

KABA HOLDING AG

INVITATION

to the 90th General Meeting of Shareholders

Tuesday, 25 October 2005, 3:00 PM

Mövenpick Hotel, Zürich-Regensdorf

Admission starts at 2:15 PM

AGENDA:

1. Approval of the business report for 2004/2005

as well as presentation of the reports of the statutory and group auditors

The Board of Directors proposes that the business report for 2004/2005, consisting of the annual report, the company and group financial statements and the report on Corporate Governance, be approved.

2. Appropriation of retained earnings of Kaba Holding AG

The Board of Directors proposes that the retained earnings at the disposal of the General Meeting, composed of

<i>Net income for financial year 2004/2005</i>	<i>CHF 33'459'087</i>
<i>Brought forward from previous year</i>	<i><u>CHF 25'079'653</u></i>
<i>= Total retained earnings</i>	<i><u>CHF 58'538'740</u></i>

be appropriated as follows:

<i>Appropriation to other reserves</i>	<i>CHF 20'000'000</i>
<i>Carry forward to new account</i>	<i><u>CHF 38'538'740</u></i>
	<i><u>CHF 58'538'740</u></i>

The Board of Directors proposes to make a total payment to each shareholder of CHF 4.80 per share, but exclusively in the form of capital reduction by repayment of nominal value of shares as per item 8 below.

3. Ratification of acts of the Board of Directors and of the Management

The Board of Directors proposes that the acts of the members of the Board of Directors and of the Management in the financial year just ended be ratified.

4. Election of the Board of Directors

4.1. Re-election of Gerhard Zeidler

The Board of Directors proposes the re-election of Gerhard Zeidler for a further 3-year term.

4.2. Re-election of Ulrich Graf

The Board of Directors proposes the re-election of Ulrich Graf for a further 3-year term.

4.3. Election of Klaus Schmidt

The Board of Directors proposes the election of Klaus Schmidt for a first 3-year term.

For details, please see

page 7 of the Shareholder Newsletter

or

page 3 of the Business Report

or

page 10 of the Report on Corporate Governance.

5. Appointment of statutory auditors and group auditors

The Board of Directors proposes the re-election of PricewaterhouseCoopers AG, Zürich, as statutory and group auditors for a further term of 1 year.

6. Conditional Capital Increase (Amendment of § 3b paragraph 1 of the Articles of Incorporation)

The Board of Directors proposes to increase the conditional capital to be used for share and option programs for employees and members of the Board of Directors. In this context, § 3b of the Articles of Incorporation shall be amended as follows (changes underlined):

Current Articles of Incorporation

Revised Articles of Incorporation

§ 3b

§ 3b

The share capital may be increased by no more than CHF 524,020 by issuing to employees and members of the Board of Directors of the Company and of Group Companies no more than 52,402 registered shares of CHF 10 nominal value each which must be fully paid up. The subscription rights of existing shareholders on such new shares shall be excluded.

The share capital may be increased by no more than CHF 1,124,020 by issuing to employees and members of the Board of Directors of the Company and of Group Companies no more than 112,402 registered shares of CHF 10 nominal value each which must be fully paid up. The subscription rights of existing shareholders on such new shares shall be excluded.

[para. 2 to 3 unchanged]

7. Adjustment of the authorized capital (Amendment of § 3c paragraph 1 of the Articles of Incorporation)

The Board of Directors proposes that the authorized capital which expires on October 21, 2005 be renewed and extended at the same level until October 25, 2007. Accordingly, the Board of Directors proposes to amend the current § 3c of the Articles of Incorporation as follows (changes underlined):

Current Articles of Incorporation

Revised Articles of Incorporation

§ 3c

§ 3c

The Board of Directors is authorized until no later than October 21, 2005, to increase the share capital by no more than CHF 3.5 million (three and one-half million Swiss francs) by issuing no more than 350,000 fully paid-up shares with a par value of CHF 10 each. The capital increase can be consummated in partial amounts.

The Board of Directors is authorized until no later than October 25, 2007 to increase the share capital by no more than CHF 3.5 million (three and one-half million Swiss francs) by issuing no more than 350,000 fully paid-up shares with a par value of CHF 10 each. The capital increase can be consummated in partial amounts.

[para. 2 to 4 unchanged]

8. Reduction of share capital by repayment of nominal value of shares (Amendment of §§ 3, 3a paragraph 1, 3b paragraph 1, 3c paragraph 1 of the Articles of Incorporation)

The Board of Directors proposes

- a) *to reduce the Company's share capital from CHF 35,750,980 by CHF 17,160,470 to CHF 18,590,510 by a reduction of the nominal value of each of the Company's shares from CHF 10.00 by CHF 4.80 to CHF 5.20 and to repay to the shareholders CHF 4.80 per share;*
- b) *to reduce any and all share capital (if any) created until the consummation of the capital reduction under §§ 3a, 3b and 3c of the Articles of Incorporation from CHF 10.00 by CHF 4.80 to CHF 5.20 per such share and to repay the shareholders CHF 4.80 per such share;*
- c) *to declare, as a result of the special audit report prepared in accordance with article 732 paragraph 2 of the Swiss Code of Obligations that the claims of the creditors are fully covered notwithstanding the above reduction of the share capital; and*
- d) *upon consummation of the share capital reduction to amend §§ 3, 3a, 3b and 3c of the Articles of Incorporation as follows (changes underlined):*

Current Articles of Incorporation

§ 3

The fully paid-up share capital amounts to CHF 35,750,980 and is subdivided into 3,575,098 registered shares of CHF 10 nominal value each.

Revised Articles of Incorporation

§ 3

The fully paid-up share capital amounts to CHF 18,590,510 and is subdivided into 3,575,098 registered shares of CHF 5.20 nominal value each.

§ 3a

The share capital may be increased by an amount not exceeding CHF 3,600,000 by issuing up to 360,000 fully paid registered shares with a nominal value of CHF 10 each through exercise of conversion and/or option rights which have been granted in connection with the issuance of bonds and similar instruments by the Company or a Group Company as well as by exercise of warrants which have been conferred on shareholders. If bonds or similar instruments are issued in connection with conversion or option rights, the pre-emptive subscription rights of the existing shareholders shall be excluded. The right to subscribe for new shares shall inure on the respective holders of conversion and/or option rights. The terms of conversion and/or option exercise shall be set by the Board of Directors.

§ 3a

The share capital may be increased by an amount not exceeding CHF 1,872,000 by issuing up to 360,000 fully paid registered shares with a nominal value of CHF 5.20 each through exercise of conversion and/or option rights which have been granted in connection with the issuance of bonds and similar instruments by the Company or a Group Company as well as by exercise of warrants which have been conferred on shareholders. If bonds or similar instruments are issued in connection with conversion or option rights, the pre-emptive subscription rights of the existing shareholders shall be excluded. The right to subscribe for new shares shall inure on the respective holders of conversion and/or option rights. The terms of conversion and/or option exercise shall be set by the Board of Directors.

[para. 2 to 3 unchanged]

§ 3b

The share capital may be increased by no more than CHF 1,124,020 by issuing to employees and members of the Board of Directors of the Company and of Group Companies no more than 112,402 registered shares of CHF 10 nominal value each which must be fully paid up. The subscription rights of existing shareholders on such new shares shall be excluded.

[para. 2 to 3 unchanged]

§ 3c

The Board of Directors is authorized until no later than October 25, 2007, to increase the share capital by no more than CHF 3.5 million (three and one-half million Swiss francs) by issuing no more than 350,000 fully paid-up shares with a par value of CHF 10 each. The capital increase can be consummated in partial amounts.

[para. 2 to 4 unchanged]

§ 3b

The share capital may be increased by no more than CHF 584,490.40 by issuing to employees and members of the Board of Directors of the Company and of Group Companies no more than 112,402 registered shares of CHF 5.20 nominal value each which must be fully paid up. The subscription rights of existing shareholders on such new shares shall be excluded.

§ 3c

The Board of Directors is authorized until no later than October 25, 2007, to increase the share capital by no more than CHF 1,820,000 (one million eight hundred twenty thousand Swiss francs) by issuing no more than 350,000 fully paid-up shares with a par value of CHF 5.20 each. The capital increase can be consummated in partial amounts.

9. Reduction of the share capital amount required to have an item put on the agenda (Amendment of § 9 paragraph 2 of the Articles of Incorporation)

The Board of Directors proposes to reduce the nominal share capital amount required to have put an item on the agenda from CHF 1,000,000 to 0.5 percent of the share capital and to amend § 9 of the Articles of Incorporation accordingly as follows (changes underlined):

Current Articles of Incorporation

§ 9

[para. 1 unchanged]

The Board of Directors shall be obliged to add to the agenda any motions by shareholders who represent at least CHF 1,000,000 par value, provided the Board receives these motions in writing at least four weeks before the General Meeting of Shareholders. The provisions of Article 699 para. 3 CO regarding motion rights shall apply.

Revised Articles of Incorporation

§ 9

The Board of Directors shall be obliged to add to the agenda any motions by shareholders who represent at least 0.5% of the share capital, provided the Board receives these motions in writing at least four weeks before the General Meeting of Shareholders. The provisions of Article 699 para. 3 CO regarding motion rights shall apply.

Documentation

The Business Report for 2004/2005 consisting of the 3 parts

- Business Report 2004/2005 with annual report
- Financial Statements 2004/2005 with company and group financial statements
- Report on Corporate Governance 2004/2005

as well as the original reports of the statutory and group auditors and the special auditors' report according to article 732 paragraph 2 Swiss Code of Obligations shall be available for review by shareholders at the company's headquarters on Hofwisenstrasse 24, in 8153 Rümlang, Switzerland as of 19 September 2005.

On a large request, we have refrained from sending all the documents automatically to the shareholders. You will find the relevant information on the business year 2004/2005 in the Shareholder Newsletter No. 24. The Business Report and/or the Investor's Handbook may be ordered with the enclosed reply form. The Business Report is also released on www.kaba.com.

Admission cards

Shareholders eligible to vote and entered in the stock register on 12 September 2005, will receive the invitation to the General Meeting with the proposals of the Board of Directors. Upon return of the reply form, the Shareholders will, after 3 October 2005, be sent the admission card and voting slips. Shareholders who are not yet registered on 12 September 2005, but purchase shares at a later date will receive their invitation, provided the company's registrar is in possession of their registration application by no later than 17 October 2005. No entries in the stock register will be made from 18 October 2005 until the day of the General Meeting. Owners of registered shares who sell their shares prior to the General Meeting shall no longer be eligible to vote. Shareholders who sell portions of their shares after having received the admission card are kindly requested to have their admission card updated at the information desk at the venue of the General Meeting.

Representation/proxy

Shareholders who cannot personally attend the General Meeting may have themselves represented as follows:

- by another shareholder who is entered in the stock register: Please order your admission card, complete the proxy form on the back side of the admission card and submit it to the proxy holder together with the voting slips,

or

- by the independent proxy, Andreas G. Keller, attorney-at-law, P.O. Box 6814, 8023 Zürich, Switzerland: the enclosed reply form constitutes a power of attorney. In the absence of written instructions to the contrary, the independent proxy will vote in favour of the proposals of the Board of Directors,

or

- by Kaba Holding AG: Please return the blank power of attorney on the reply form to us in the enclosed envelope. The votes will be in favour of the proposals of the Board of Directors. Forms with instructions to the contrary will be forwarded to the independent proxy.

Voting and proxy limitations

We wish to draw the attention of our shareholders to § 10 of the Articles of Incorporation according to which a shareholder may only be represented by another shareholder, and a shareholder may – directly with his or her own shares, or indirectly, with represented shares – exercise no more than 5% of all votes. This limitation does not apply to shareholders who were entered in the stock register prior to 13 November 1995 with more than 5% of all votes.

Rümlang, 16 September 2005

Kaba Holding AG

Rudolf Hauser
Chairman

The General Meeting will be conducted in German.

There is the possibility of an English translation. Shareholders who would like to use this translation service are kindly requested to let us know in advance.

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