During the year under review, its EBIT margin rose from 11.1% to 12.4%. A dividend payment of CHF 7.00 (previous year: CHF 4.70) per share from the consolidated net profit of CHF 86.9 million (+23%) has been proposed. For 2010/2011, Kaba expects an increase in sales and even greater growth in operating earnings.**

Kaba Group's sales decreased 3.1% to CHF 1,130 million in financial 2009/2010. This decline was due mainly to exchange rate effects. The organic decline was only 0.4%. After a weaker first six months, Kaba returned to a positive trajectory in the second half of the financial year with organic sales growth of 4.2%, or CHF 23.3 million.

EBIT rose 8% to CHF 139.8 million in the year under review, pushing the EBIT margin up from last year's 11.1% to 12.4%. At 13%, the EBIT margin before restructuring expenses was even higher than the previous record of 12.6% posted in 2007/2008. The EBIT margin is so high because Kaba was already reducing production capacity quickly and cutting costs across the board when the recession began.

Consolidated net profit for the year under review went up by 23% from CHF 70.7 million to CHF 86.9 million, giving a profit margin of 7.7%. Net debt fell by CHF 92.5 million to CHF 232.7 million.

Segments benefit from productivity gains

Organic sales by the Access + Data Systems Business Segment declined 2.7% to CHF 593.8 million. EBIT before restructuring expenses was down 11% to CHF 79.7 million. At 13.4% (previous year 14.2%) the EBIT margin was again higher than average for the Group.

In Europe, organic sales were down by 1.3% to CHF 425.4 million. However, there was a return to positive organic growth in the six months from January to June 2010. In America, organic sales were down by 9.3% to CHF 140.5 million as hotels held back on investments in locking systems.

Organic sales by the Industrial Locks Business Segment were down 1.7% to CHF 169 million. New demand in the USA for Asian OEM products helped to produce organic growth of 14.1% in the second half of the 2009/2010 financial year. EBIT before restructuring expenses reached CHF 48.9 million, easily beating the prior-year figure of CHF 41.2 million. The EBIT margin went up from 23.0% to an impressive 28.9%.

The Key Systems Business Segment saw organic sales go up by 4.3% to CHF 201.1 million. A reduction of 3.3% in the first half-year was followed by an increase of 12.2% in the second. EBIT before restructuring expenses rose 72% to CHF 24.9 million. The EBIT margin rose from 7.2% to 12.4%, which is higher than its pre-crisis level.

Organic sales by the Door Automation Business Segment rose 3.0% to CHF 182.1 million, while EBIT before restructuring expenses went up 58.2% to CHF 17.4 million. The EBIT margin rose from 6.1% to 9.6%. There was 4.8% organic growth in the second half-year.

Dividend of CHF 7.00 per share (+49%)
Owing to the excellent 23% increase in profits, the Board of Directors proposes that this year's dividend be raised to CHF 7.00 per share (+49%). This disproportionately large rise is a further sign of Kaba Group's investor-friendly distributions policy. In addition, a proposal will be made to the AGM on 19 October 2010 that new authorized capital of 380,000 shares be created. This is to replace the authorized capital of 22 October 2008, which expires on 21 October 2010.

Elections to the Board of Directors
Maurice P. Andrien, Rolf Dörig and Karina Dubs-Kuenzle come to the end of their terms of office on 19 October 2010. The Board of Directors proposes that they be reelected.

Outlook
"Kaba has proved in the past that even when it posts organic growth, it can ensure that cost rises are disproportionately low. This means that further growth should lead to a disproportionately large increase in operating results," explains CEO Rudolf Weber.

It is currently impossible to say for certain how sustainable the ongoing economic recovery is. The second half of the year under review was very positive overall, increasing Kaba Group's visibility and supporting the belief that the 2010/2011 financial year will see new growth. Increased sales should lead to a further improvement in the EBIT margin in 2010/2011. Kaba expects free cash flow to remain high enough to allow another reduction in debt.

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Kaba Group key figures as at 30 June 2010

in CHF million	1.7.2009 – 30.6.2010	1.7.2008 – 30.6.2009
Consolidated net sales	1130.0	1166.1
Operating profit before depreciation (EBITDA)	178.1	170.5
as% of sales	15.8	14.6
Operating profit (EBIT)	139.8	129.3
as% of sales	12.4	11.1
Consolidated net profit	86.9	70.7
as% of sales	7.7	6.0
Earnings per share in CHF	22.9	18.6
Total assets	991.1	1001.2
Net working capital	222.9	217.1
Net debt	232.7	325.2
Shareholders' equity	373.9	295.3
as% of total assets	37.8%	29.5%
Number of employees (average)	7719	8255

Kaba is a globally active, publicly traded security corporation. With its Total Access strategy, the Kaba Group is specialized in integrated solutions for security, organization, and convenience at building and information access points. Kaba is also the world market's no. 1 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, security doors, and automatic doors. Further information at www.kaba.com.