

## Media release

Half-year results as at December 31, 2006

### **Kaba increases sales by 16% and earnings per share by 15%**

Rümlang, 5 March 2007 – **In the first half of the 2006/07 financial year, the Kaba Group posted sales growth of 16% to reach CHF 590.3 million and a 19.9% increase in its profit to CHF 42.2 million. Earnings per share were up 15% at CHF 11.30. Acquisition-driven sales growth was 11.6%. EBIT rose 15.3% to CHF 70.9 million. Access + Data Systems and Key + Ident Systems achieved substantial growth rates, whilst Door Systems moved for once sideways. Kaba anticipates continued organic growth of around 4%.**

In the first half of the 2006/07 financial year (as at December 31, 2006), the Kaba Group saw its sales grow by 16% against the same period a year ago to reach CHF 590.3 million. Of the total increase of CHF 81.4 million, the Wah Yuet Group in China (consolidated from August 10, 2006) and CSS in the US (consolidated from October 1, 2006) contributed CHF 58.9 million. Acquisition-driven sales growth was 11.6%, whilst currency effects knocked 0.6% off the figure; the increase in sales was 5.1% currency- and acquisition-adjusted.

EBIT was up 15.3% at CHF 70.9 million. Acquisition-adjusted, the figure was 10.7%. Despite negative currency effects amounting to CHF 0.9 million, the EBIT margin was held steady at 12.0% (12.2% at the same time last year). However, EBIT felt a impact amounting to CHF 5.2 million as a result of the application of purchase accounting. Recorded profit was up 19.9% at CHF 42.2 million. Before the purchase accounting charge, profit even was CHF 45.9 million (up 30.4 %).

#### **Performance of the individual segments**

After several years of very pleasing figures for the Door Systems division, currency-adjusted sales in the first half of 2006/07 declined slightly, and the EBIT margin was down a little. This pause in growth came in a period which fell between the completion of major platform screen door projects and the beginning of a new commission on the metro system in Shanghai.

Access + Data Systems (which has included Data Collection since July 1, 2006) recorded clear and profitable growth in all regions. Globally, sales grew by 27.9% to reach CHF 319.3 million, mainly as a result of the first-time consolidation of the Wah Yuet Group and CSS. The expansion in the consolidated group brought a reduction in the EBIT margin from 20.5% in the previous year to a still over-average 18.3%.

In EMEA (Europe, Middle East and Africa), Access + Data Systems grew 8.2% to CHF 179.9 million. Access + Data Systems Americas boosted its sales by 35.2%. The newly acquired CSS (electronic hotel and security locks) contributed 29.5% to growth in its first three months since consolidation. And thanks to the first-time consolidation of the Wah Yuet Group on August 10, 2006, Access + Data Systems Asia Pacific recorded a CHF 16.8 million increase in sales to reach CHF 49 million.

Currency- and acquisition-adjusted, Key + Ident Systems grew 12.2%, with an improvement in its EBIT margin from 8.5% to 10.6%.

### Outlook

Kaba expects market conditions to remain good and anticipates organic growth of around 4% for the 2006/07 financial year as a whole (at June 30, 2007). Experience has shown that Access + Data Systems in Europe and Door Systems tend to record lower figures in the second half of the financial year than in the first six months. Accordingly, EBIT in the second half is likely to be below the level of the first half.

### Key figures of the Kaba Group as per 31 December 2006

In CHF million	1.7. – 31.12.2006	1.7. – 31.12.2005
Consolidated net sales	590.3	508.9
Operating profit before depreciation (EBITDA)	92.1	77.2
in % of sales	15.6	15.3
Operating profit (EBIT)	70.9	61.5
in % of sales	12.0	12.2
Consolidated net profit	42.2	35.2
in % of sales	7.1	7.1
Earnings per share in CHF	11.3	9.8
Total assets	1'127.6	688.6
Net working capital	284.0	199.1
Net debt	530.5	271.7
Shareholders' equity	188.3	69.7
as % of total assets	16.7	10.2
Number of employees (average)	8'083	5'741

For further information:

Kaba Holding AG  
8153 Rümlang, Switzerland

Rudolf Weber, CEO; Phone +41 44 818 90 41  
Dr. Werner Stadelmann, CFO; Phone +41 44 818 90 61  
Jean-Luc Ferrazzini, CCO; Phone +41 44 818 92 01 (Media)



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](http://www.kaba.com)

This communication contains certain forward-looking statements including statements using the words "believes", "assumes", "expects" or formulations of a similar kind. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which could lead to substantial differences between the actual future results, the financial situation, the development or performance of the Company and those either expressed or implied by such statements. Such factors include, among other things: competition from other companies, the effects and risks of new technologies, the Company's continuing capital requirements, financing costs, delays in the integration of acquisitions, changes in the operating expenses, the Company's ability to recruit and retain qualified employees, unfavorable changes to the applicable tax laws, and other factors identified in this communication. In view of these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company accepts no obligation to continue to report or update such forward-looking statements or adjust them to future events or developments.