

## Media Release

Financial year 2008/2009, figures as at 30.6.2009

### **Kaba: good margins despite decline in sales**

Rümlang, 16 September 2009 – **Kaba Group performed within expectations in the 2008/2009 financial year (to 30 June 2009). The Group achieved sales of CHF 1.17 billion, which is 10.6% lower than in the previous year. With around 40% of the decline caused by currency factors, the organic reduction in sales was 5.7%. The return on sales before capacity adjustment costs came to 11.5% - or 11.1% including these costs. A dividend payment of CHF 4.70 per share from the consolidated net profit of CHF 70.7 million has been proposed.**

Kaba Group's sales decreased 10.6% to CHF 1,166.1 million in financial year 2008/2009. Organic sales were down by CHF 74.1 million, or 5.7%, owing to the difficult economic environment. Organic sales development was still more or less stable in the first half-year (-1%), but in the second half they dropped by 10.5%. About 40% of the CHF 137.7 million decline can be attributed to the weakening of foreign currencies.

EBIT fell 21.2% year-on-year to CHF 129.2 million, mainly because of the reduced sales. With no prospect of rapid market recovery in sight, Kaba adjusted its capacities to the new situation during the last financial year, primarily in the Americas and Asia Pacific. The overall EBIT margin for the 2008/2009 financial year was 11.5%. After deducting the one-off capacity adjustment costs of CHF 4.9 million, the annual EBIT margin came to 11.1%. There was a CHF 26.6 million, or 16.2%, like-for-like decline in EBIT. Net profit was down 27.2% at CHF 70.7 million.

"Though Kaba was not able to escape the effects of often significant market weakness, even under difficult circumstances we have been able to record a good performance and a double-digit EBIT margin. Two factors once again helped to stabilize our performance: the high proportion of sales – almost two-thirds – accounted for by upgrade and replacement business, and our ability to adjust capacities quickly to the latest market conditions," explains CEO Rudolf Weber.

#### **Segment performances reflect differences in the markets**

The Door Systems Segment achieved sales of CHF 256.6 million, which is 6.8% down on the previous year (-1.1% organic). Its EBIT margin also slipped slightly from 6.5% to 5.5% (6.1% before exceptional costs). The automated doors business in Switzerland and the Germany-based security doors business performed steadily. The picture was very mixed in other markets.

Sales of the Access + Data Systems Segment went back by 8.1% to CHF 688.5 million. The organic decline in sales was 4.5%, while the EBIT margin remained more or less the same as the previous year at 18.2%, or 17.8% after one-off costs for capacity adjustments.

In the EMEA market region (Europe, Middle East and Africa), sales by the Access + Data Systems Segment declined 6.8% to CHF 378.1 million. Acquisition- and currency-adjusted, the reduction was only 1.4%. The EBIT margin slipped back slightly. In the Americas, sales by the Access + Data Systems Segment were down 4.5% at CHF 240.3 million. The organic decrease was 2.3%. There was an improvement in the EBIT margin across the whole product range. In the Asia Pacific region sales were down by about 15% on a stable EBIT margin. During financial year 2008/2009 Wah Yuet was affected for the first time by the weakness of the residential property market in the USA.

The Key + Ident Systems Segment saw sales drop 15.2% (organic) to CHF 210.5 million. EBIT shrank significantly, from 10.2% in the previous year to 5.3% (4.8% after capacity adjustment costs).

### **Dividend of CHF 4.70 per share**

Despite the lower profit and muted outlook, the Board of Directors is maintaining its investor-friendly distributions policy by asking the Annual General Meeting of 20 October 2009 to approve a dividend of CHF 4.70 (previous year CHF 7.80). For personal reasons, Thomas Zimmermann is not putting himself forward for reelection at the AGM. The Board of Directors proposes that Heribert Allemann be reelected.

### **New Industrial Locks Segment; adjustment to management structure**

In an effort to optimize efficiency and get closer to the markets, Kaba restructured the management of its Access + Data Systems Segment on 1 July 2009. The Safe Locks business and Wah Yuet Group have now been brought together to form the new Industrial Locks Segment. All other activities, plus the Security Doors business (Kaba Gallenschütz), now come under central worldwide management within the Access + Data Systems Segment. Following the realignment of Security Doors, the former Door Systems Segment is now called Door Automation.

### **Outlook**

Kaba expects its business in the late-cyclical security industry to remain low-key with muted demand and limited visibility. Recovery should not be expected until the 2010/2011 financial year at the earliest. However, thanks to its worldwide technological leadership, efficient structures and the closeness to markets that it has built up over many years, Kaba Group is in an excellent position not only to cope with the economic crisis, but to emerge from it stronger and with even greater market share.

## Key figures for the Kaba Group as at 30 June 2009

in CHF million	1.7.2008 – 30.6.2009	1.7.2007 – 30.6.2008
Consolidated net sales	1,166.1	1,303.7
Operating profit before depreciation (EBITDA)	170.5	206.6
in % of sales	14.6	15.9
Operating profit (EBIT)	129.3	164.0
in % of sales	11.1	12.6
Consolidated net profit	70.7	97.1
in % of sales	6.0	7.5
Earnings per share in CHF	18.6	25.6
Total assets	1,001.5	1,077.9
Net working capital	217.7	254.5
Net debt	325.2	412.7
Shareholders' equity	295.6	237.6
in % of total assets	29.5	22.0
Number of employees (average)	8,255	9,151

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