

Investor's Handbook 2002/2003



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This Investor's Handbook contains certain forward-looking statements including those 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 publication. 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.

Never in Kaba's 140 year old history a financial year has been affected by so comprehensive changes as 2001/2002. Thanks to the acquisition of Unican the Kaba group has made a dramatic jump both in size and opportunities. The consequences are shown by facts, figures and many measurable and non measurable effects.

Being aware that the integration of Unican is far more than an operational or technical issue, the management has elaborated an integration report in March 2002. The brochure entitled "Value Driving" has been accepted with great enthusiasm by the financial community. By publishing the integration report Kaba has set new standards in post-merger communication with the stakeholders. Investors and analysts have encouraged us to continue our policy of disclosing the relevant facts and figures as detailed and as quick as possible, well in advance of laws and rules.

It is within this context that we have been working to improve the new Investors' Handbook. Maintaining the basic structure, we have streamlined the content by eliminating some redundancies and by adding information we thought would be appropriate for an easier understanding of our group and our business.

One chapter has been eliminated from the new Investor's Handbook: Corporate Governance. This topic has become so crucial to the corporate world and to the financial community, that we thought the best way to meet our stakeholders' requirements and to implement the Corporate Governance Directive of SWX Swiss Exchange would be by editing a separate booklet. That's what we have done. The brochure "Corporate Governance 2001/2002" is part of our new annual reporting which now includes

- the Annual/Financial Report 2001/2002,
- the Corporate Governance 2001/2002 brochure and
- the Investor's Handbook 2002/2003

When working with the Investors' Handbook, you will probably discover messages that are not clear, figures or ratios that need to be explicated better or chapters reporting details you don't consider useful. Whatever the gap between the printed reality and your expectation: give us your feedback. Either by email and fax or by commenting your findings in a direct discussion with the management.

Ulrich Graf
President and CEO

Dr. Werner Stadelmann
CFO

1. Kaba at a Glance

1.1. Who is Kaba?

With consolidated operating revenues of more than CHF one billion and about 6'300 employees, Kaba is one of the leading providers of «Total Access» solutions worldwide. Kaba estimates it is ranking

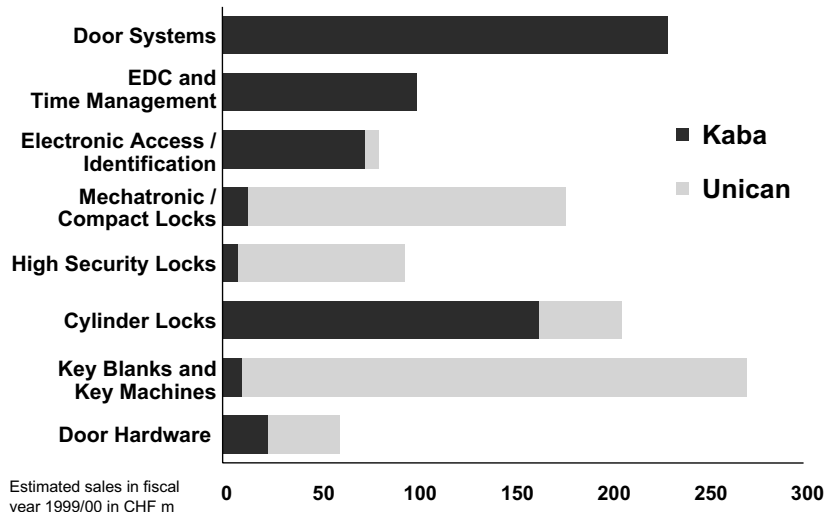
- N° 1 in key blanks, key encoding machines and transponder keys (Ilco and Silca)
- N° 1 in high-security vault and container locks (Ilco, Kaba Mas, Kaba Mauer and Paxos)
- N° 1 in electronic access solutions in Europe
- N° 2 in locking systems
- N° 2 in security and automatic doors
- N° 3 in hotel lock systems and
- N° 3 in «Total Access»

«Total Access» defines Kaba's strategy of integrating two or more components, modules or software products from the four Divisions into its systems.

As of July 1, 2001, Kaba has been organized into the following four Group Divisions: Door Systems, Access Systems, Key Systems and Data Collection. Finance and Business Development are operating as support Divisions. (See Operational Structure in chapter 6.)

The shares of Kaba Holding AG of Rümlang have been listed on SWX Swiss Exchange since 1995. Since the unified registered share was introduced in 1997, there have been no shareholder pooling agreements, i.e. 100% of the shares are freely tradable on the market.

Complementary Product Portfolios



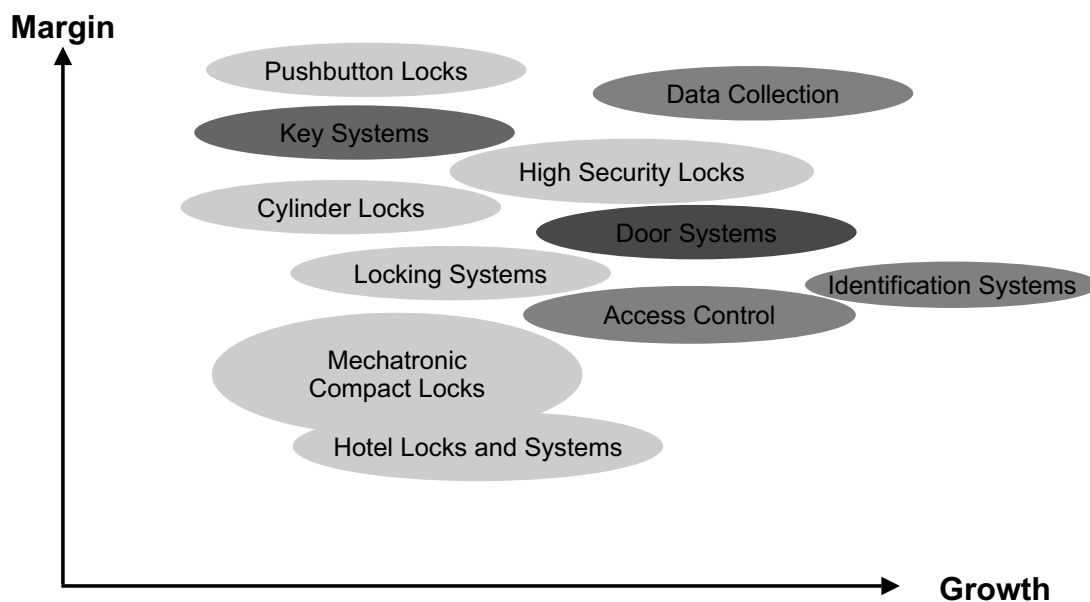
This graph shows the extraordinary how complementary the two companies were at the moment of the acquisition of Unican by Kaba in April 2001.

Kaba's strategy is to

- Maximize the creation of value for the stakeholders
- Maintain its focus on «Total Access»
- Strengthen or consolidate its technological leadership
- Offer investment security to our customers
- Leverage core competencies to develop new markets in systems integration and thus combine indirect and direct approaches to the market
- Exploit the upgrade and replacement business
- Use synergies, optimize costs and maximize long-term profitability
- Maintain the high level of quality and reputation
- Regain a conservative financial profile through a commitment to rapid debt reduction

Kaba's strategic product portfolio is shown in the following chart:

«Total Access» Product Portfolio



80% of sales are indirect, e.g. through wholesalers, retailers, software partners, etc. These may buy one component only or several components to assemble a system. 20% of sales are direct to the final customer. These sales may consist of one or more types of components or whole access control systems. The components and services of all Divisions are intercompatible. Each Division is responsible for one or several business segments within the «Total Access» strategy.

1.3. Key figures for Investors

Per June 30 (in CHF million)	2001/02	2000/01	1999/00	1998/99	1997/98
Door Systems	232.3	231.2	229.9	131.1	126.3
<i>Growth in % vs previous year</i>	0.5%	0.6%	75.4%	3.8%	-
Data Collection	64.3				
<i>Growth in % vs previous year</i>	n.a.				
Access Europa	230.1				
<i>Growth in % vs previous year</i>	n.a.				
Access Asia Pacific	47.2				
<i>Growth in % vs previous year</i>	n.a.				
Access Americas	341.8				
<i>Growth in % vs previous year</i>	n.a.				
Access Systems total	619.1				
<i>Growth in % vs previous year</i>	n.a.				
Key Systems	111.3				
<i>Growth in % vs previous year</i>	n.a.				
Mechanical and Electromechanical Locks ³⁾		188.8	155.1	145.7	140.3
<i>Growth in % vs previous year</i>		21.7%	6.5%	3.8%	22.4%
Access and Time Management Systems ³⁾		120.9	141.5	117.3	99.6
<i>Growth in % vs previous year</i>		-14.6%	20.6%	17.8%	-
Ex Unican Companies ³⁾		142.8			
<i>Growth in % vs previous year</i>		n.a.			
Total net Sales	1 027.0	683.7	526.5	394.1	366.2
<i>Growth in % vs previous year</i>	50.2%	29.9%	33.6%	7.6%	11.5%
Operating revenues	1 025.9	714.5	546.8	408.1	376.0
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	165.6	93.4	70.0	56.4	49.8
<i>EBITDA in % of Operating revenues</i>	16.1%	13.1%	12.8%	13.8%	13.2%
Earnings before Interest and Tax (EBIT)	123.0	68.2	52.8	41.3	35.0
<i>EBIT in % of Operating revenues</i>	12.1%	9.6%	9.6%	10.1%	9.3%
Net income for the year	61.8	41.9	34.5	27.7	22.1
<i>Net income in % of Operating revenues</i>	6.1%	5.9%	6.3%	6.8%	5.9%
Total assets	765.6	964.3	366.1	331.6	316.1
Shareholders' equity	-94.5	-118.2	114.9	117.9	104.0
<i>Shareholders' equity in % of Total assets</i>	-12.3%	-12.3%	31.4%	35.6%	32.9%
<i>Return on equity (ROE)</i>	n.a.	n.a.	30.0%	23.5%	21.3%
Net debt	524.0	588.1	81.8	90.0	73.0
<i>Net debt in % of Shareholders' equity</i>	n.a.	n.a.	71.2%	76.3%	70.2%
Net operating assets	420.1	457.1	191.7	184.5	172.0
<i>Growth in % vs previous year</i>	-8.1%	138.4%	3.9%	7.3%	0.2%
<i>Return on net operating assets (RONOA)</i>	29.3%	14.9%	27.5%	22.4%	20.3%
Net cash provided by operating activities	90.7	45.3	46.9	27.3	30.2
Net cash used in investing activities	-24.2	-25.4	-21.4	-17.2	-15.9
Divestments	6.1	3.9	10.6	5.0	9.6
Free Cash flow (net) before dividend	72.6	23.8	36.1	15.1	23.9
Dividend payment	10.7	8.8	7.0	6.5	5.4
Unified registered shares ¹⁾ at CHF 10.– par value	3 567 500	3 567 500	2 245 000	2 245 000	2 245 000
Earnings per share (fully diluted) ¹⁾	17.32	11.74	15.37	12.34	9.85
<i>Growth Earnings per share</i>	47.5%	-23.6%	24.5%	25.3%	16.0%
Market Capitalization at year end	1 142	1 266	1 179	461	435
Employees (average)	6 402	3 816	2 699	2 135	2 079
Employees, closing date count as at June 30	6 294	6 835	2 757	2 147	2 090

¹⁾ restated as for Registered shares CHF 10.00 par value, effective after split 1:4, Feb. 12, 2001, capital increase of 1'322'500 shares @ CHF 10.00par value on March 8 and 12, 2001

²⁾ Unican income statement is included for 3 months only

³⁾ former divisional structure

n.a. = not applicable

2.1. Mission Statement

As one of the leading providers of access management solutions worldwide, we strive to further explore the growth opportunities in the security market by both capitalizing on the installed base and by acquiring new customers. Our mission is to maximize the creation of value for our stakeholders while respecting the principles of corporate social responsibility.

2.2. Commitment to Sustainable Development

We are convinced that economic success, social performance and ecological efficiency are interdependent and must thus be considered core targets of a strategy-driven group like Kaba. Consequently, we base all activities and goals on our commitment to sustainable development.

Kaba's major contribution to sustainable development is through innovative, reliable and cost-efficient technology that provides security and convenience to millions of people all over the world with the minimum use of resources.

2.3. Responsibilities

- **To Customers**

Anticipating and meeting our customers' needs is the key to achieving our ambitious strategic and financial goals. We are determined to provide our customers with innovative technology, attractive products and top-quality services. Kaba guarantees full investment protection, with compatibility between different existing products and compatibility between existing and new products.

We seek a long-term personal partnership with our customers based on trust, openness and reciprocity. It is our ambition to be best in class in each market or segment, but we are aware that there is stillroom for improvement to satisfy all of our customers unconditionally.

- **To Shareholders**

It is Kaba's strategic priority to maintain a profitable growth momentum and to achieve our financial goals. We recognize that sound profit growth is essential to increase shareholder value and to implement our corporate strategy.

- **To Employees**

We aim to provide all of our employees with good, safe working conditions. We invest continuously in the training of our employees on all levels and in all functions. Special attention is given to young people, whose contribution will be decisive in the successful implementation of our strategy. Each employee is qualified to do his/her specific job better than his/her superior. Kaba delegates entrepreneurial responsibilities through to the lowest possible level. Pay is determined chiefly by professional skills, personal performance and the achievement of objectives.

- **To Business Partners**

In dealings with our business partners we apply the highest standards of excellence and mutual respect. We expect them to share our commitment to sustainable development and to support us in fulfilling our responsibilities to stakeholders.

- **To the Environment**

We act responsibly to achieve economic success in harmony with the environment. Environmental protection and improvement are part of our business processes. We make sure that our products and solutions are designed to meet the highest environmental standards for the whole of their lifecycle.

We are committed to installing machinery and equipment which is designed to minimize waste, both hazardous and non-hazardous. We are committed to treating all unavoidable waste in a manner that meets or exceeds the standards set by regulatory authorities.

We expect and are confident that each employee will not only share those commitments, but take steps to achieve the objectives. Each of us must work in a manner that protects not only his or her health and safety, but also that of fellow workers, visitors, the public and our communities.

As employees, employer and citizens, we have a shared goal – a cleaner world for ourselves, our children and grandchildren. To carry out its environmental and waste minimization policy, Kaba Holding will

- comply with all applicable laws and regulations
- embrace environmental management through the commitment of its Management and Board of Directors
- communicate this policy to all employees and the public
- conserve energy and materials and recycle, where possible
- strive to eliminate pollution through process improvement
- educate and train employees to work in an environmentally responsible manner
- plan for emergency situations through established preparedness and response procedures

- **To Society**

To a considerable extent, we owe our success to what we receive from the communities around us. For example, we operate in surroundings that provide Kaba with an advanced infrastructure and offer our employees an attractive social and economic environment. Recognizing these benefits, we aim to intensify dialogue with our communities and to support them properly.

2.4. Corporate Governance

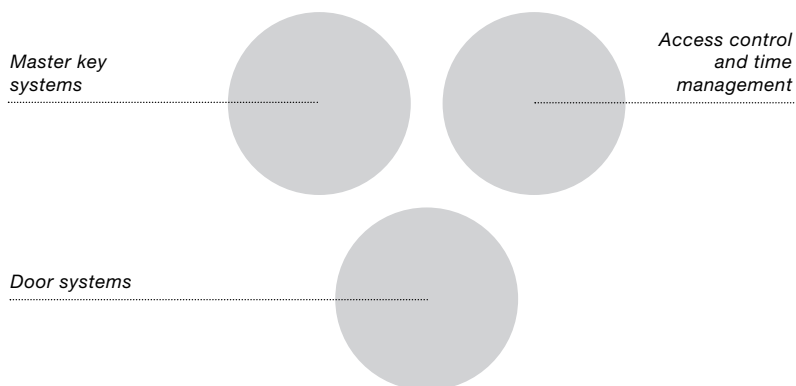
The facts and figures related to Corporate Governance are available in the separate brochure "Corporate Governance 2001/2002" which is distributed together with the Annual Report/Financial Report 2001/2002 of Kaba.

3.1. Corporate Strategy

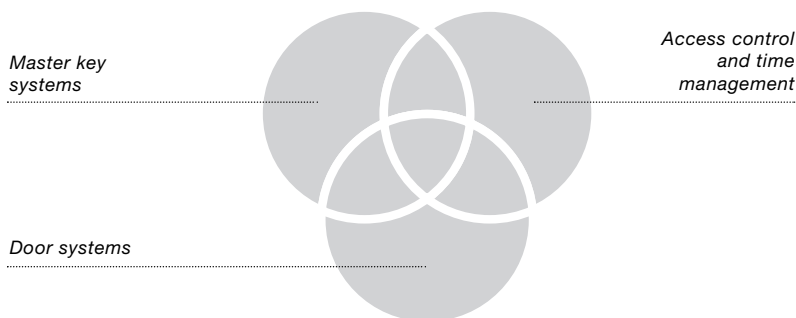
- Kaba wants to build up a truly global «Total Access» business and to be or become the world market leader in access systems, key systems, door systems and data collection. This means consolidating the leading positions and striving for N° 1 positions where Kaba now ranks N° 2 or N° 3.
- End-users and resellers are systematically addressed via clearly structured distribution channels. To both groups Kaba guarantees full investment security.
- Geographically, Kaba focuses on Europe, North America and selected markets in Asia Pacific while monitoring and taking opportunities in other growth markets.
- The manufacturing cost of system components is optimized by streamlining and standardizing product lines. Manufacturing costs are strictly controlled by reducing vertical integration where appropriate and by concentration processes involving production and development sites. Customized products are assembled at service centers, which are located as close as possible to the end-user. Synergies from takeovers are systematically exploited.
- 70% of all «Total Access» systems and components are installed in existing buildings and facilities. The installed base of sold systems and equipment stabilizes income and raises barriers to entry (see 5.5.) through the upgrade and replacement business it generates. Kaba is therefore less vulnerable to economic cycles in the building industry.

3.2. Total Access

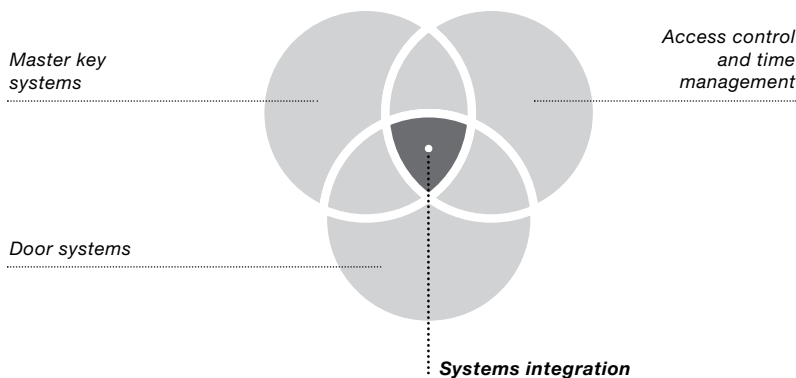
Kaba manufactures and distributes components in three markets: Mechanical and mechatronic cylinders and locking systems, electronic access systems and data collection, door systems.



Technical possibilities and the need among our customers for greater security and convenience have made these three segments grow together. This calls for the interoperability of the respective components. We call the resulting overall market "Total Access".



The overlap also creates a new market: customers want "Total Access" solutions from a single source. This is why Kaba not only offers the components but also the engineering services needed to create doorkeeping security and functionality solutions. This is called systems integration.



3.3. Acquisition Strategy

Kaba's acquisition focus is on companies, which will enable the Group to strengthen its position in the «Total Access» business, particularly in markets where organic growth would be too expensive or too lengthy. By acquiring such companies, Kaba can broaden its installed base and raise the entry-level threshold for competitors.

An acquisition must be profitable within the first years, should not significantly weaken the financial capacity of the Group and must be compatible with strategic «Total Access» objectives.

It must also produce additional synergies with Group companies.

The strategy is implemented by a management board with experience in acquisitions and proven capabilities in integrating new companies efficiently into the Kaba organization.

In the years to come, the focus will be on repaying the debt related to the acquisition of Unican. No major acquisitions are planned.

3.4. Financing Strategy

From 1992/93 to 2001/2002, Kaba invested CHF 169,0 million in fixed and intangible assets, mainly machines, equipment and information technology. About half of this amount relates to substitution investments, which owing to technological progress, led to capacity expansion.

Kaba owns some production sites, which are no longer or only partially used for operational purposes. In most cases, the real estate in question is rented out and earmarked for sale, in line with Kaba's policy of selling property not being used for longer periods of time.

Free Cash flow; Net Debt Divided by EBITDA

Aggregate free cash flow (net) from 1992/93 to 2001/2002 amounted to CHF 232,1 million, while investments in business interests (excluding Unican) totaled CHF 132 million for the same period. Taking into account the dividend payments to shareholders of CHF 56,7 million, all investments were funded by Kaba's free cash flow until the takeover of Unican, leaving unused a cash flow of CHF 43,4 million.

The takeover of Unican in April 2001 substantially increased Kaba's indebtedness. As of June 30, 2002, Kaba had interest-bearing net debt (including net debt taken over from Unican) of CHF 524 million (prev. year: CHF 588 million). It is Kaba's aim to reduce this debt burden within the next four years to a ratio of net debt divided by EBITDA of two or lower.

The generation of free cash flow – including the better management of working capital – has therefore gained an even higher priority than before.

Free Cash flow

in CHF m

Net income + depreciation (EBD)	104.4	67.1	51.7	42.8	36.9	30.6	23.5	22.1	18.4	15.9	413.4
+ changes in net working capital + provisions	-13.7	-21.8	-4.8	-15.5	-6.7	3.9	-2.5	-1.0	4.0	3.4	-54.7
Operational cash flow	90.7	45.3	46.9	27.3	30.2	34.5	21.0	21.1	22.4	19.3	358.7
- Investments in assets (replacement + expansion; without participations)	-24.2	-25.4	-21.4	-17.2	-15.9	-11.2	-12.5	-11.8	-12.1	-17.3	-169.0
(as % of EBD)	27%	56%	46%	63%	53%	32%	60%	56%	54%	90%	47%
+ divestments fixed assets	6.1	3.9	10.6	5.0	9.6	1.4	0.8	0.5	1.9	2.6	42.4
Free Cash flow (net)	72.6	23.8	36.1	15.1	23.9	24.7	9.3	9.8	12.2	4.6	232.1
+ financial expenses (gross)	47.0	18.0	7.6	5.6	6.1	5.2	3.1	3.6	4.0	6.0	106.2
Free Cash flow (gross)	119.6	41.8	43.7	20.7	30.0	29.9	12.4	13.4	16.2	10.6	338.3
pro memoriam:											
Investments participations	-20.2	-842.9	-11.3	-25.4	-5.7	-52.1	-9.7	-6.4	0.0	-0.3	-974.0
Dividends	-10.7	-8.8	-7.0	-6.5	-5.4	-4.6	-3.5	-3.2	-3.0	-4.0	-56.7

Foreign Currency and Interest Rate Hedges

The aforementioned CHF 524 million total interest-bearing net debt which resulted from refinancing in connection with the Unican takeover was mainly taken up in CHF. However, about CHF 88 million (17%) was in USD and CHF 62 million (12%) was in EUR. The EUR and the Swiss Franc are very closely correlated. This currency mix provides a partial natural hedge against currency fluctuations on the asset side as well as in cash flow generation power.

About 50% of the total interest-bearing debt was hedged in May 2001 against interest rate fluctuations for a period of three to five years.

3.5. Financial Objectives of the Kaba Group

Internal revenue growth > 5 to 6% p.a.:	In the medium term and under average economic conditions, the Kaba Group (including Unican) expects average revenue growth of over 5 to 6% per year through internal expansion.
EBIT(A) margin > 12.5% (EBITA as % of net sales)	Kaba is striving for a combined EBIT(A) margin of over 12.5%. Per year and under normal economic conditions, Kaba aims to improve the EBIT(A) margin by 0.5 points to 1.0% of net sales (yearly average).
Average EPS growth of 20% p.a. under average market conditions	Kaba intends to achieve growth in net earnings per share of in the average 20% per year under average market conditions.
RONOA (Return on net operating assets) > 30% p.a.	The management remains earnings-driven and intends to systematically harness the earnings potential of markets, which have not yet been developed. In the long run, Kaba intends to achieve a return on net operating assets (= Earnings before interest and tax (EBIT) in % Net operating assets) of more than 30% p.a.
Net debt divided by EBITDA < 2	Over the next four years, Kaba wants to reduce its net debt to a ratio of net debt divided by EBITDA of less than 2.

3.6. Strategic Goals of the Kaba Group

Rapid integration of Unican	The full integration of Unican will be pursued with high priority and is expected to be achieved by the end of 2004.
Technological leadership	<p>Kaba will strengthen its worldwide technological leadership by investing in research and development as well as in staff training.</p> <p>Kaba's leading role in technology will be used to increase awareness and the quality image of the Kaba brand.</p>
«Total Access» leadership	<p>The Kaba Group strives to be a leading global provider of solutions in access control, locking technology, door management, data collection and the leading manufacturer of key blanks, key machines and high-security container locks.</p> <p>Geographically, Kaba aims to achieve a leading position in Europe, North America and selected markets in Asia Pacific. Furthermore, Kaba is ideally positioned to develop «Total Access» in the emerging markets of Australia and Latin America.</p>
Developing markets through both indirect and direct distribution channels	<p>Kaba sells mainly through indirect sales channels: 80% of sales are through wholesalers, retailers, software partners, etc. They may buy one component only or several components to assemble a system. About 20% of sales are direct to the final customer. These sales may consist of one or more types of component or whole access control systems. The components and services of all Divisions are intercompatible. Kaba will push its newest technologies into the markets using direct sales channels.</p>
Comparative advantages	<p>Kaba will focus on achieving comparative advantages in providing compatible technology solutions, in manufacturing, distribution, marketing and after-sales service.</p>
Cost optimization	<p>Cost savings will be achieved by</p> <ul style="list-style-type: none"> • continuously optimizing the degree of vertical integration • standardizing system components • customizing systems and assembling at service centers located as close as possible to the end-user • maintaining decentralized management with profit centers • maintaining the earnings-driven management approach and increasing the number of managers participating in incentive programs.

Full exploitation of upgrade and replacement business

Kaba will increase its market share of the retrofit market to further reduce the company's dependence on the construction industry. The leveraging of Unican's outstanding distribution network will considerably extend Kaba's participation in the value chain.

4. Products and Technology

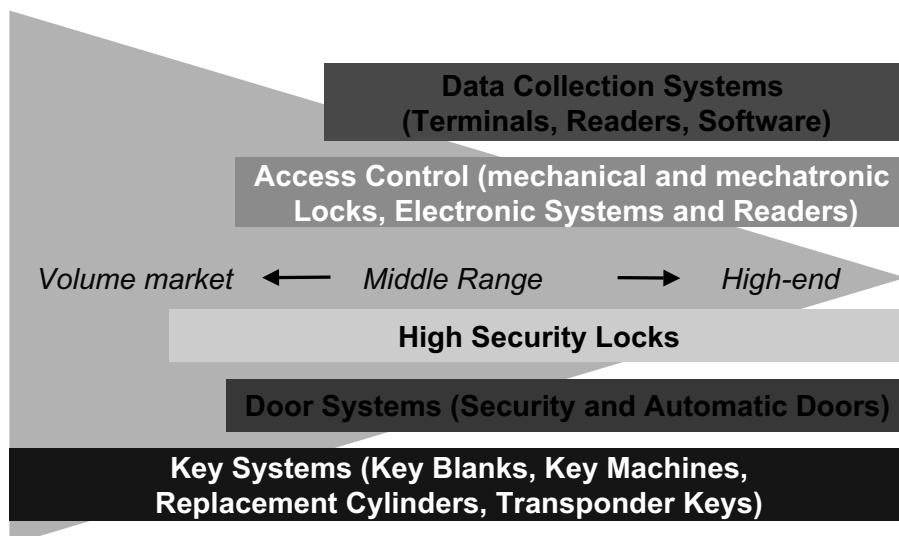
(For a comprehensive description of products and technology by Division and strategic business segment, please see 9.1.)

4.1. An integrated and intelligent Portfolio of Products

The acquisition of Unican has significantly extended Kaba's offering of security solutions, which now ranges from the volume to the high-end market. In specific terms, Kaba has enhanced its spectrum of locking products to include standard cylinders, complex mechanical and mechatronic locks and locking systems, electronic access control systems and many products in between. With this approach, Kaba is also addressing the growing need for globally unified security solutions among multi-national customers.

In 2001/2002 Kaba has started to realize synergies at the product level, too. Kaba's Legic identification technology has been used to integrate Kaba and Unican products and systems using keys, badges and other devices. The Kaba Group provides components, solutions and services in the areas of door, access, data collection and identification systems. Vertically integrated strategic Divisions have been created to provide these products and services to specific customer groups worldwide. At the heart of the Divisions are centers of competence for product and market development, logistics and production.

**Kaba covers all security aspects:
from volume (some products) up to high-end markets**



4.2. Research and Development (R & D)

The Kaba Group invests roughly 3.5% of sales in research, new developments and user-oriented refinements. Thanks to the leverage effect from the acquisition of Unican, Kaba has been able to reduce its R & D investment rate from 5%, the average level of the past few years. The focus of R & D is always on genuine customer benefit.

Development activities are governed by the Kaba principle of triple investment protection:

- All products and systems are aligned with integrated functions and are compatible with one another down to the application level.
- New products, systems and entire device generations are compatible with previous generations.
- The development and manufacture of products and systems is pursued in close, long-term cooperation with customers.

Research and development capabilities are located in the major production companies (centers of competence). The largest development projects are implemented by Silca S.p.A., Kaba Mas Corp. (formerly Mas Hamilton), Kaba Ilco Corp. USA, Kaba Ilco Inc. Montreal, Kaba Benzing GmbH, Kaba Gallenschütz GmbH, Kaba AG, Kaba AG Systems Development, Kaba Gege GmbH, Kaba Gilgen AG and Legic Identsystems AG. In these centers of competence, equipped with state-of-the-art facilities for computer-aided design/machining equipment and robotics, existing expertise is further developed and deepened.

In addition, new technologies are used to create new product trends in Kaba's «Total Access» markets. The other Group companies handle application-oriented enhancements of existing products and customer-specific product development. Overall, Kaba employs more than 60 developers.

Research and development is coordinated on a divisional basis by the responsible divisional managers, and overall by the CEO.

The application of advanced technologies (such as microchips) and high quality standards has resulted in rising development costs. At the same time, technological advances are shortening product lifecycles. To reduce product costs, Kaba consistently devotes resources to the search for new production systems and technologies, through in-house development and the construction of dedicated production equipment.

4.3. Brands, Patents, Licenses and Other Intellectual Property Rights

The "Kaba" brand name is the umbrella brand of the Kaba Group. "Kaba" is a registered trademark of Kaba AG, Wetzikon, Switzerland.

The Umbrella Brand is registered in every country where the Kaba Group is actively engaged in marketing and/or sales. It has been registered in 7 international classes:

6-mechanical locks and keys

7-door and gate drives

9- electronic locking installations, access control installations, signaling installations;

12-car/vehicle safety

37-installation, repair and maintenance services, key service

40-machining of materials, key service, depending on the country

42-production of locking plans, planning of lock installations, programming

Silca, Ilco and Legic are part of Kaba's portfolio of Associated Brands. Silca and Ilco are worldwide known as quality leaders in key machines, keys and now also electronic keys containing transponders. Beside these brands a wide range of Company Brands figure in the Kaba Group.

Kaba holds approximately 300 patents that have been registered or applied for in more than 30 countries. The patents cover more than 30 system applications, most of them related to the prevention of unauthorized key duplication. Kaba estimates that approximately CHF 200 million in sales depends on such patents. Patents held by the former Unican mainly cover pushbutton locks, electronic hotel locks and electronic safe locks. Patented features are further developed on an ongoing basis and a steady stream of new key patents is generated.

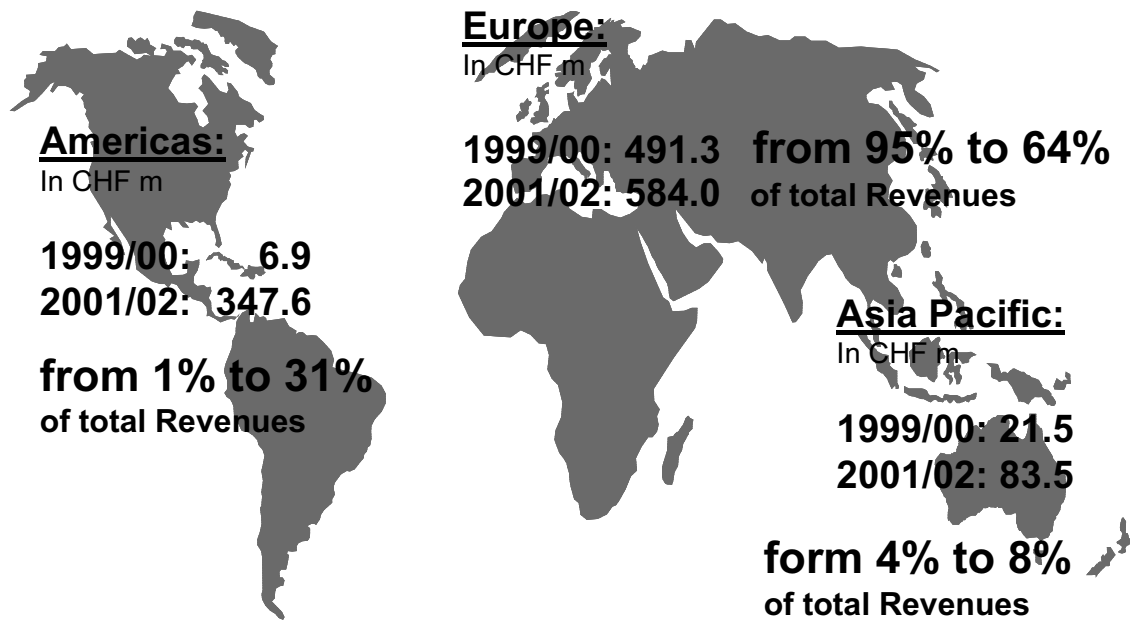
In other product areas, essential expertise is protected by patents wherever possible – despite the fact that patented technology must be put on public record and is therefore available to interested third parties. Other expertise is not patented in order to prevent public access to Kaba-specific technological knowledge.

Kaba also licenses its technologies. More than 110 licensees – 20 of them in the Asian growth markets – have acquired the right to use basic Kaba Legic technologies. More than 30 million Legic chips and over 300'000 readers and transmitters have been sold to Legic licensees.

5.1. Market Presence

Until the last year Kaba has been mainly an European group. With the integration of Unican the Kaba group has started to globalize its market presence becoming also a leading player in North America including Mexico and strengthening its positions in other countries, especially in Asia Pacific.

Revenues 2001/02 compared to Kaba in 1999/00



5.2. Market Volumes and Market Shares

5.2.1. The Locks Industry

The global locks market is believed to be worth CHF 27.2 billion. The market includes mechanical and electromechanical locks, door closers and security doors for use in residential, commercial and industrial markets. While in many countries the lock industry has consolidated with few companies remaining, global and regional consolidation has been slow, especially when compared with other industries. Assa Abloy (Sweden) is the global leader, followed by Ingersoll-Rand (US). Both competitors have, compared to Kaba, a greater exposure at the lower end of the product range, whereas Kaba – and this still applies to Kaba including Unican – is more active in the faster-growing mid and upper segments.

The market is thus characterized by the high number of smaller companies. This structure is caused partly by different national standards, particularly in Europe. Proximity to customers, existing business arrangements and distribution patterns are still the key success factors in the locks industry. The market is better described as an aggregation of a number of national markets rather than a truly global market.

Global locks industry

Region	Value (CHF bn)	Market share
Europe	9.6	35%
North America	7.9	29%
Rest of World	9.7	36%
Total	27.2	100

Estimated volumes of end markets and market shares by geographical area (2000).

In monetary terms, the US market is actually smaller than the European market. This is mainly due to the lower degree of sophistication of the American market and thus to the lower price compared with Europe. Different countries and continents have different conventions and attitudes when it comes to security and safety. In North America, the industry is strongly influenced by the potential for legal action on the grounds of liability, and escape facilities are vitally important for building owners. In northern European markets, however, growth has been driven by requests for high security from insurance companies. Required standards for locks and security products have gradually been raised and the spend per capita on lock and security products in these markets is the highest in the world. Southern Europe has historically had lower safety standards, but they are now also rising owing to higher safety demands (for example, the need for an easy exit in the event of a fire). This is spurring stronger demand for new security products in this region.

In the developing markets in Asia and Latin America, there are few strong local players or brand names. These markets are following trends and standards from both North America and Europe, and hence the standards in these countries are expected to converge towards those of developed countries. Developing markets thus present good growth opportunities.

5.2.2. Total Access

Kaba estimates the worldwide volume of the «Total Access» market relevant to Kaba to be approximately CHF 10 billion.

The European market is expected to reach CHF 4 billion. Subdividing the relevant European market by product categories, Kaba estimates the following amounts:

- Security and automatic doors CHF 2.0 billion
- Mechanical locking systems CHF 0.8 billion
- Access control and time management CHF 1.2 billion

An analysis of the «Total Access» market according to value generation phases shows that the European sub market for engineering, project implementation and hardware and software installation (Kaba's systems integration market) is worth more than CHF 500 million. Additionally, there is an estimated CHF 200 million market for technical maintenance (after-sales service). The remaining CHF 3.3 billion in Europe can be attributed to production and distribution.

Kaba believes that the security and access markets have strong growth opportunities. This is due to factors such as the increase in delinquency, threats to safety as perceived by the population and shrinking confidence in government ability to curb thefts and break-ins. The growing demand for security and convenience is a main driving factor in Kaba's growth potential. In addition, since Kaba products are suitable for improving systems, which are already installed, Kaba's growth potential is largely independent of any cyclical trends in the construction industry. Kaba estimates its European overall market share to be between 5 and 15%. In some European high-end specialty markets, however – such as key systems, access control and time management systems – Kaba is respected as one of the three largest providers.

As a consequence of the acquisition of Unican, Kaba has achieved leading positions in several new markets. In the market for key blanks and key duplicating machines, Kaba leads in North America, Europe, Mexico and Australia. The market shares in these markets are estimated at 50 to 65% of the replacement market.

In the "Access Control" market, Kaba is the third largest supplier of electronic locks to the hospitality industry, with an estimated market share of 15 to 20%. And with a market share put at around 40%, Kaba leads the market for mechanical pushbutton locks in North America and the UK.

In the manufacture of safe and vault locks (container locks), Kaba is the worldwide leader, with an estimated share of about 40%. Finally, Kaba is a leading manufacturer of brass cylinders for the replacement market in North America, with an estimated market share of 60%, as well as a leading manufacturer of cylinders in Hungary.

5.3. Market Competition

«Total Access»

Circumstances in the security industry and, consequently, the competitive environment, have changed dramatically in Europe and North America over the last ten years. The markets of the 1980s were highly fragmented and dominated by local family-owned companies. Globalization and the emergence of electronics and software technologies have led to dramatic changes in these industries. Firstly, larger groups have formed to create companies with the necessary critical mass to serve international markets and to develop products for these markets. Secondly, new players have appeared on the scene, mastering these new technologies while the traditional companies have generally lagged behind or have not been capable of developing the new skills to survive.

While some players, including Kaba, Assa Abloy Group and Ingersoll-Rand have acquired companies in their traditional business segments, Kaba has also successfully developed the «Total Access» strategy. This move was well received by the markets and the relevant customer groups. As a result, other groups have tried to emulate the «Total Access» approach.

The former Unican (now Kaba) was at the forefront of market consolidation and achieved significant growth by successfully identifying, acquiring and integrating competitors. It then leveraged the technologies and expertise of these companies to enhance overall revenue growth. In most of its product segments, Kaba is a market leader and faces limited competition. Its more significant competition is in the electronics segment of its business.

While Kaba sees little challenge to its position in the area of «Total Access», it faces specific competitors in certain market regions and in particular products in the door systems, key systems, locking systems, access control and time and data collection segments. Kaba has leading or strong positions in many of these business fields and market segments in numerous European countries, but currently occupies only niche positions in the North American security markets. In the emerging markets of Latin America and Asia, Kaba believes that it has established solid footholds, but the climate is changing rapidly and is less transparent than the more mature European and North American markets.

5.4. Revenues by regions and countries

The following tables show sales per country where customers are located:

Revenue by region	2001/02		2000/01		1999/00	
	in CHF m	in %	in CHF m	in %	in CHF m	in %
1. Americas	347.6	34	106.0	16	6.9	1
2. Rest of Europe	283.6	28	221.9	32	216.5	42
3. Switzerland	157.9	15	153.7	22	154.4	29
4. Germany	115.6	11	97.1	14	113.4	22
5. Asia Pacific	83.5	8	67.5	10	21.5	4
6. Eastern Europe	26.9	3	13.5	2	7.0	1
7. Others	11.9	1	23.9	4	6.8	1
Total	1,027.0	100	683.6	100	526.5	100

Revenue by country	2001/02		2000/01		1999/00	
	in CHF m	in %	in CHF m	in %	in CHF m	in %
1. USA	302.7	29	92.0	14	6.9	1
2. Switzerland	157.9	15	153.7	22	154.4	29
3. Germany	115.6	11	97.1	14	113.4	22
4. Great Britain	99.9	10	91.0	14	93.1	18
5. Asia Pacific	83.5	8	67.5	10	21.5	4
6. France	44.8	4	25.1	4	23.8	5
7. Italy	37.4	4	14.4	2	11.6	2
8. Austria	32.6	3	32.0	4	34.1	7
9. Scandinavia	28.6	3	17.0	2	18.3	3
10. Eastern Europe	26.9	3	13.5	2	7.0	1
11. Canada	24.4	2	9.2	2		
12. South America	20.4	2	4.8	0		
13. Benelux	18.3	2	26.9	4	22.9	4
14. Spain/Portugal	18.0	2	12.0	2	10.2	2
15. Greece	4.1	1	3.5	0	2.5	1
16. Others	11.9	1	23.9	4	6.8	1
Total	1,027.0	100	683.6	100	526.5	100

Please note: In the Annual Report, region figures are to be understood as sales assigned to the supplying Kaba company and to its location. Such sales figures still contain some export revenues. In the tables above, also such exports are allocated to the specific country of final client.

5.5. Barriers to Entry

- | | |
|---------------|--|
| High | <ul style="list-style-type: none"> • Mechanical and mechatronic keys, cylinders and locking systems, key systems: high stability, 70% of sales from installed base (expansions, retrofits, replacements) • Security and automatic door systems: high technical and operational requirements, installed base still important, brand awareness and after-sales service vital |
| Medium to low | <ul style="list-style-type: none"> • Electronic access control and data collection: heavily fragmented market, installed base strongly influences brand awareness and service volumes, open and modular architecture of components and their compatibility are key to long-term success |

5.6. Customers

The customer receives compatible components or systems which cover all aspects of door keeping security, data collection and authorization management from resellers, distributors or from Kaba as a single-source, tailor-made systems integrator. With its «Total Access» strategy, Kaba guarantees technically sophisticated, forward-looking solutions with superior investment protection.

Kaba sees great potential for leveraging product and market development, sales and distribution in commercial and institutional locks and access control systems (including systems integration), hotel access control systems, high-security locks for automatic teller machines, cash in transit systems and safe systems as well as in key and identification systems.

Major **customer groups** within these product market segments are:

- Financial institutions, insurance companies and other service industries
- Government institutions and agencies, including law enforcement and defense
- Power plants
- Telecommunications industry
- Transport industries, in particular railways and airports
- Educational institutions
- Automobile industry
- Retail and fast food chains

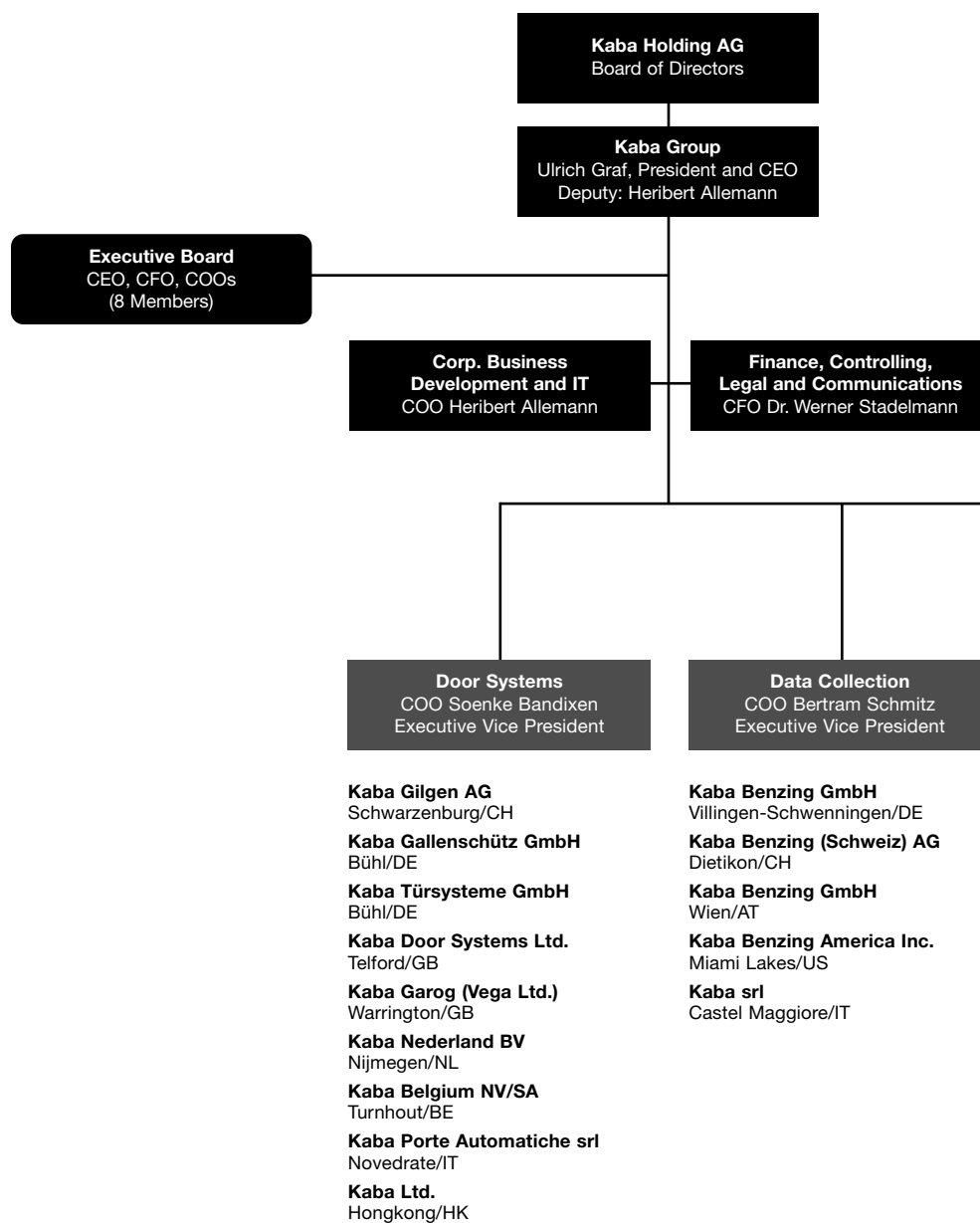
- Hotel chains
- Small commerce and service outlets
- High-end residential premises

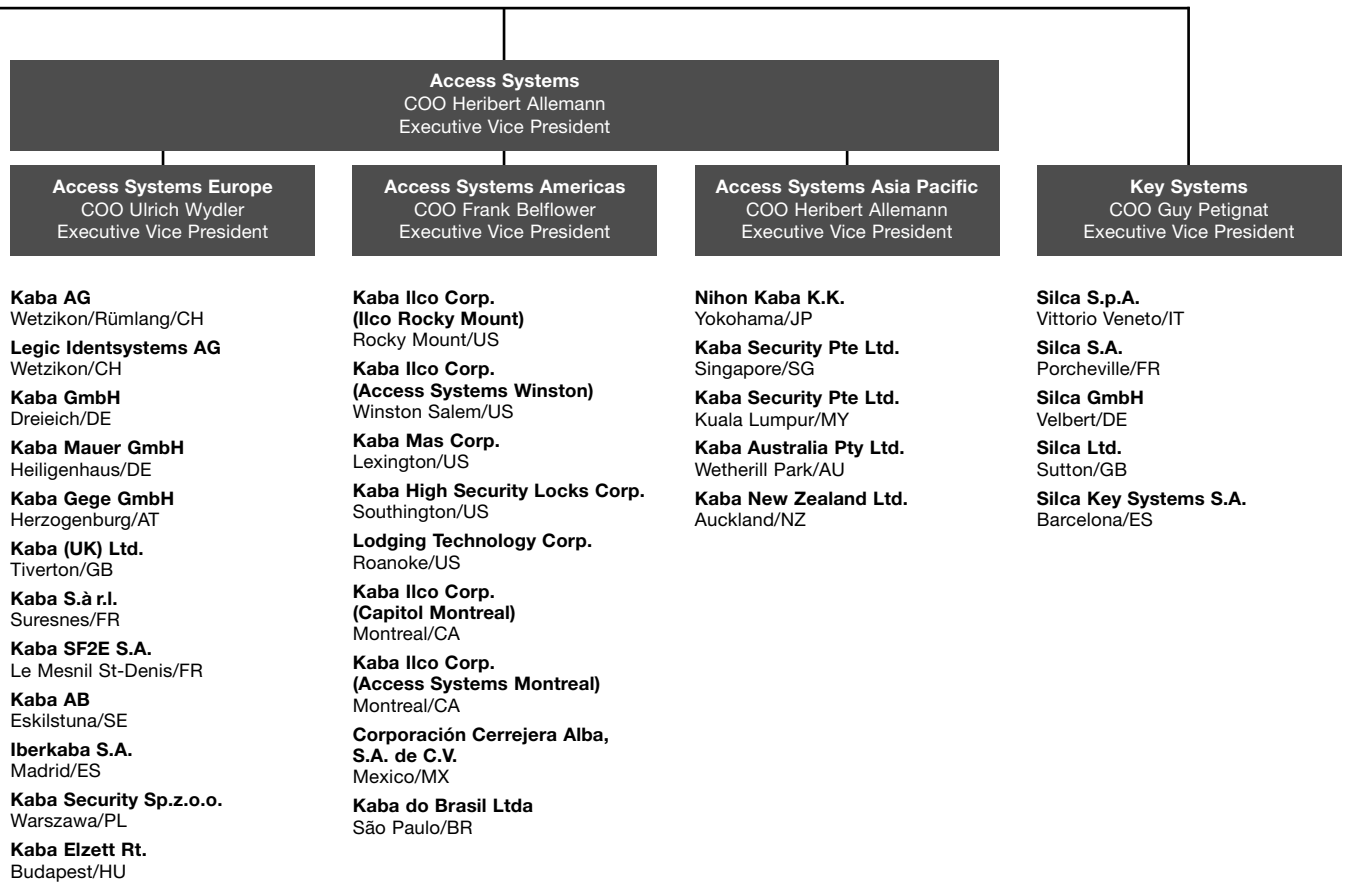
The typical customer within these segments requires access products and systems, which provide:

- High security and control
- Comprehensive and flexible organization
- Scalability to adjust to changing needs
- Convenience of use

6. Structure

6.1. Operational Structure of the Kaba Group





6.2. Employees by Division

The following table shows the average number of full-time equivalent employees.

	Fiscal Years			
	2001/2002 June 30, 2002		2000/2001 June 30, 2001	1999/2000 June 30, 2000
Door Systems	1,256	20%	1,177	1,130
Data Collection	334	5%		
Access Europe	(1,412)	(22%)		
Access Asia Pacific	(202)	(3%)		
Access Americas	(2,201)	(35%)		
Access Systems total	3,815	60%		
Key Systems	965	15%	NA	NA
Other	32		23	20
Mechanical and Electromechanical Locks			1070	1029
Access and Time Management Systems			619	520
ex Unican companies *)			927	NA
Total	6,402	100%	3,816	2,699

*) Due to the first time consolidation of Unican for 3 months only, in fiscal year 2000/2001 the Unican employees count for ¼ only.

	Door Systems Division	Access Systems Division	Key Systems Division	Data Collection Division
Strategic Business Segments	Door Systems	Access control Hotel locks Safe locks	Key systems	Data collection
Products	Security doors, turnstiles, barriers, entrance control systems, ticketing systems Automatic doors (sliding, circular, folding and swing doors), drive and control components for gates and industrial doors, automatic wall systems and automatic doors for public transport (train and platform screen doors)	Kaba & Gege key-cylinder systems and locks (mechanical and mechatronic), Power lever Locks and architectural hardware, furniture hardware Standalone Access Control Kaba eologic Online Access Control system Kaba exos sky Online Access Control and Time Attendance system kaba exos 8300 Hotel systems Locks for safes (containers) and ATMs, push-button locks and mechatronic locks	Key blanks, transponder key blanks, key duplication, coding and decoding systems Replacement cylinders, dealer key-cylinder systems	Terminals and readers for time, attendance and enterprise data collection, Communication Software
Trademarks	Kaba	Kaba, Gege, Legic, Paxos, Com-ID, Kaba Mas, Mauer, SF2E	Silca, Ilco	Kaba Benzing
Major sub-brands	Kaba Gallenschütz, Kaba Gilgen, Henderson-Bostwick, Garog	Kaba exos, Alfa, Peaks, Lori, Simplex, Unican, Marlok, etc.	Orion, Lotus, Taylor, ALBA	Bedas, Bedalon, B-Com
Market segments	Commercial, industrial and institutional end-users, e.g. banks, insurance companies, telecom and high tech industry, government, utilities, power plants, transportation, schools, high-end residential buildings, retail and fast food chains, etc.	Large commercial and institutional end-users, e.g. banks, insurance companies, power plants, telecom and high tech industry, government, police and prisons, utilities, transport, schools, high-end residential buildings, retail and fast food chains, etc.	Replacement key services	Commercial, industrial and institutional end-users
Customers (users)	Specialist installers: e.g. facade constructors, metal shops Project businesses, contractors, systems integrators	OEM, e.g. telecom industry, railways, banking services, vending, parking meters Project businesses, contractors, systems integrators	OEM automotive lock manufacturers, automotive industry OEM lock and cylinder manufacturers	ERP partnership for data collection



	Door Systems Division	Access Systems Division	Key Systems Division	Data Collection Division
cont.	Train and subway network companies	Hotels and hospitality suites Cash in transit (CIT)		
Existing distribution channels	Direct: through own Kaba regional sales organizations Indirect: value adding resellers (VARs), agents and distribution channels OEM: worldwide partners	Wholesale, trade, VAR, direct, project	Wholesale distributors, dealers, automotive OEM, other OEM (lock and cylinder manufacturers)	Software partners, value-adding resellers
Selected major competitors	see chapter 9.3	see chapter 9.3	see chapter 9.3	see chapter 9.3
Sales as of June 30, 2002 (CHF million)	232	619, hereof: Americas 342 (incl. Key systems Americas) Europe 230 Asia Pacific 47	111 (Europe only)	64

6.4.1. Europe

Silca S.p.A.
Vittorio Veneto (Italy)

Key Systems Division

Silca S.p.A is the leading manufacturer of key blanks and mechanical duplicating equipment in Europe, and the largest, most technologically advanced and most renowned manufacturer of electronic duplicating equipment in the world.

Annual output consists of about 14,000 mechanical key machines, 1,000 electronically driven computer controlled machines and 2,000 electronic transponder duplicating devices for car keys. Silca engineers and manufactures all the components for its machines, including the application software used to operate the electronic equipment.

At the Vittorio Veneto facility, the High Technology department builds the key-making equipment used in the Group for the milling and bitting of key blanks.

Silca markets its broad product range, consisting of over 55,000 different types of keys and 250 different models of key machines, through two marketing divisions, Key Replacement Business (KRB) and Original Equipment Manufacturer (OEM).

The customer base of the Silca KRB comprises retailers and wholesalers active in the locksmithing, hardware and service industries.

The customer base of the Silca OEM comprises industrial lock manufacturers active in the private and public security and automotive industries.

Kaba Gilgen AG
Schwarzenburg (Switzerland)

Door Systems Division

Kaba Gilgen AG in Schwarzenburg develops, manufactures, supplies, installs and maintains pedestrian and vehicle passageways, which are often, equipped with complementary convenience and security functions. The automated door systems support Kaba's «Total Access» strategy in all aspects of security and safety, access control organization and convenience.

Kaba acquired Gilgen AG effective July 1, 1996, and fully consolidated the company in fiscal 1996/97. Gilgen AG, which boosted the Kaba Group's revenues by approximately CHF 80 million at that time, was integrated into the Door Systems Division as Kaba Gilgen AG.

Kaba Gilgen and Kaba Gallenschütz are jointly expanding operations related to automatic door systems in Europe. The product distribution channels of Kaba Gilgen and Kaba Gallenschütz complement each other ideally. With its modular drive and control components, Kaba Gilgen AG is active in the OEM market, which is also rapidly growing outside Europe.

Kaba Door Systems Ltd
Telford/Shropshire (UK)

Door Systems Division

Kaba became the market leader in door systems in the United Kingdom with the acquisition of three companies in the industrial doors Divisions of the Stratagem Group plc and Adtek Ltd effective July 1, 1999.

In the United Kingdom, the acquired companies have the largest nationwide service and repair organization for door systems, with seven support centers offering 24-hour telephone assistance. At the same time, the companies manufacture and sell industrial doors, i.e. doors for truck terminals and security doors for emergency exits.

Kaba Gallenschütz GmbH
Bühl (Germany)

Door Systems Division

Kaba Gallenschütz GmbH in Bühl (Germany) has been part of the Kaba Group since 1990. With more than 25 years of experience, Kaba Gallenschütz develops, manufactures and distributes automatic access control products through worldwide distribution channels. 70% of turnover is generated through Kaba-owned regional marketing organizations. The products range from tripod barriers (Kerberos), half-height turnstiles and swing doors (Charon) and full-height turnstiles (Kentaur) to revolving doors and circular sliding doors (Talos), security revolving doors (Geryon) and interlocking systems (Orthos), as well as barriers. The company is also well known for its customized solutions for customers such as airports, stadiums, government, banks, etc. Another important market is that for OEM components, where Kaba Gallenschütz offers individual as well as standard solutions.

A noticeable increase in exports has been achieved over the last few years, especially in Europe and Asia. Total export sales figures amount to 65% of turnover.

Kaba AG

Wetzikon (Switzerland)

Access Systems Division

Kaba AG (formerly Kaba Schliesssysteme AG) in Wetzikon (Switzerland) develops and manufactures customized mechanical and mechatronic locking systems. In Switzerland, these products are distributed through the hardware and locksmith trades as well as through key service shops. Exports are handled by the national distributors of the Mechanical and Electromechanical Locks and Access + Time Management Systems Divisions. Development of the Access Control systems like Kaba exos and Kaba exos sky is located in the Systems Development Division at the Ruemlang site.

Kaba Gege GmbH

Herzogenburg (Austria)

Access Systems Division

In January 1997, Kaba acquired the Grundmann Schliesstechnik Group, based in Herzogenburg, Austria. In mid-1997, Grundmann Schliesstechnik GmbH was merged with Kaba's long-standing Kaba Schliesssysteme GmbH subsidiary. The company, headquartered in Herzogenburg operates as Kaba Gege GmbH. Its manufacturing facilities include Kaba's Eggenburg site.

Kaba Gege, with its Kaba Gege brand, is a leading provider of locking systems and lock cylinders in Austria, Scandinavia and the United Kingdom. Kaba Gege also has a network of distributors and alliance partners in Germany, Eastern Europe and the former Yugoslavia. Eastern Europe holds promising new markets, as well as production and supply opportunities, for Kaba Gege.

Kaba Benzing GmbH

Villingen-Schwenningen (Germany)

Data Collection Division

Kaba Benzing GmbH in Villingen-Schwenningen (Germany) is a leading European vendor of electronic components for access control and time and data capture applications. It develops and manufactures electronic readers, terminals, control units and communications software. Its principal market is Europe, with a focus on Germany.

In Germany, Kaba Benzing sells through a network of VARs (Value Added Resellers) and OEMs (Original Equipment Manufacturers). Kaba Benzing operates its own effective after-sales service organization. Exports are lead managed by the distribution companies of the Access and Time Management Systems and Mechanical and Electromechanical Locks Divisions. Kaba Benzing supplies the systems integration companies of the Kaba Group with access control and time management readers.

The focus in marketing has shifted from the sale of hardware (such as readers and terminals) to the sale of integrated communications software with interfaces to a wide variety of host systems. In Germany, Kaba Benzing also markets mechanical and electromechanical locking systems, which are manufactured mainly by Kaba Schliesssysteme AG in Switzerland and Kaba Gege GmbH in Eggenburg (Austria).

6.4.2. Americas

Kaba Ilco Corp.

Rocky Mount and
Winston Salem/North Carolina
(USA)

Access Systems Division

Kaba Ilco Corp. is the leading manufacturer of key blanks, key duplicating equipment and replacement cylinders in the United States.

The facility in Rocky Mount, North Carolina, is the world's largest producer of key blanks and maintains a competitive advantage through vertical integration including an on-site brass mill for processing raw materials into several alloys used for making keys.

The Winston Salem plant is a zinc die casting operation with advanced plating and machining capabilities. Kaba Ilco Corp., Winston Salem, North Carolina is a leading manufacturer of mechanical access control products that include pushbutton locks and bank safe locks.

Kaba Ilco Corp. has a major share of the markets in the United States. In addition to selling to a broad trade and retail customer base, Kaba Ilco Corp. is the sole OEM supplier of both cylinders and components to many lock manufacturers.

The products of Kaba Ilco Corp. are sold to OEMs, distributors, agents, government and military institutions, hotels, commercial sites and hardware stores throughout the world.

Kaba Mas

Lexington, Kentucky (USA)

Access Systems Division

Kaba Mas, utilizing its unique Powerstar™ technology, is a leading manufacturer of safe, vault, ATM, and standalone container locks. Kaba Mas is the only company approved by the US government to produce a container lock, which meets its highest standards of security for classified information.

Formerly known as Mas-Hamilton Group, Kaba Mas markets a complete line of safe lock products ranging from three-wheel mechanical to advanced audit and time-based electronic products. Customers include ATM and safe manufacturers, governments, cash carriers, service companies and the replacement market.

Kaba Ilco Inc. –Electronics Division

Montreal, Qc.,
(Canada)

Access Systems Division

Kaba Ilco Inc. (Montreal, Qc., Canada) develops and markets state-of-the-art electronic access control solutions for a broad range of applications and end-users. Kaba Ilco standalone electronic locks and on-line access systems are used in the hospitality industry, government and military facilities and educational and commercial complexes around the world. With the ability to offer cost effective and scalable security solutions ranging from one access point to one hundred thousand, this Division is an integral part of the Kaba Group's «Total Access» strategy.

Kaba Ilco Inc. – Capitol

Montreal, Qc., (Canada)

Access Systems Division

Kaba Ilco Inc. – Capitol, (Montreal, Qc., Canada) produces a broad range of custom die cast products, handling all processes in house: conceptual design, tooling, casting, finishing, secondary assembly and packaging. These products are primarily for sale to North American markets and other Kaba Group companies. (Revenue mix: 25% inter-company sales, 25% custom die casting and specialty locks, 50% furniture hardware)

6.4.3. Asia Pacific

Nihon Kaba K.K. Yokohama
(Japan)

Access Systems Division

Nihon Kaba was founded in 1981 with the objective of promoting and marketing Kaba cylinders in Japan. In its first ten years, Nihon Kaba generated OEM business supplying lock companies, safe manufacturers and cabinet-makers with high-security Kaba cylinders and specialty locks. The demand was low owing to poor market conditions and an insufficient distribution network.

After a complete restructuring of the company in 1991, Nihon Kaba began building its own indirect sales channels, which today encompass more than 400 licensed dealers covering the whole of Japan. At the same time, new OEM accounts were developed. In the last two years, Kaba's business in Japan has benefited from the strong trend towards higher security solutions, cylinders and locks in both the business and private segments as a result of increasing crime rates. Kaba has the opportunity to further consolidate its position in Japan in the coming years to become a leading access control supplier.

6.4.4. Other Companies

Further production sites are located in the United Kingdom, Sweden, USA, Mexico, Australia, Germany and France.

In addition to the production sites mentioned above, all of which also have strong marketing and sales departments, major sales companies are located in Belgium, Austria, Brazil, France, Germany, Hong Kong, Italy, Malaysia, the Netherlands, New Zealand, Poland, Singapore, Spain and Switzerland.

6.5. Operations by Country and Market Region

Rank 01/02	Country	Average Number of Employees			Production	Distribution
		01/02	00/01*	99/00		
1.	USA	1,272	383	29	All except door systems	Access systems, DC
2.	Switzerland	1,012	978	914	Automatic door systems Access systems Identification technology Software (access management) Systems integration	All
3.	Canada	772	230	0	Access systems	All
4.	Germany	765	633	550	Readers, terminals, controllers, Data collection (DC) Security door systems Systems integration	All
5.	United Kingdom	544	531	535	Access and door systems	All
6.	Italy	524	154	14	Key systems	Key + Access systems, readers, terminals, DC
7.	Eastern Europe	377	86	0	Key systems	Access systems
8.	Austria	350	345	346	Access systems	All
9.	Asia Pacific	227	167	102	Japan: Access systems Australia: Access systems	Access systems, identification, door systems
10.	South America	223	67	0	Mexico: Key systems	Access systems
11.	France	177	86	55	Access systems	All
12.	Benelux	56	57	54		All
13.	Sweden	55	56	61	Access systems	Access systems
14.	Spain	48	43	39	Access systems	Access systems; readers, terminals, DC
Total		6,402	3,816	2,699		

* 00/01: average of Kaba + Unican 3 months

7. Financial Data

7.1. Per-Share Data

Per-share data ¹⁾ 2001/02 2000/01 1999/00 1998/99 1997/98
³⁾

Capital stock

Registered shares at CHF 10.– par value ³⁾	No.	3 567 500	3 567 500	2 245 000	2 245 000	2 245 000
Par value of average outstanding shares	CHF m	35.7	26.5	22.5	22.5	21.8
Par value of year-end outstanding shares	CHF m	35.7	35.7	22.5	22.5	22.5
Shareholders as at June 30	No.	5 213	3 227	1 595	1 350	1 355
Figures per Share (fully diluted) ³⁾						
Profit and depreciation per share (Group)	CHF	29.26	18.81	23.03	19.06	16.44
EBIT per share (Group)	CHF	34.48	19.12	23.52	18.40	15.59
Earnings per share (Group)	CHF	17.32	11.74	15.37	12.34	9.84
Growth in earnings per share	%	47%	-24%	25%	25%	16%
Gross dividend per share ²⁾	CHF	3.00	3.00	3.90	3.13	2.88
Payout ratio in % of consolidated earnings		17%	25%	25%	25%	29%
Shareholders' equity per share (Group)	CHF	-26.5	-33.1	51.2	52.5	46.3
Price per share						
high	CHF	420.0	617.5	547.5	212.5	193.8
low	CHF	287.0	315.0	197.5	140.0	119.0
Dec. 31	CHF	410.0	590.0	362.5	168.8	127.5
June 30	CHF	320.0	355.0	525.0	205.3	193.8
Market capitalization						
high	CHF m	1 498	2 203	1 229	477	435
low	CHF m	1 024	1 124	443	314	267
June 30	CHF m	1 142	1 266	1 179	461	435
in % of equity	%	n.a.	n.a.	1026%	391%	418%
in % of net sales	%	111%	185%	224%	117%	119%
Dividend yield						
low	%	0.7%	0.5%	0.7%	1.5%	1.5%
high	%	1.0%	1.0%	2.0%	2.2%	2.4%

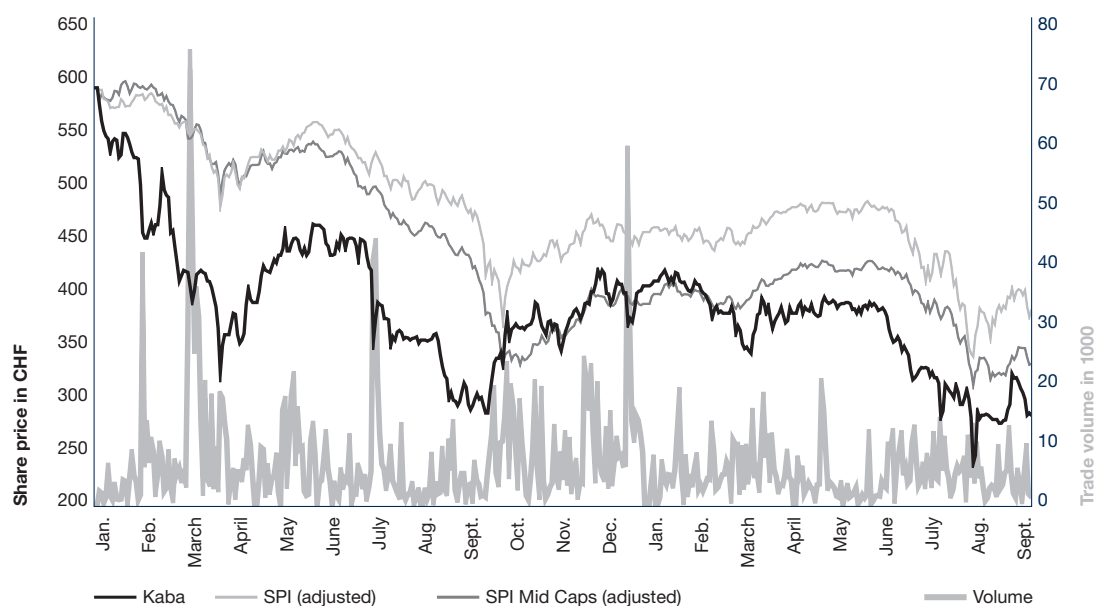
¹⁾ incl. minority interests

²⁾ 2000/01 Proposal to the Annual General Meeting

³⁾ Sharecapital split 1:4 effective from Feb 12, 2001; sharecapital increase by 1'322'500 shares on March 8 and 12, 2001
per share data restated with new par value of CHF 10.00

na = not applicable

7.2. Development of the Share Price (January 2001 – September 2002)



7.3. Dividend Policy

Kaba is committed to a flexible dividend policy in line with the capital required to implement the corporate strategy.

7.4. Financial Calendar

Kaba is committed to openly communicate with its stakeholders and, in particular, with the financial community. The following schedule lists important dates:

End of financial year:	June 30
Announcement of annual results:	End of September
Publication of annual report:	End of September
Annual general meeting:	Late October/early November
Semiannual closing:	December 31
Interim financial report:	March
Dividend transfer to banks:	Immediately after AGM, i.e. 3 banking days after AGM

The final dates are given in the letters to shareholders that are distributed several times a year as well as on our website.

8. Kaba's Future

8.1. Market Trends

The security market will continue to offer above-average growth opportunities. This is due to proliferating delinquency (even in places that until a few years ago used to be "safe"), the rapidly increasing desire of people and organizations for intelligent protection and to shrinking confidence in government authority.

The functionality made possible by electronics and the growing need for convenience and security are creating ever-growing overlaps of market segments. Fewer and fewer customers are willing to cope with the incompatibility issues involved in purchasing individual components and subsystems and therefore are looking for exactly those complete and highly reliable systems Kaba is able to offer.

8.2. Industry and Product Trends

The industry and product trends of relevance to Kaba are evolving as follows:

- from product differentiation to look-alike products
- from hardware to software and customer support
- from production to service orientation
- from mechanical to mechatronic products (combination of mechanical electronic devices)
- from predefined functionality to flexible parameterization
- from standalone solutions to integrated systems
- from conventional communication to electronic data exchange
- from local to regional markets

Opportunities

- Achieve a leading global position in access management solutions
- Continue being the undisputed technological leader in the «Total Access» business
- Optimize the cost structure by using synergies on all levels of the Kaba Group
- Strengthen its position as leading worldwide manufacturer of key blanks, key coding machines and high-security container locks
- Benefit from the rapidly growing demand for access solutions
- Capitalize on the large installed base and on the high barriers to entry in most of Kaba's markets
- Take advantage of strong brands such as Kaba, Silca, Ilco, Kaba Gilgen, Kaba Benzing, Kaba Gege, Kaba Gallenschütz and Legic
- Build up a truly worldwide sales, distribution and service network and leverage the network for all products and services of Kaba
- Rely on an extremely experienced and highly motivated management, known for its technical expertise, its superb track record in integrating acquired companies rapidly and efficiently as well as for its entrepreneurial spirit
- Operate with an efficient group and holding company organization

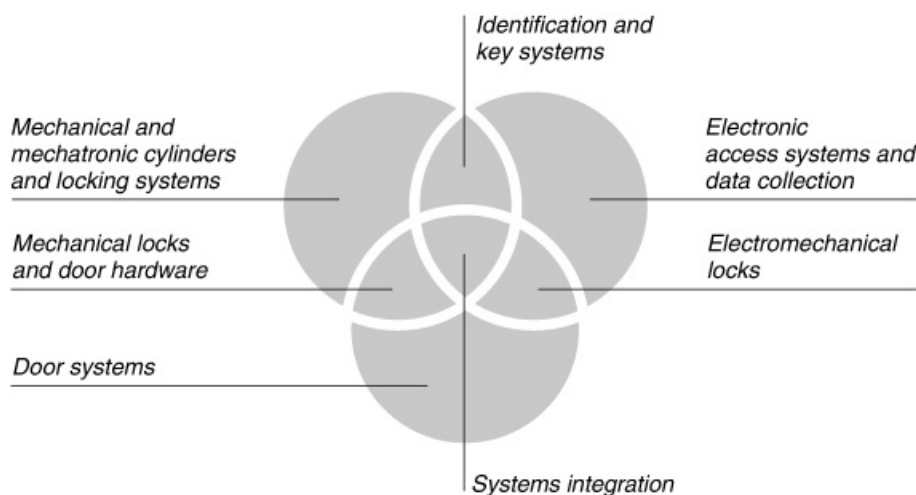
Risks

- Dependence on technology and technological expertise
- New competition in the «Total Access» market, specially from U.S. companies
- Low barriers to entry in the fragmented access control, time management and systems integration markets
- Software determines hardware
- Short lifecycle of electronic products
- High development costs require a broad market
- Negative impact of failure of large-scale-projects
- Dependence on key personnel, licenses and patents

9.1. Market Characteristics

By Strategic Business Segment (SBS)

The rapid evolution in technology as well as the increasing demand for integrated security solutions and convenience have accelerated the convergence of technologies. Kaba's answer has been «Total Access».



The interplay between Kaba's product offerings and market segments has created new marketing focus and opportunities for synergies. Kaba is one of the few companies of the world able to offer general contractor services for solving individual security concepts with a proven track record in this field.

The barriers to entry into the market are high.

9.1.1. Access Control

Kaba Access Control consists of both mechanical as well as mechatronic high security cylinders and locks, stand-alone and online access control systems. Today's product portfolio of high security cylinder is composed of keys and cylinders based on the proprietary reversible key principle invented by Kaba in 1934. The precision mechanical system has been continuously refined since then, and today, Kaba successfully covers the high-end market segments in Europe, Asia, and Australia with this product. In the 1980s, Kaba introduced reversible keys with integrated microchips. For the first time, they combined mechanical locking functions with electronic access control and time management capabilities in one single medium: the key.

The latest generation of mechatronic high security cylinders, the Kaba eolegic cylinder, is based on the Legic technology developed by Kaba and is considered a leading product in the industry. It enables a maximum of security and protection – as well as flexibility for the user. The system is highly immune to sabotage attempts and on duplication. Kaba, in the meantime, offers a wide range of products being part of the Kaba eolegic product family and forming stand-alone solutions with an attractive price/performance ratio. At present under development is the so-called “Kaba eolegic mobile”, where access rights can be given to an electronic key via a mobile phone. Certain industries as the surveillance industry have indicated strong interest in this new Kaba product.

Kaba exos sky is an online Access system for small and medium objects. The system design enable it to be distributed through the locksmith distribution channels.

Apart from mechanical and mechatronic cylinder systems including Gege and Elzett branded standard pin-tumbler cylinders, complemented by a focused door lock range, Kaba also lives up to its stature as the European technology leader by offering a vast spectrum of electronic access control solutions. Kaba exos is the heart of sophisticated online access control systems. In North America Kaba’s Millenium on-line access control systems including a wide range of electronic locks are highly respected on the market. A milestone in mechatronic access control is Kaba Ilco’s PowerLever lock. This electronic lock, mainly distributed in North America, does not require batteries or hardwiring. As the user turns the handle, the lock creates its own electricity power via a small generator.

Kaba Ilco is the market leader in the domain of push button locks that are very popular in North America and UK. Instead of inserting a key, users enter a numeric code to open these locks. Authorization is checked on a purely mechanical basis. Because they require neither keys nor electric power, push button locks are particularly suitable for convenient access control solutions.

With this extended portfolio Kaba is ideally positioned to satisfy the growing trend to integrate electronics into and to combine information technology with access organization solutions from the private home to sophisticated high security installation such as for banks or classified government sectors. The traditional sales channels for locks and cylinders such as locksmiths, hardware and security shops generate growing sales with electronic access control components and solutions. With the high distribution power and experience of Kaba in this channels and the extended product portfolio Kaba is excellently positioned to serve this markets and to benefit from the transition taking place.

9.1.2. Safe Locks

The market for safe and vault locks is focused principally on the OEM customer base. The technical and quality requirements are high and the need to achieve a high degree of manufacturing efficiency is important. Barriers to entry overall are perceived to be high.

9.1.3. Hotel Systems

The market for electronic door locks for the hospitality and the commercial market segments is characterized by high barriers to entry, both in product development and product marketing. On the software access side, the barriers to entry are relatively low and the market is highly fragmented. The demands for after-sales technical support service are extremely high. In both product groups, customers will deal only with suppliers that are financially solid and can be relied on to service their products in the future.

9.1.4. Identification Systems

Legic Identsystems Ltd is a key player in electronic identification for Access Control, Vending, Ticketing and Time and Attendance. The heart of the system is a microchip, which supports contactless reading and writing of its built-in data memory. The system also supports money debiting functions, e-Ticketing functions in addition to high security features to ensure tamper proof data storage. The Legic microchip is integrated into conventional keys, key rings, watches or credit card-sized carriers (Smart Cards). The unique aspect of Legic is its ingenious security and segmentation concept which allows more than one application to be stored on, for instance, a Smart card.

Legic Identsystems has positioned itself to be a high security contactless Smart Card technology. The LEGIC brand is respected in Asia and Europe alike as being synonymous with offering State of the Art, reliable and proven technology. The brand is being established in the America's as the demand for tamper-proof electronic identification technology is increasing.

Legic Identsystems technology is to be found in globally active industrial and service enterprises, and also in many public institutions and medium-sized companies as a means of identification for access control, time and operating data recording or vending machine catering. In addition, the technology is used for ticketing in ski areas and recreational facilities as a means of identification.

9.1.5. Systems Integration

Kaba's systems integrators configure interoperable Kaba components, modules, and software packages and further customer-specific applications to create innovative all-in-one Total Access solutions. They analyze the customer's needs, design the solution, and handle turnkey installation, user familiarization as well as support. The provided Access Control solutions offers the customer single-source convenience and a long-term partnership. Kaba has an impressive portfolio of major reference projects, many of them in Europe. Systems integration calls not only for a premeditated approach and in-depth specialized knowledge but as well for a high quality product platform with a long-term availability – the Kaba exos 8300 Access Control and Time & Attendance system. This combination assure success in large-scale projects that involve complex environments.

9.1.6. Key Systems (key blanks and key encoding machines)

The product segments have been consolidating at a very rapid pace due to the globalization of customers, the increasing investment for product development and the cost reductions that customers are demanding to their suppliers. Improvement in technology has resulted in the traditional products evolving from mechanical to electro-mechanical operability.

Kaba also services many OEMs. The trend over the last five years has been for lock and safe manufacturers to outsource the production of key blanks and safe locks. The OEMs no longer consider the manufacturing of these products as a core competency but rather have focused their resources on research and development and sales and marketing of their core products. In addition, the capital-intensive nature of manufacturing key blanks and safe locks made it uneconomical to invest in the capital equipment required to service their needs. This change has provided significant growth opportunities.

The market for key blanks and key duplicating machines has two segments, OEM and after-market replacement or duplication. The after-market is characterized by high stability and by recurring consumption. Thus, sales are quite constant and predictable. The barriers to entry into this market are very high due to the highly capital-intensive nature of the business and the significant manufacturing knowledge required to make the products.

9.1.7. Door Systems

The flexible and extensive Kaba range for automatic door, gate and wall systems is a valuable contribution to the concept of Total Access, as it involves all the functions and areas such as security, access and organization and offers efficiency and convenience and guarantees a smooth pedestrian and vehicle traffic. The full range also includes pedestrian interlocks and safety doors as well as platform screen doors for public transport systems. From the individual modular system unit to customized turnkey installations, Kaba 's highly sophisticated and state-of-the-art drive technology allows to realize optimal customer-oriented solutions for virtually every application, ranging from a modern automated door installation up to the complex safety door with monitoring features.

9.1.8. Data Collection

With its Bedanet Terminals Kaba uses the computer network technology to offer all features and functions needed for integration in existing communications structures, Enterprise Data Collection and time management applications.

Kaba offers a comprehensive range of communication and pre-processing modules for its principal Enterprise Resource Planning partner SAP, such as the certified module SAP HR/PP. With over 750 subsystems installed for SAP HR/PP, Kaba is the market leader in Europe.

9.2. Products and Technology

By Division and Strategic Business Segment (SBS)

9.2.1. Access Systems Division

Access Control

Mechanical and electronic locking systems

Kaba cylinder systems, consisting of keys and cylinder locks, are based on the Group's proprietary development of the reversible key. Ongoing technical refinements, comprehensive patent and brand protection as well as a dense network of authorized dealers are the foundation for Kaba's top-of-the-line product in the cylinder locks market. In the eighties, Kaba nova was the first reversible key with an integral microchip to combine mechanical locking systems with the functions of electronic access control and time recording in a single medium. Today, the latest versions of mechatronic cylinders and keys, the Kaba elolegic cylinders, are based on the Legic technology developed by Kaba.

The product portfolio of Kaba high security cylinders is complemented by a range of standard pin-tumbler cylinders branded Gege and Elzett as well as by a focused range of mechanic and electronic locks.

With the appropriate terminals and readers for electronic access control, Kaba has the leading electronic components at its disposal for a wide variety of access control solutions.

Kaba modular cylinder

With Kaba modular, the legendary investment protection, which has always been associated with mechatronics and electronics, also applies to purely mechanical locking cylinders, regardless of whether they are single cylinders or parts of a locking system. Changes to existing lock cylinders or existing locking systems are very convenient to implement.

Kaba elostar cylinder

With respect to duplication protection and flexibility, Kaba elostar adds a new dimension to the proven Kaba star system. Apart from precision-milled recesses, which ensure a great number of mechanical permutations, each key contains a unique coded chip. The lock will only open if access is authorized by both systems.

Thanks to the electronic system, lost or misplaced Kaba elostar keys can immediately be disabled. Kaba elostar not only offers cost-effective upgrades of Kaba star systems but also allows the gradual introduction of customized solutions. Kaba elostar time features the definition of time windows and the logging of access and alarm events so that access activities can subsequently be evaluated.

Kaba elolegic cylinder

The Kaba elolegic cylinder system with the European standard profile and other profiles as the Scandinavian or Australian is based on the Legic identification system and the proven Kaba elostar system combined with Kaba quattro S precision mechanical elements. The electro-mechanical Kaba elolegic cylinder is compatible with the Kaba quattro S and gemini S cylinders, upgrading their security and flexibility with its complementary electronic options. It is the ideal electromechanical companion for Kaba modular.

The data stored in the Legic chip in the key can be retrieved by a sensor integrated in the cylinder. If the circuit of the cylinder receives the authorization signal from the chip embedded in the key and if the mechanical portion of the key also fits the lock, a motor instantly activates the bolt pinion, which unlocks the door after several revolutions. This patented core module of the system prevents the lock from being defeated by manual sabotage attempts on the cylinder housing.

The Kaba elolegic system is highly resistant to duplication because each Kaba elolegic key is unique, thanks to the basis of the Legic chip it contains. Kaba elolegic eliminates the complex exchange of locking cylinders because the user can individually program the cylinder on site to recognize lockouts or new codes. Kaba elolegic is very easy to install, and is also simple and convenient for dealers and users.

The so-called "Kaba elolegic mobile", where access rights can be given to an electronic Kaba elolegic key via a mobile phone, is under final development at present.

Kaba elolegic reader

The electronic Kaba elolegic readers fit into all normal flush-mounted electrical sockets and thus elegantly into every surrounding. The data stored in the Legic chip are read contactless and transmitted to an electronic door-opening mechanism such as Kaba drive.

Kaba elolegic lock

The Kaba elolegic lock combines a self-activating anti-panic lock with a Legic reader and an electronic access control system in the same housing. This electromechanical lock uses conventional batteries and is therefore particularly cost-effective to install, making it ideal for retrofitting. The Kaba elolegic lock is designed for use primarily on doors where security and organizational requirements are high.

Gege multi- point lock

The 124 MFV Gege multiple point lock is designed mainly for security doors in entrance areas. Two or four additional locksets enable doors to be bolted at four or six points (including the blocked latch). It complements the portfolio of mechanic Gege mortise locks, ranging from standard locks to heavy-duty anti-panic locks.

Gege cylinders and Gege Legic key

Using the simple clip-on principle, the new Gege Legic key allows electronic access to be added to all existing Gege cylinder systems, so the key can be used as a universal access authorization. The Legic technology in the Gege Legic key can also be used for time registration, shop floor data collection and for electronic payments

Kaba drive

Kaba drive is a motor drive for closing bolts, so that doors can be locked individually at times pre-set on the spot, thus clearly increasing security at entrances and exits. The motor-powered bolt is particularly suitable for use in combination with Kaba elolegic readers.

High Security Cylinders/Patented Keyways

High Security Cylinders are sold throughout North America for institutional, urban and specialty market applications. Kaba's focus has been on the institutional market. Through its patented key control solutions it has become the market leader in these very demanding large master key systems. Both the Salt Lake City Airport and the Olympic village recently chose Kaba high security cylinders to safeguard their facilities and associates. This piece of the high security cylinder market is the fastest growing segment. Kaba's products include L10, Peaks and Gemini (a UL 437 approved cylinder).

Mechanical Pushbutton Locks

Kaba is the leader in the Mechanical Push Button Lock (PBL) segment of the Access Control market. Over a period of thirty years, PBL's have evolved to become the industry standard for "keyless entry" in stand alone locks and are available in three categories; Primary, Auxiliary and Specialty.

Primary PBL's are heavy duty commercial grade and are often found in institutional heavy use environments such as universities, airports, hospitals and government buildings.

Auxiliary PBL's are used in conjunction with a primary lock and are typically found in light commercial or industrial low use less demanding applications and private residences.

Specialty PBL's are most common in OEM lock applications such as cabinet or tool boxes, gun safes and medical carts.

All PBL's offer keyless entry and the dependability of an all mechanical product, reliable exterior use performance and easy convenient changing of combinations without disassembly or removal from the door.

Self Powered Electronic Locks

The revolutionary PowerStar Technology™ of the 1550, 4550 and 455x series is unique to the Kaba Ilco PowerLever. As the user turns the handle, the lock creates its own electricity power via a small generator - no batteries or hardwiring are required to operate the lock. The advantages for the users are obvious. Electrical generation allows the utilization of a microcomputer, which provides an array of features. The installation and maintenance of batteries and other external power sources are eliminated.

Electronic Locks

Kaba offers a variety of battery-powered locks with different reader technologies, including numeric PIN, magnetic stripe card, proximity card and the Marlok key. Most of these locks are capable of 80,000 openings on four "AA" batteries, providing 2 to 3 years of autonomy on the average. Additionally, most of these locks are certified and listed in accordance with the ANSI BHMA Grade 1 classification signifying their use in heavy-duty applications.

Online Access Control

Kaba's Millenium on line access control system is provided in three different versions, namely:

Millenium Entry: Basic access control, pre configured for 2 to 50 doors. Sold through the locksmith wholesale and distribution channel

Millenium Expert: Mid range access control system with badging, elevator controls, Muster Trac, and Guard Tour features.

Millenium Enterprise: SQL based access control system with Tennant feature making this product well suited for the large institutional market.

All three software versions share many of the same hardware blocks and system topology, providing an upgrade path for system expansion.

Safe Locks

Safe and vault locks

Kaba is the leading manufacturer, with a broad product range from three-wheel mechanical locks to sophisticated electronics. ATM locks allow multiple users secure access at defined times while fully recording all access attempts. When added to the Kaba Paxos, it provides solutions for all existing containers, including highly classified government information.

Paxos

The Paxos system is a unique electronic high-security locking system, which, so far, has been installed over 3,000 times. Around 25% of these devices have been installed in heavy armored doors without mechanical emergency locks.

Paxos compact is the newest product in the Paxos family. It was developed for widespread commercialization and for retrofits of earlier solutions. Today, 30 safe manufacturers in 12 countries use Paxos compact. More than 3,000 units are shipped every year. It is interesting to note that a protected-protected safe has never had to be drilled open owing to a technical defect.

PowerStar Technology™

Unique to Kaba Mas safe locks is the revolutionary PowerStar Technology™. As the user turns the dial the lock creates its own electricity via a small generator. Thus, no batteries or hardwiring are required to operate the lock. The advantages for the users are obvious: Electrical generation allows the utilization of a microcomputer, which provides an array of features. The installation and maintenance of batteries and other external power sources are eliminated. This allows Kaba Mas locks to perform with the same independence as mechanical locks.

High-security container locks X-08

The Kaba Mas safe lock X-08 is self-powered using Power-Star technology. A twist of the dial provides all the power necessary to enter the combination, as well as review audit features. Approved by the US Government for use on approved Class 5 and Class 6 Filing Cabinets and Class 5 and Class 8 Security Vault Doors.

Cencon ATM lock

The Kaba Mas Cencon System 2000 offers access control through the use of a computer-generated, one time combination (O.T.C.™) and "SmartKey™" that are required with every lock access. Cencon records the lock activity and permits easy downloading of the information via the "SmartKey" for generating reports. Cencon's software allows the control of thousands of containers with no special wiring.

Auditcon safe lock

Kaba Mas' Auditcon lock series provides economical versions of the Auditcon System 2100D. The Auditcon lock series offers the ultimate in security, featuring: an audit trail for up to 400 events, dual mode, supervisor/subordinate mode and time delay mode, all utilizing the unique Kaba Mas PowerStar™ technology. A reliable, high quality, cost effective solution.

LC – Low Current Series safe Lock

Using the power management tools from PowerStar, Kaba Mas developed PowerSaver™. PowerSaver is a low current power management system that allows a battery to be used to operate the lock, for the shelf life of the battery. LC Series locks are cost effective and easy to install.

Electronic access control

Hotel Locks

Kaba's electronic access controls range from standalone battery powered door locks to centralized multiple-site online security systems. These products are sold worldwide in the hospitality, commercial, educational, government and military markets.

In 2002, Kaba launched a new version of its hotel lock to meet demand for a more price competitive lock. This new lock, named the "Generation E-760" has been added to the existing Solitaire hotel lock product line and is specifically targeted at sectors of the market where we were previously under performing. This new lock is also a direct replacement and upgrade to our early version of the System 700 lock currently in the field.

Identification Systems

Kaba Legic

The heart of the system is a microchip, which supports contactless reading and writing of its built-in data memory. The system also supports money debiting functions, e-Ticketing functions in addition to high security features to ensure tamper proof data storage. The Legic microchip is integrated into conventional keys, key rings, watches or credit card-sized carriers (Smart Cards). The unique aspect of Legic is its ingenious security and segmentation concept which allows more than one application to be stored on, for instance, a Smart card.

Legic IdentSystem's technology is to be found in globally active industrial and service enterprises, and also in many public institutions and medium-sized companies as a means of identification for access control, time and operating data recording or vending machine catering. In addition, the technology is used for ticketing in ski areas and recreational facilities as a means of identification.

Systems Integration

The products used by Kaba in the systems integration sector are very susceptible to the effects of technological advancement. This requires on-going training of our workforce, and also the employment of modern aids and technologies. In the field of development we also use object-oriented programming techniques. To this purpose we use C++ and the CAE tool Rational Rose. TCP/IP is used for communication between components and in the WEB environment we employ both ASP and XML/XSL. Data are stored in SQL-capable databases. In addition to all commercially available identification technologies, we place great emphasis on LEGIC, which optimally meets the requirements of Access Control.

Kaba exos 8300

Kaba exos 8300, the platform for our system integration business, is an integrated element of Kaba's «Total Access» strategy. It is a modern online Access Control and Time & Attendance system working on established software, networking and interface standards. It serves not only the needs of the security department, but also those of operations and IT. It can be integrated conveniently into modern building management systems.

With additional modules such as visitor management, card production and management or the intranet applications, Kaba exos takes up trends from the modern working world and makes the management of personnel within a company more convenient and efficient.

Our entry-level Kaba exos 8300-L is an attractive starter package, which can be upgraded at any time without any investment loss to a full Kaba exos 8300 system.

Kaba exos AMC

Kaba exos AMC takes on more complex monitoring and control tasks at access or data points. This powerful, flexibly configurable, sabotage-proof and, if necessary, completely autonomously operating controller has an integral Ethernet interface and works on the basis of Windows CE. Kaba exos AMC is the central element of and guarantee for continuous online as well as offline operation of the Kaba exos 8300 system and is the platform for the online Access Control system Kaba exos sky.

Kaba exos RRM

RRM, Remote Reader Modules is a versatile program of Access Control peripherals on the basis of Kaba legic. Depending on the functionality required there are either door controller or door managers available. It combines our customers' requests for a secure installation, which is convenient for personnel to use and requires no redesign to be integrated into the building. This is enabled through an intelligent program of remote antennas as well as the online Kaba exos cylinder and Kaba exos lock.

The locking systems used in escape and rescue routes must be extremely flexible. Where Kaba exos is used for Access Control, the electromechanical self-activating Kaba exos anti-panic lock – designed for a wide range of situations – is the perfect choice. The Remote Reader Modules family of peripherals is used within Kaba exos 8300 and sky.

Kaba exos Biover

The concept of personnel identification based on biometric characteristics is indeed inspiring. Previously, the comparison of biometric data with records stored in a host system was memory-intensive and time-consuming. Now, instead of storing the reference data in a central database, every person with access authorization carries the reference data on his or her personal identification medium (Kaba legic key or Legic card). At the access point, the data is read remotely and compared with the measured data. This simple concept increases the speed of identification, eliminates constraints related to the number of persons who can be identified, and effectively protects personal reference data against disclosure to third parties.

Kaba exos sky

The online Kaba exos sky Access Control system is tailored to the security, control and flexibility needs of small and medium-sized organisations. The data of the system, which is fully functional when delivered to the customer, are located in an access hub equipped with a WEB server. Data management is performed on the workstations via an intranet with the Microsoft Internet Explorer without the installation of additional software. The graphic operator guidance is completely intuitive and easily comprehensible, even when used infrequently. The door control units or door managers of the RRM family control access to the secure areas on the doors.

The extremely flexible and extensible system can be effortlessly modified to accommodate the increasing needs of dynamically expanding companies or constantly changing conditions. Should, however, the demands exceed the functional scope of Kaba exos sky, migration to Kaba exos 8300 is guaranteed at any time without the replacement of components, cabling or badges.

9.2.2. Key Systems Division

Key blanks

With the acquisition of Unican, Kaba became a leading manufacturer of replacement key blanks. Its product line in this area includes more than 60,000 profiles. Kaba manufactures all-metal key blanks and plastic-headed key blanks, which have become commonplace in the automotive industry. The key blanks are manufactured in the United States, Italy, Hungary and Mexico.

Most of the high-grade, highly durable brass and nickel-silver coil strip needed for key blanks made in the US is produced by the Rocky Mount facility. Kaba also produces key blanks with transponders for applications in the automotive industry. This additional security feature essentially shuts down an automobile's electronic ignition unless the transponder, which is embedded in the key blank head, is used.

Silca in Italy alone manufactures over 55,000 different types of key. In addition, Ilco manufactures another 10,000 types of key that are exclusive to the North American markets. Silca supplies encoded metal keys to the OEM industry, according to the customers' specifications and using the industrial biting machines engineered and manufactured on the premises.

Key duplicating machines

Kaba manufactures a broad range of mechanical, electronic and industrial machines through the Silca and Ilco lines. Software has been developed so that the entire process of originating a key is computer controlled. Selection of the appropriate design and dimensions, together with the cutting process itself, are performed electronically. The semi-industrial machines combine the precision of electronic key machines with the benefits of flexibility and modularity.

Key duplicating machines for the North American market are manufactured at Kaba's facility in Rocky Mount, North Carolina, while those for worldwide distribution are manufactured at Kaba's facility in Vittorio Veneto, Italy.

Silca engineers and manufactures machine components, including the application software used to operate the electronic equipment. On a monthly base, Silca sends all its customers an updated release of encoding information for duplicating the keys of the new cylinder locks and cars that have been launched on the market by the original manufacturers.

9.2.3. Door Systems Division

Modular KIT system

Door drive units for custom-tailored automatic doors or as a modular system allowing a flexible assembling of the individual automation elements on the construction site

Redundant sliding doors

For the first time, the most varied types of doors can be offered in a redundant version. "Redundant" means that all the elements of relevance for security are present in duplicate. In particular, control is through two microprocessors, which reciprocally monitor all security functions. In addition to being a convincing solution, the retained elegance of the standard version was probably also responsible for the product's promising market launch.

The systems – certified by the German technical inspection agency TÜV – are authorized for use in escape and rescue routes. Intelligent systems guarantee the highest degree of security in the case of emergency.

Sliding fire-protection doors

Kaba's automatic fire-rated sliding door SLM – SBF is one single package offering three different functions: In the everyday application mode, it provides a convenient pedestrian passage suitable for high user frequencies, in the event of a fire it is converted into a reliable automatic smoke screen and fire shutter, and in case of an emergency situation the same door turns into a safe escape and rescue way.

Automatic sliding wall systems

Kaba Gilgen's drive technology dramatically simplifies the cumbersome extension and retraction of hand-operated sliding wall elements in shopping centers, conference rooms and restaurants. The flexibly configurable drive technology makes it easy to retrofit automation to hand-operated partition wall systems without structural modifications. The ultra-modern selective controls (bus system) for the individual partitions are operated via a double power line. Simple do-it-yourself commissioning and the highly functional operating concept address individual customer requirements.

Platform screen doors

The Kaba Group's success in the implementation of sophisticated projects abroad, such as platform screen doors for the subways and special solutions custom-tailored to the individual needs of the users, is based on their flawless engineering performance, ingenious installation logistics as well as on a competent and user-friendly after-sales service.

At the present time, our specialists are busy installing and commissioning the PSD's during a restricted period every night at the Hong Kong subway stations, without affecting the daily train operation or jeopardizing the safety of the countless passengers. This top achievement of Kaba in assembly technology and logistics is setting the future standard for upgrading existing subway systems in order to enhance their reliability, efficiency and safety.

One-drive system for garages, industrial and fire protection gates

The DBX multifunctional drive mechanism supports the individual and user-friendly automation of all major door motions (slide-tip-fold)

Automatic garage door drives

The garage door drive line for residential applications has been successfully extended with attractively priced quality products. Regardless of the weather, door boy DBL, the radio-controlled top-end model, allows the motorist to enter the garage safely without stopping or leaving the car and getting wet. The stop/reverse feature effectively protects people and property. When customers choose Kaba Gilgen products, they benefit from investment protection and 24-hour service availability.

Kentaur sport

In Europe, Kaba Gallenschütz has played a pioneering role in the development of access control facilities. The Kentaur "sport" turnstiles and tripod barriers not only offer the necessary high degree of security but also feature great convenience. World-class stadiums, such as those operated by Glasgow Rangers, Ajax Amsterdam, MTK Budapest and Schalke 04 as well as the Stade de France in Paris and the Gelredome Stadium in Arnhem relies on the proprietary technology of Kaba Gallenschütz.

Kentaur turnstile with integrated door

Another Kentaur product is a unique combination of a turnstile system with an integrated door. The special construction offers the user a large, clear opening allowing both cycle and vehicle access, automatic opening and closing by remote control and much more.

Talos large-size revolving doors

Kaba Gallenschütz completed its Talos product range with the acquisition of Czasch on January 1, 2001. New products include a 2-wing revolving door with integrated swing door and night slides, as well as a 3 or 4-wing revolving door with a showcase and collapsible door wings on pendulum bearings. In the case of power failure, the door wings can be folded easily to guarantee a free passageway.

Automatic circular sliding doors

The highly elegant and user-friendly circular sliding door installation designed by Kaba Gallenschütz on the basis of Kaba Gilgen's well-proven drive technology enables customers all over the world to achieve convenient and sophisticated entrance solutions. Due to the modular construction, the automatic doors can be supplied either as a customized turnkey installation or as a modular system for international distribution.

One-way pax flow control for airports

According to the provisions of the Schengen Treaty, all European airlines and airport operators must ensure that passenger flows comply with customs authority specifications. For this purpose, Kaba Gallenschütz has developed special one-way doors for passengers without hand luggage at airports. The doors close instantly and automatically when an individual tries to change direction. The barrier element, a 2-wing full-height door, opens and closes with sensor control.

Modular core system for door and access control systems

Kaba Gallenschütz and Kaba Gilgen have jointly developed a modular core system for the drive technology of their door and access control systems. Through the integration of the common modular core, the customer receives an advanced, tailor-made door system, which can be adapted quickly to changing conditions, and thus guarantees the investment involved.

Industrial doors and gates

Following the acquisition of the British companies Adtek and Henderson-Bostwick, Kaba additionally covers the industrial doors and gates sector, offering a one-stop-shop for all door requirements.

9.2.4. Data Collection Division

Bedanet terminals

Kaba Benzing's Bedanet terminal is based on Java technology and designed to operate in open communication networks.

Bedanet functions like a network computer, which means that it obtains its applications and returns its data from and to the network, which can be an intranet, an extranet or the Internet. Programs and functionality updates are also downloaded via the network. In addition to the network mode, Bedanet also offers standalone operation in a time capture environment, with data buffering and plausibility testing.

The Bedanet terminal features a graphical display with touch-screen operation. Color boxes on the screen allow the user to select functions such as inbound/outbound, company travel, residual vacation days, etc. Online help is available in several languages. The extensive help functions shorten the learning curve with this modern time recording terminal. Commissioning the system is very straightforward because the network interface is part of the terminal and can also be configured via the graphical user dialog mode. With the integrated Legic reader, time data is acquired in contactless mode.

Thanks to its complete terminal application, Bedanet offers all the necessary features and functions needed for integration into existing communications structures and time capture applications. It is thus compatible with the tens of thousands of installed Bedas series products from Kaba Benzing.

Under the B-COMM for R/3 ERP name, Kaba Benzing offers communications software to connect a Kaba Benzing subsystem for time and production data capture and access control to an SAP R/3 system. The core of this software is an SAP-certified interface, which ensures the smooth exchange of data between the individual SAP modules and the data capture peripherals and also supports the SAP technology concept. Kaba Benzing is the first capture systems provider whose interface has been certified. And is all time in very close contact to SAP AG for to support the newest functionalities and technologies of SAP solutions.

Thanks to the "Interface for R/3" option in combination with B-COMM for R/3, the Kaba exos system software has a certified interface to the SAP software package.

9.3. Main Competitors

By Strategic Business Segment (SBS)

The market shares and rankings have been estimated by Kaba.

9.3.1. Locking + Access Control Systems

Switzerland	Kaba Keso (Assa Abloy) SEA DOM (Black + Decker)	Kaba's market share in locking systems in Switzerland is 60%. Although the market shares in other countries are smaller, Kaba's leadership in the high-security segment is undisputed.
Germany	Ikon (Assa Abloy) DOM (Black + Decker) EVVA CES Winkhaus BKS Kaba	
Austria	EVVA Kaba Winkhaus Keso (Assa Abloy) DOM	
United Kingdom High security cylinders	Assa Abloy Group companies Ingersoll-Rand Kaba Cisa	
United Kingdom Mechanical Pushbutton Locks	Kaba Code Lock	
France	Assa Abloy Group companies Securidev DOM (Black + Decker) Kaba	
Spain	Assa Abloy Group companies Cisa Kaba	
Italy	Cisa ISEO Assa Abloy Group companies Mottura Kaba	

Scandinavia	Assa Abloy Group companies Kaba EVVA	
USA High security cylinders:	Best Assa Abloy Group companies Schlage (Ingersoll Rand) Kaba	
USA Mechanical Push- button Locks:	none directly in US	Indirect competition includes a wide variety of electro-mechanical stand-alone locks from Kaba, Ingersoll Rand and Assa Abloy Group companies
USA Self powered electronic locks	none directly in US	There is indirect competition from battery powered stand alone locks from Alarm Lock, Ingersoll Rand and Assa Abloy Group companies
USA Electronic locks	Alarm Lock Assa Abloy Group companies Locknetics (Ingersoll Rand) Best Tesa Kaba	
USA Online Access Control	Lenel Software House Casi Rusco Nothern Computers Kaba	
Japan	MIWA Goal West Alpha Kaba	
Singapore	Kaba Assa Abloy Group companies MIWA Cisa	
Australia	Lockwood (Assa Abloy) Bilock Kaba	

9.3.2. Safe Locks

Switzerland	Kaba Leicher Witkopp Fichet-Bauche Sargent & Greenleaf LaGard
Germany	Kaba Leicher Secu Witkopp Tas
Austria	Kaba Leicher Secu Witkopp Sargent & Greenleaf LaGard
Great Britain	Sargent & Greenleaf LaGard Kaba
France	Fichet-Bauche Ritzentaler Hafner, Chubb (all Gunnebo) Caradonna Sargent & Greenleaf LaGard Kaba
Spain	Fichet-Bauche Chubb Sargent & Greenleaf LaGard Kaba
Italy	LEM Kaba (electronic locks) Chubb Conforti Parma Sargent & Greenleaf LaGard

Benelux	Rosengrens Secu Fichet-Bauche Chubb, Witkopp Sargent & Greenleaf LaGard Kaba
Scandinavia	Rosengrens Secu Sargent & Greenleaf LaGard Kaba
Hungary, Czech Republic, Slovakia, Slovenia	Kaba Sargent & Greenleaf LaGard
South Africa	Chubb Sargent & Greenleaf La Gard Mac Design Kaba
USA	Kaba Mas Sargent & Greenleaf La Gard (Masco) Wittkopp StuV
Singapore, Hong Kong	Chubb La Gard Sargent & Greenleaf Kaba
Australia	Sargent & Greenleaf La Gard Kaba

9.3.3. Hotel Lock Systems

Germany	Vingcard (Assa Abloy) Tesa (Chubb Security) Messerschmidt Kaba	85 hotels installed
Great Britain	Vingcard (Assa Abloy) Tesa (Chubb Security) Kaba	65 hotels installed
France	Tesa (Chubb Security) Kaba Vingcard (Assa Abloy) Fontaine SDTE Cisa	1100 hotels installed
Spain	Tesa (Chubb Security) Cisa Vingcard (Assa Abloy) Kaba Timelocks	39 hotels installed
Poland	Kaba Tesa (Chubb Security) Hafeley Vingcard (Assa Abloy)	26 hotels installed
USA /Canada	Tesa Locking Systems (Chubb Security) Vingcard (Assa Abloy) Kaba Ilco Safeelok (Masco) Timelox	6800 hotels installed

9.3.4. Identification Systems

Switzerland	Legic Identsystems Philips EM GEMPLUS	Strong market position in access, vending and time and attendance
Germany	Legic Identsystems Philips EM	Strong market position in access, vending and time and attendance
Austria	Philips Legic Identsystems EM	Strong market position in access, vending and time and attendance
Great Britain	HID Philips	
France	GEMPLUS Philips Inside	
Spain	Philips GEMPLUS	
Italy	TI Philips	
Scandinavia	Philips	
USA	HID TI Philips Philips	Market build up taking place. Brand is being established.
Japan	Sony Philips	
China	Philips HID	Strengthening market position
Singapore	Sony Philips HID	Strengthening market position

9.3.5. Systems Integration

Switzerland	Kaba Bixi Systems/Securiton Interflex (Ingersoll Rand) Siemens Building Technologies Adasoft Tyco Integrated Systems Alltronic Avatech	Kaba's market share is about 20% and is the clear leader in the strategic segments in Switzerland
Germany	Interflex (Ingersoll Rand) MBB-Gelma (Dorma) Siemens Building Technologies Primion Kaba Bosch Dr. Städtler	In this diversified and big market are for our segment no official figures available. But we see our share around 8%.
Austria	Interflex (Ingersoll Rand) Gantner EVVA KSG/PKE Kaba	Approx. 5%
Great Britain	ADT Chubb Siemens Building Technologies Honeywell Initial Kaba	4% with a strong increase
France	Proteg (Securitas) CS Security Honeywell WSE Security Products Thomson ISR Siemens Building Technologies Tyco MDA Systems Fingerkey Sagem Kaba	
Spain	Desisco Dorlet Digitek Kaba	
Sweden	Securitas Bewator Bravida Siemens Building Technologies Esmi Kaba	

Netherlands

Nedap
ESD
Honeywell
Johnson Controls (Cardkey)
EI-keyprocessor
Interflex (Ingersoll Rand)
Kaba

9.3.6. Key Systems

(Key replacement market = KRM; Key duplicating machines = KDM)

USA	Kaba Ilco JET Hardware ESP Lock Products Strattec Security Corp.	Key blanks, Key duplicating machines and replacement brass cylinders. Kaba Ilco's North American market share in Key blanks is significant. Silca Key blanks (mainly car keys and transponders) and Key duplicating machines imported and distributed by Kaba Ilco Corp.
Germany	Silca Boerkey JMA – Errebi Original Keys (OEM)	Key blanks and Key duplicating machines. Silca market share is significant.
Benelux	Silca Boerkey JMA Original keys (OEM)	Key blanks and Key duplicating machines. Silca market share in Belgium and in Netherlands is significant.
Austria	Silca Boerkey Original keys (OEM)	Key Blanks and Key duplicating machines. Silca Market share is significant.
Switzerland	Silca JMA (very small) Original keys (OEM)	Key Blanks and Key duplicating machines. Silca market share is significant.
Great Britain	Silca (in KDM) RST (only key machines and mortise keys) JMA – SKS Key Line (mainly car keys) Davenport	Key Blanks and Key duplicating machines. Silca market share in Key duplicating machines is significant.
France	Silca (in KDM) JMA France Errebi Key Line	Key blanks and Key duplicating machines. Silca market share of the total Key replacement market is significant. Original keys, beginning to be important.
Spain	Silca (in KDM) JMA	Key blanks and Key duplicating machines. Silca market share in Key duplicating machines is significant, expanding in Key blanks.
Portugal	Silca (in KDM) JMA Portugal Key Line	Key blanks and Key duplicating machines. Silca market share in Key duplicating machines is significant, expanding in Key blanks.
Greece	Silca JMA Key Line	Key blanks and Key duplicating machines. Silca market share is significant.
Italy	Silca Key Line Errebi BLE (Taiwanese distributor)	Key blanks and Key duplicating machines. Silca market share is significant.

Scandinavia	Silca JMA Boerkey Key Line (just starting)	In Sweden Silca's market share is significant. In Denmark and Norway the market share of the total Key replacement market is healthy.
Finland	JMA Boerkey Original keys (OEM)	Silca market share is growing.
Eastern Europe	JMA Local manufacturers	Silca market share of the total Key replacement market is healthy.
Middle East and North Africa	JMA Key Line Chinese and Taiwanese Anis (Syria) key blanks	Silca market share of the total Key replacement market is healthy.
Africa and South Africa	JMA – Errebi Key Line Chinese and Taiwanese	Silca market share is healthy. In South Africa the Silca market share of the total Key replacement market is significant.
Japan	Fuki Clover	Silca has a small but increasing market share in keys. The Key duplicating machines market share is significant.
South East Asia	Taiwanese and Chinese	
Australia	Silca and Kaba (in KRM) Taiwanese and Chinese	The market share of the total Key replacement market of Silca and Kaba is significant.
South America	Gold / Jas / Land (Brazil) Llaves Peruanas and Teil (Peru) – key blanks Flood (Chile) – key blanks JMA Argentina	Silca's market share is healthy.
Central America	JMA Mexico	Fragmented market with distributors purchasing from Kaba in Mexico and South American competitors.

9.3.7. Door Systems

Switzerland	Kaba Gilgen Record Tormax Dorma Besam Hammer	Kaba Gilgen is the market leader in Switzerland.
Germany	Dorma Besam Kaba Geze Record Boon Elkosta Adronit Wego	Kaba Gallenschütz ranks first in the German market segment for security doors.
France	Record Portalp Kaba Dorma Geze Boon Ollagnier Automatic Systems Gunnebo Mayor	
United Kingdom	Kaba Besam Dorma Gunnebo Major Dor-o-Matic Boon	
Austria	Record Tormax Besam Kaba Dorma	
Netherlands	Boon Kaba Besam Gunnebo Major Van Swaay & Scheeres	
Hong Kong	Napco Kaba Besam Dorma	

9.3.8. Data Collection

Switzerland	Kaba Benzing Zeit AG Interflex (Ingersoll Rand) Bixi Systems / Securiton PCS Zettler	Kaba and Kaba Benzing are market leaders in Switzerland, Germany and Austria in the access control, time management and production data collection markets.
Germany	Kaba Benzing Interflex (Ingersoll Rand) PCS Bosch Telekom Autec AZS / Primion Technology Siemens Isgus Hengstler MBB GELMA	
Austria	Kaba Benzing Gantner Interflex (Ingersoll Rand) Fink Zeitsysteme Isgus	
Great Britain	Feedback Tensor Kronos Custom Micro Intermec DCS Blick plc Kaba Benzing	
Spain	SPEC Intermec Digitek Kaba Benzing Gruppo Dorlet Siemens	
France	Bodet Horoquartz Ceacti-Sinorg (GFI) MBB GELMA (Dorma- Hengstler) Octea (ex Start) Chronotique Pial Temposoft Kaba Benzing Net Time (Titze)	
Italy	Dating Selesta Kaba Benzing	

USA

Kronos
Intermec
Intelligent Instrumentation
CMI
Kaba Benzing
Time Link

9.4. List of Group and Associated Companies

Legal Structure of the Kaba Group as per 30.06.2002

List of substantial group and associated companies	Share Capital in local currency	Voting rights in %	Participation of...
Kaba Holding AG, Rümlang/CH	CHF 35,675,000.00		Public Quoted Company
Kaba Management + Consulting AG, Rümlang/CH	CHF 50,000.00	100	Kaba Holding AG
Division Door Systems (1)			
Kaba Belgium nv, Turnhout/BE	EUR 62,000.00	94	Kaba Holding AG
		6	Kaba Nederland BV
Kaba Door Systems Ltd., Telford/GB	GBP 2.00	100	Kaba Holding (UK) Ltd.
Kaba Gallenschütz GmbH, Bühl/DE	EUR 2,556,459.41	100	Kaba Holding GmbH
Kaba Gilgen AG, Schwarzenburg/CH	CHF 2,001,000.00	100	Kaba Holding AG
Kaba Limited, Kwai Chung N.T./HK	HKD 4,750,000.00	100	Kaba Gilgen AG
Kaba Nederland bv, Nijmegen/NL	EUR 226,890.11	100	Unican Luxembourg S.A.
Kaba Porte Automatique SpA, Novedrate/IT	EUR 13,577,000.00	97	Unican Luxembourg S.A.
		3	Kaba Holding AG
Kaba Türsysteme GmbH, Bühl/DE	EUR 255,645.94	100	Kaba Systems GmbH
Vega Ltd., (trading as Kaba Garog), Warrington/GB	GBP 5,000.00	100	Kaba Holding (UK) Ltd.
Division Data Collection (2)			
Kaba Benzing (Schweiz) AG, Dietikon/CH	CHF 400,000.00	100	Kaba Holding AG
Kaba Benzing America Inc., Miami Lakes/US	USD 19,712.76	100	Kaba Benzing GmbH
Kaba Benzing GmbH, Villingen-Schwenningen/DE	EUR 3,070,000.00	100	Kaba Holding GmbH
Kaba Benzing GmbH, Wien/AT	EUR 36,336.42	100	Kaba Gege GmbH
Kaba srl, Castel Maggiore/IT	EUR 260,000.00	70	Kaba AG
Division Access Systems (3)			
Corporacion Cerrajera Alba S.A. de C.V., Edo de México/MX	MXP 2,521,750.00	99	Kaba Ilco Inc
		1	Ilco Mexico S.A. de CV
Fecosa France (SCI), Le Mesnil St Denis/FR	EUR 152.45	99	Kaba SF2E S.A.
		1	Ilco Unican France S.A.
Herrajes Nacionales de Mexico, S.A. de C.V., Edo de México/MX	MXP 628,990.00	99	Kaba Ilco Inc
		1	Ilco Mexico S.A. de CV
Iberkaba SA, Valencia/ES	EUR 841,416.95	100	Kaba Holding AG
Ilco Mexico S.A. de C.V., Edo de México/MX	MXP 4,725,050.00	100	Kaba Ilco Inc
Ilco Unican Mexico S.A. de C.V., Edo de México/MX	MXP 4,961,300.00	100	Kaba Ilco Inc
Ilco Unican Sales Corp., Bridgetown/BB	USD 100.00	100	Kaba Ilco Corp.
Kaba (UK) Ltd., Tiverton/GB	GBP 2,000,000.00	100	Kaba Holding (UK) Ltd.
Kaba AB, Eskilstuna/SE	SEK 13,000,000.00	100	Unican Luxembourg S.A.
Kaba AG, Wetzikon/CH	CHF 6,800,000.00	100	Kaba Holding AG
Kaba Australia Pty Ltd., Wetherill Park/AU	AUD 15,187,426.00	100	Kaba Gilgen AG
Kaba Boyd Pty Ltd., Wetherill Park/AU	AUD 2,000,000.00	100	Kaba AG
Kaba do Brasil Ltda., Sao Paulo/BR	BRL 445,225.00	100	Kaba Gilgen AG
Kaba Gege GmbH, Herzogenburg/AT	EUR 835,737.59	100	Kaba Holding AG
Kaba High Security Locks Corp., Southington/US	USD 75,150.00	100	Kaba Corporation
Kaba Ilco Corp., Rocky Mount/US	USD 56,900,000.00	100	Kaba Corporation
Kaba Ilco Inc., Montreal/CA	CAD 20,400,001.00	100	Kaba Gilgen AG
Kaba Mas Corporation, Lexington/US	USD 880,679.00	100	Kaba Corporation
Kaba Mauer GmbH, Heiligenhaus/DE	EUR 819,100.00	100	Unican Holding + Management GmbH
Kaba New Zealand Ltd., Auckland/NZ	NZD 250,000.00	100	Kaba Gilgen AG
Kaba S.à.r.l., Suresnes/FR	EUR 846,092.05	100	Kaba Holding AG
Kaba Security Pte. Ltd., Singapore/SP	SGD 1,890,000.00	100	Kaba AG
Kaba Security Sp. Z o.o., Warszawa/PL	PLN 50,000.00	100	Kaba Holding AG
Kaba SF2E S.A., Le Mesnil St Denis/FR	EUR 1,561,978.00	100	Ilco Unican France S.A.
Kaba Suomi Oy, Helsinki/FI	FIM 267,500.00	100	Kaba AB
Kaba Systems GmbH, Dreieich/DE	EUR 385,000.00	100	Kaba Holding GmbH
Legic Identsystems AG, Wetzikon/CH	CHF 500,000.00	100	Kaba AG
Lodging Technology Corp., Roanoke/US	USD 1,000.00	100	Kaba Corporation
Mauer Sicherheitstechnik Beteiligungs GmbH, Heiligenhaus/DE	EUR 26,250.00	100	Unican Holding + Management GmbH
Mauer Sicherheitstechnik GmbH + Co. KG, Heiligenhaus/DE	EUR 270,645.94	100	Mauer Sicherheits Beteiligungs GmbH

Mauer Thüringen GmbH, Bad Berka/DE	EUR	255,700.00	100	Kaba Mauer GmbH
Nihon Kaba K.K., Yokohama/JP	JPY	120,000,000.00	100	Kaba AG

Division Key Systems (4)

Kaba Elzett RT, Budapest/HU	HUF	250,000,000.00	51	Silca SpA
			49	Unican Luxemburg S.A.
Richard Lenoir (SCI), Paris/FR	EUR	15,244.90	100	Silca S.A.
Silca GmbH, Velbert/DE	EUR	358,000.00	90	Unican Holding +
			10	Management GmbH
				Unican Luxemburg S.A.
Silca Key Systems SA, Barcelona/ES	EUR	162,296.90	100	Silca SpA
Silca Ltd., Sutton/GB	GBP	411,050.00	100	Kaba Holding (UK) Ltd.
Silca S.A., Porcheville/FR	EUR	797,670.00	100	Ilco Unican France S.A.
Silca SpA, Vittorio Veneto/IT	EUR	10,000,000.00	97	Kaba Porte Automatiche SpA
			3	Kaba Gilgen AG

Division Finance (5)

Bauer AG, Rümmlang/CH	CHF	100,000.00	100	Kaba Holding AG
Ilco Unican France S.A., Le Mesnil St Denis/FR	EUR	2,840,000.00	100	Kaba Gilgen AG
Ilco Unican Properties, Inc., Rocky Mount/US	USD	100.00	100	Kaba Corporation
Kaba Corporation, Southington/US	USD	201,731,000.00	100	Kaba AG
Kaba Finance Ltd., Jersey/GB	EUR	10,101.00	100	Kaba Holding AG
Kaba Finance Luxembourg S.A. Luxembourg/LU	EUR	32,000.00	100	Kaba Holding AG
Kaba Holding (UK) Ltd., London/GB	GBP	6,000,000.00	100	Kaba Holding AG
Kaba Holding GmbH, Villingen-Schwenningen/DE	EUR	3,067,751.29	100	Kaba Holding AG
Ruchser + Aubry AG, Muri/CH	CHF	2,000,000.00	100	Kaba AG
Unican Holding (Barbados) Inc., Bridgetown/BB		n / a	100	Kaba Gilgen AG
Unican Holding + Management GmbH, Velbert/DE	EUR	51,200.00	100	Unican Luxemburg S.A.
Unican Luxembourg S.A., Luxembourg/LU	EUR	11,356,869.99	100	Kaba Gilgen AG

9.5. Kaba's History

Date	Key Events
1862	Establishment of the locksmith shop and cash register factory on Stampfenbachstrasse 40–42 in Zurich. Owner: Franz Bauer (1839–1908).
1913	Start of steel furniture fabrication.
1915	After failed geographic and product-related diversification: acquisition of Bauer AG by Leo Bodmer, Chief Executive Officer of Brown Boveri & Cie.
1918	Acquisition of a knitting mill in Wetzikon. Transformation of premises into a lock-making factory.
1934	Patent application and manufacture of Kaba (KAssenBAuer) security cylinder.
1968	Founding of first production and sales companies abroad: Eggenburg/Lower Austria, London. New factory for bank equipment built in Rümlang.
1974	New factory for locking systems built in Wetzikon. First joint venture in Japan.
1978	Acquisition of Lori Corporation in Southington (Connecticut, USA).
1981	Sale of factory property on Nordstrasse 25 in Zurich after a fire.
1982	Sale of the old Kaba factory in Wetzikon.
1984	Market launch of Kaba Nova, the world's first mechatronic locking system.
1986	First Kaba-owned company in Germany.
1987	Acquisition of the Swiss office furniture factory Ruchser + Aubry AG in Bremgarten.
1988	Inauguration of new Kaba production site in Tiverton (UK) and sale of former factory. First approaches in the current strategy and vision. Creation of the three-circle motif and product integration strategy. Acquisition of 49% of Benzing Zeit + Daten GmbH in Villingen-Schwenningen (Germany).
1990	Acquisition of 74% of Gallenschütz Sicherheitstechnik GmbH in Bühl (Germany). Business interest in Benzing Zeit + Daten GmbH in Villingen-Schwenningen (Germany) increased to 72%.
1991	Sale of standard lock production at Lori within the scope of a management buyout; management leases the property in Southington. The US subsidiary is renamed Kaba High Security Locks Inc., and rationalized.
1992	Sale of lever locks business of Kaba Lasbolaget AB in Sweden within the scope of the «Total Access» focus.
1990–93	Sale of office furniture operations to Bigla AG and discontinuation of office furniture production in Bremgarten and Rümlang within the scope of the «Total Access» focus; Bremgarten property is leased to third parties; site concentration in Rümlang and partial lease of Rümlang factory premises to third parties.
1994	Sale of some properties in Entlebuch and relocation to new office building in Rümlang.

- 1994** Sale of decorative hardware operations of Lori Corporation (USA); segregation of counter and cash register business from Bauer AG. Acquisition of the remaining shares of Benzing Zeit + Daten GmbH.
- 1995** Company renamed to Kaba Holding AG: focus on Kaba as an umbrella brand. Every company integrates the Kaba element in its name. Kaba class B registered shares are listed on the Zurich stock exchange.
- 1996** Acquisition of the remaining shares of Kaba Gallenschütz GmbH. Acquisition of 100% of Gilgen AG door and gate automation in Schwarzenburg; simultaneous sale of handling and pneumatic tube operations of Bauer AG to Gilgen Fördersysteme AG in Oberwangen.
- 1997** Acquisition and integration of the Grundmann Schliesstechnik group in Herzogenburg (Austria) with subsidiaries in the United Kingdom and Sweden. Acquisition and integration of Payens Haussmann B.V. in Nijmegen, Netherlands, as well as of Payens Haussmann in Turnhout, Belgium. Payens Haussmann is the distributor of Benzing and Gallenschütz products in the Netherlands and Belgium. About CHF 18 million of new equity capital (net) is obtained from the subscription rights capital increase by 48,750 shares @ CHF 40 nominal value at an issue price of CHF 385. Introduction of the unified registered share @ CHF 40 nominal value.
- 1998** Sale of operationally unnecessary property at Nordstrasse 31 in Zurich. Acquisition of Inform Objektschutz GmbH, Düsseldorf. Access control systems contract based on Kaba Legic chip received from Expo.01, the Swiss national exhibition.
- 1999** Acquisition of three companies from the Stratagem building products Division as well as of Adtek Ltd effective July 1, 1999. Kaba becomes market leader for door systems in the United Kingdom.
- 2000** Kaba Gilgen AG wins the CHF 120 million contract for platform screen doors for MTR Hong Kong. Installation 2001/ 2002 to 2006. Sale of operationally unnecessary property by Kaba Gilgen at Geroldswil / ZH.
- 2001** Through the acquisition of Unican Security Systems Ltd., Toronto, Kaba becomes
- N° 1 in key blanks, key encoding machines and transponder keys (Ilco and Silca)
 - N° 1 in highsecurity vault and container locks (Ilco, Kaba Mas, Kaba Mauer and Paxos)
 - N° 1 in electronic access solutions in Europe
 - N° 2 in locking systems
 - N° 2 in security and automatic doors
 - N° 3 in hotel lock systems
 - N° 3 in «Total Access»
- 2002** Integration of former Unican on track. More than 80 Value Driver Initiatives to increase free cash flow and EBITDA.

9.6. Financial History

9.6.1. Key figures

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Key figures per share in CHF ²⁾					
Net income	17.32	11.74	15.37	12.34	9.84
<i>Increase in % relative to previous year</i>	47.5%	-23.6%	24.5%	25.3%	16.0%
Net income + Depreciation	29.26	18.81	23.03	19.06	16.44
<i>Increase in % relative to previous year</i>	55.6%	-18.3%	20.8%	16.0%	10.1%
EBIT (Earnings Before Interest and Taxes)	34.48	19.12	23.52	18.40	15.59
<i>Increase in % relative to previous year</i>	80.4%	-18.7%	27.8%	18.0%	11.7%
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	46.42	26.18	31.18	25.12	22.18
<i>Increase in % relative to previous year</i>	77.3%	-16.0%	24.1%	13.3%	8.8%
EBT (Earnings Before Taxes)	23.32	16.12	21.29	16.39	13.36
<i>Increase in % relative to previous year</i>	44.7%	-24.3%	29.9%	22.7%	10.5%
Earnings less minority interests	17.30	11.72	15.32	12.34	9.80
<i>Increase in % relative to previous year</i>	47.6%	-23.5%	24.2%	25.9%	15.5%
Equity per share	-26.5	-33.1	51.2	52.5	46.3
²⁾ Key figures restated on the basis of the 1:4 split, effective from February 12, 2001, fully diluted					

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Margins in % of net sales

Net income	6.1%	6.1%	6.6%	7.0%	6.0%
Net income + Depreciation	10.2%	9.8%	9.8%	10.9%	10.1%
EBIT (Earnings Before Interest and Taxes)	12.1%	10.0%	10.0%	10.5%	9.6%
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	16.2%	13.7%	13.3%	14.3%	13.6%
EBT (Earnings Before Taxes)	8.2%	8.4%	9.1%	9.3%	8.2%
Earnings less minority interests	6.1%	6.1%	6.5%	7.0%	6.0%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Profitability in %

Return on equity (ROE) (Net profit / equity)	n.a.	n.a.	30.0%	23.5%	21.3%
Net operating assets (Total assets - financial investments - cash and cash equivalents - securities - provisions - non interest bearing short-term liabilities)	420.1	457.1	191.7	184.5	172.0
Return on net operating assets (RONOA) (EBIT / net operating assets)	29.3%	14.9%	27.5%	22.4%	20.3%

n.a. = not applicable

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Capital structure

Equity vs total capital ratio (%)	-12.3%	-12.3%	31.4%	35.6%	32.9%
Net debt in CHF m (Interest bear. payables - cash and cash equiv. - securities)	524.0	588.1	81.8	90.0	73.0
Net debt vs income from operations before depreciation (EBITDA)	3.2	6.3	1.2	1.6	1.5
Interest coverage [(Income from operations before depreciation, EBITDA) / net financial expenses]	4.2	8.7	14.0	12.5	10.0
Current ratio (%) (Current assets x 100 / short-term liab.)	462.0%	382.7%	191.3%	182.1%	217.3%
Cash, cash equivalents and securities vs total assets (%)	11.3%	15.5%	5.0%	2.0%	8.7%

n.a. = not applicable

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Assets structure

Total assets in % of net sales	74.5%	141.1%	69.5%	84.1%	86.3%
Property, plant, equipment in % of net sales	23.6%	42.5%	22.8%	30.6%	34.3%
Inventory in % of net sales	20.5%	37.5%	17.7%	18.4%	18.3%
Receivables in % of net sales	20.7%	36.3%	23.7%	26.2%	24.3%

Investments and Employees

Net consolidated income + depreciation in CHF m	104.4	67.1	51.7	42.8	36.9
Investments in CHF m	44.4	868.2	32.5	42.4	21.1
of which in participations	20.2	842.9	11.3	25.4	5.7
of which in tangible and intangible fixed assets	24.2	25.3	21.2	17.0	15.4
- in % of net income + depreciation	23.2%	37.7%	41.0%	39.7%	41.7%
- in % of net sales	2.4%	3.7%	4.0%	4.3%	4.2%
Personnel (average)	6 402	3 816	2 699	2 135	2 079
Closing date count as at June 30	6 294	6 835	2 757	2 147	2 090

9.6.2. Kaba by region

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Net sales by region in CHF m

Switzerland	205.7	193.6	196.1	183.2	162.6
Abroad:					
Germany	121.3	93.7	113.5	97.2	85.7
Rest of Europe	292.1	237.1	192.1	95.0	101.4
Americas	354.7	103.3	5.8	5.0	3.7
Asia Pacific	53.2	55.9	19.0	13.7	12.8
Total	1027.0	683.6	526.5	394.1	366.2

Net sales by region in %

Switzerland	20.0%	28.3%	37.2%	46.5%	44.4%
Abroad:					
Germany	11.8%	13.7%	21.6%	24.6%	23.4%
Rest of Europe	28.4%	34.7%	36.5%	24.1%	27.7%
Americas	34.6%	15.1%	1.1%	1.3%	1.0%
Asia Pacific	5.2%	8.2%	3.6%	3.5%	3.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Employees by region

Switzerland	1012	977	914	876	866
Abroad:					
Germany	765	633	550	506	461
Rest of Europe	2131	1358	1104	652	657
Americas	2267	681	29	29	27
Asia Pacific	227	167	102	72	68
Total	6402	3816	2699	2135	2079
Closing date count as at 30.6.	6294	6835	2757	2147	2090

Employees by region in %

Switzerland	15.9%	25.6%	33.8%	41.0%	41.6%
Abroad:					
Germany	11.9%	16.6%	20.4%	23.7%	22.2%
Rest of Europe	33.3%	35.6%	40.9%	30.5%	31.6%
Americas	35.4%	17.8%	1.1%	1.4%	1.3%
Asia Pacific	3.5%	4.4%	3.8%	3.4%	3.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Investments by region in CHF m

Switzerland	5.0	10.5	8.8	7.4	5.7
Abroad:					
Germany	1.7	2.3	3.8	3.1	4.1
Rest of Europe	9.3	7.2	7.0	6.0	4.4
Americas	5.5	2.4	0.4	0.3	0.2
Asia Pacific	2.7	2.9	1.2	0.2	1.0
Total	24.2	25.3	21.2	17.0	15.4

Investments by region in %

Switzerland	20.7%	41.6%	41.5%	43.5%	37.0%
Abroad:					
Germany	7.0%	9.1%	17.9%	18.2%	26.6%
Rest of Europe	38.4%	28.3%	33.0%	35.3%	28.6%
Americas	22.7%	9.5%	1.9%	1.8%	1.3%
Asia Pacific	11.2%	11.5%	5.7%	1.2%	6.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

9.6.3. Kaba by Division

From 1 July 2001 the divisional organisation was changed. These figures show first the actual divisions and afterwards the former divisions.

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only		1)		
Assets by division in CHF m:				
Door Systems	155.4	151.7	134.9	94.1
Data Collection	25.9			
<i>Access Europe</i>	176.9			
<i>Access Asia Pacific</i>	30.7			
<i>Access Americas</i>	216.6			
Access Systems total	424.2			
Key Systems	127.7			
Mechanical and Electromechanical Locks		155.6	132.6	124.3
Access and Time Management Systems		62.5	57.5	56.5
Ex Unican Companies		467.6		
Other	32.4	126.9	41.1	56.7
Total	765.6	964.3	366.1	331.6

Assets by division in %:				
Door Systems	20.2%	15.7%	36.9%	28.4%
Data Collection	3.3%			
<i>Access Europe</i>	23.1%			
<i>Access Asia Pacific</i>	4.0%			
<i>Access Americas</i>	28.3%			
Access Systems total	55.4%			
Key Systems	16.6%			
Mechanical and Electromechanical Locks		16.1%	36.2%	37.5%
Access and Time Management Systems		6.5%	15.7%	17.0%
Ex Unican Companies		48.5%		
Other	4.5%	13.2%	11.2%	17.1%
Total	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only		1)		

Net operating assets by division in CHF m:

Door Systems	98.1	84.1	73.6	55.6
Data Collection	-1.5			
<i>Access Europe</i>	94.9			
<i>Access Asia Pacific</i>	21.6			
<i>Access Americas</i>	150.9			
Access Systems total	267.4			
Key Systems	73.4			
Mechanical and Electromechanical Locks		88.1	84.1	82.7
Access and Time Management Systems		20.5	15.0	27.4
Ex Unican Companies		n.a.		
Other	-17.3	n.a.	19.0	18.8
Total	420.1	457.1	191.7	184.5

Net operating assets by division in %:

Door Systems	23.4%	18.4%	38.4%	30.1%
Data Collection	-0.4%			
<i>Access Europe</i>	22.6%			
<i>Access Asia Pacific</i>	5.1%			
<i>Access Americas</i>	35.9%			
Access Systems total	63.6%			
Key Systems	17.5%			
Mechanical and Electromechanical Locks		19.3%	43.9%	44.8%
Access and Time Management Systems		4.5%	7.8%	14.9%
Ex Unican Companies	n.a.	n.a.		
Other	-4.1%	n.a.	9.9%	10.2%
Total	100.0%	100.0%	100.0%	100.0%

n.a. = not applicable

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only		1)		

Net sales by division in CHF m:

Door Systems	232.3	231.2	229.9	131.1
Data Collection	64.3			
<i>Access Europe</i>	230.1			
<i>Access Asia Pacific</i>	47.2			
<i>Access Americas</i>	341.8			
Access Systems total	619.1			
Key Systems	111.3			
Mechanical and Electromechanical Locks		188.8	155.1	145.7
Access and Time Management Systems		120.9	141.5	117.3
Ex Unican Companies		142.7		
Total	1027.0	683.6	526.5	394.1

Net sales by division in %:

Door Systems	22.6%	33.8%	43.7%	33.3%
Data Collection	6.3%			
<i>Access Europe</i>	22.4%			
<i>Access Asia Pacific</i>	4.6%			
<i>Access Americas</i>	33.3%			
Access Systems total	60.3%			
Key Systems	10.8%			
Mechanical and Electromechanical Locks		27.6%	29.4%	37.0%
Access and Time Management Systems		17.7%	26.9%	29.7%
Ex Unican Companies		20.9%		
Total	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

Average personnel count by division (no. of employees):

Door Systems	1256	1177	1130	664
Data Collection	334			
<i>Access Europe</i>	1412			
<i>Access Asia Pacific</i>	202			
<i>Access Americas</i>	2201			
Access Systems total	3815			
Key Systems	965			
Mechanical and Electromechanical Locks		1070	1029	987
Access and Time Management Systems		619	520	464
Ex Unican Companies		927		
Other	32	23	20	20
Total	6402	3816	2699	2135

Average personnel count by division in % of total:

Door Systems	19.6%	30.9%	41.9%	31.1%
Data Collection	5.2%			
<i>Access Europe</i>	22.0%			
<i>Access Asia Pacific</i>	3.1%			
<i>Access Americas</i>	34.5%			
Access Systems total	59.6%			
Key Systems	15.2%			
Mechanical and Electromechanical Locks		28.0%	38.1%	46.2%
Access and Time Management Systems		16.2%	19.3%	21.7%
Ex Unican Companies		24.3%		
Other	0.4%	0.6%	0.7%	1.0%
Total	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only		1)		

Investments by division in CHF m

Door Systems	3.3	5.9	6.2	5.2
Data Collection	1.2			
<i>Access Europe</i>	7.5			
<i>Access Asia Pacific</i>	2.6			
<i>Access Americas</i>	5.4			
Access Systems total	15.5			
Key Systems	3.9			
Mechanical and Electromechanical Locks		13.4	10.4	8.3
Access and Time Management Systems		2.8	3.2	2.9
Ex Unican Companies		3.2		
Other	0.3	0.0	1.4	0.6
Total	24.2	25.3	21.2	17.0

Investments by division in %

Door Systems	13.6%	23.3%	29.2%	30.6%
Data Collection	5.0%			
<i>Access Europe</i>	31.0%			
<i>Access Asia Pacific</i>	10.8%			
<i>Access Americas</i>	22.3%			
Access Systems total	64.1%			
Key Systems	16.1%			
Mechanical and Electromechanical Locks		53.0%	49.1%	48.8%
Access and Time Management Systems		11.1%	15.1%	17.1%
Ex Unican Companies		12.6%		
Other	1.2%	0.0%	6.6%	3.5%
Total	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

EBIT (Earnings Before Interest and Taxes) by division in CHF m:				
Door Systems	9.4	13.3	17.4	12.6
Data Collection	7.0			
<i>Access Europe</i>	26.4			
<i>Access Asia Pacific</i>	0.9			
<i>Access Americas</i>	59.8			
Access Systems total	87.1			
Key Systems	19.5			
Mechanical and Electromechanical Locks		28.7	20.1	18.9
Access and Time Management Systems		4.5	15.3	9.8
Ex Unican Companies		21.7		
Total	123.0	68.2	52.8	41.3

EBIT (Earnings Before Interest and Taxes) by division in %:				
Door Systems	7.6%	19.5%	32.9%	30.5%
Data Collection	5.7%			
<i>Access Europe</i>	21.5%			
<i>Access Asia Pacific</i>	0.7%			
<i>Access Americas</i>	48.6%			
Access Systems total	70.8%			
Key Systems	15.9%			
Mechanical and Electromechanical Locks		42.1%	38.1%	45.8%
Access and Time Management Systems		6.6%	29.0%	23.7%
Ex Unican Companies		31.8%		
Total	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

EBIT (Earnings Before Interest and Taxes) in % of net sales:				
Door Systems	4.0%	5.8%	7.6%	9.6%
Data Collection	10.9%			
<i>Access Europe</i>	11.5%			
<i>Access Asia Pacific</i>	1.9%			
<i>Access Americas</i>	17.5%			
Access Systems total	14.1%			
Key Systems	17.5%			
Mechanical and Electromechanical Locks		15.2%	13.0%	13.0%
Access and Time Management Systems		3.7%	10.8%	8.4%
Ex Unican Companies		15.2%		
Kaba Group consolidated	12.1%	10.0%	10.0%	10.5%

EBIT (Earnings Before Interest and Taxes) in % of net operating assets (RONOA):				
Door Systems	9.6%	15.8%	23.6%	22.7%
Data Collection	n.a.			
<i>Access Europe</i>	27.8%			
<i>Access Asia Pacific</i>	4.2%			
<i>Access Americas</i>	39.6%			
Access Systems total	32.6%			
Key Systems	26.6%			
Mechanical and Electromechanical Locks		32.6%	23.9%	22.9%
Access and Time Management Systems		22.0%	102.0%	35.8%
Ex Unican Companies		n.a.		
Other	n.a.	n.a.		
Kaba Group consolidated	29.3%	14.9%	27.5%	22.4%

n.a. = not applicable

9.6.4. Kaba's operating Divisions

From 1 July 2001 the divisional organisation was changed. These figures show first the actual divisions and afterwards the former divisions.

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

Door Systems

Production companies: Kaba Gilgen AG (CH), Kaba Gallenschütz GmbH (DE), Kaba Door Systems Ltd and Vega Ltd (GB), Kaba Porte Automatiche spa (IT); Distribution companies in Germany, France, GB, Benelux-countries, Hong Kong

Key figures for the division

Assets in CHF m	155.4	151.7	134.9	94.1
Net operating assets in CHF m	98.1	84.1	73.6	55.6
Net sales in CHF m	232.3	231.2	229.9	131.1
Average number of employees	1256	1177	1130	664
Investments in CHF m	3.3	5.9	6.2	5.2
EBIT in CHF m	9.4	13.3	17.4	12.6
EBIT in % of net sales	4.0%	5.8%	7.6%	9.6%
EBIT in % of net operating assets (RONOA)	9.6%	15.8%	23.6%	22.7%

Data Collection

Production companies: Kaba Benzing GmbH (DE);

Distribution companies: Kaba Benzing (Schweiz) AG, Kaba Benzing GmbH (AT), Kaba Benzing America Inc. (US), Kaba srl (IT)

Key figures for the division

Assets in CHF m	25.9
Net operating assets in CHF m	-1.5
Net sales in CHF m	64.3
Average number of employees	334
Investments in CHF m	1.2
EBIT in CHF m	7.0
EBIT in % of net sales	10.9%
EBIT in % of net operating assets (RONOA)	n.a.

	2001/02	2000/01	1999/00	1998/99
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1) Unican income statement is included for 3 months only

Access Europe

Production companies: Kaba AG (CH), Legic Identsystems AG (CH), Kaba Mauer GmbH (DE), Mauer Thüringen GmbH (DE), Kaba Gege GmbH (AT), Kaba (UK) Ltd (GB), Kaba S.à.r.l. (FR), Kaba SF2E S.A. (FR), Kaba Abax AB (SE);
 Development company: Kaba AG Systems Development (CH);
 Distribution companies: Kaba Systems GmbH (DE), Iberkaba S.A. (ES), Kaba Security Sp.z.o.o. (PL)

Key figures for the division

Assets in CHF m	176.9
Net operating assets in CHF m	94.9
Net sales in CHF m	230.1
Average number of employees	1412
Investments in CHF m	7.5
EBIT in CHF m	26.4
EBIT in % of net sales	11.5%
EBIT in % of net operating assets (RONOA)	27.8%

Access Asia Pacific

Production companies: Nihon Kaba K.K. (JP), Kaba Australia Pty Ltd (AU);
 Distribution companies: Kaba Security Pte Ltd (SG), Kaba Security Pte Ltd (MY), Kaba New Zealand (NZ)

Key figures for the division

Assets in CHF m	30.7
Net operating assets in CHF m	21.6
Net sales in CHF m	47.2
Average number of employees	202
Investments in CHF m	2.6
EBIT in CHF m	0.9
EBIT in % of net sales	1.9%
EBIT in % of net operating assets (RONOA)	4.2%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

Access Americas

Production companies: Kaba Ilco Corp. (US), Kaba Mas Corp. (US), Kaba High Security Locks Corp. (US), Lodging Technology Corp. (US), Kaba Ilco Inc. (CA), Corporación Cerrajera Alba, S.A. de C.V. (MX), Herrajes Nacionales de Mexico, S.A. de C.V. (MX), Ilco Mexico S.A. de C.V. (MX), Ilco Unican Mexico S.A. de C.V. (MX);
Distribution company: Kaba do Brasil (BR)

Key figures for the division

Assets in CHF m	216.6
Net operating assets in CHF m	150.9
Net sales in CHF m	341.8
Average number of employees	2201
Investments in CHF m	5.4
EBIT in CHF m	59.8
EBIT in % of net sales	17.5%
EBIT in % of net operating assets (RONOA)	39.6%

Access Systems total

Total of Americas, Europe and Asia-Pacific

Key figures for the division

Assets in CHF m	424.2
Net operating assets in CHF m	267.4
Net sales in CHF m	619.1
Average number of employees	3815
Investments in CHF m	15.5
EBIT in CHF m	87.1
EBIT in % of net sales	14.1%
EBIT in % of net operating assets (RONOA)	32.6%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only		1)		

Key Systems

Production companies: Silca S.p.A. (IT), Silca S.A. (FR), Silca GmbH (DE), Silca Ltd (GB), Silca Key Systems S.A. (ES), Kaba Elzett Rt. (HU)

Key figures for the division

Assets in CHF m	127.7
Net operating assets in CHF m	73.4
Net sales in CHF m	111.3
Average number of employees	965.0
Investments in CHF m	3.9
EBIT in CHF m	19.5
EBIT in % of net sales	17.5%
EBIT in % of net operating assets (RONOA)	26.6%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

Mechanical and Electromechanical Locks (former division)

Production companies: Kaba AG (CH), Kaba Gege GmbH (AT), Kaba (UK) Ltd (GB), Kaba Abax AB (SE), Kaba High Security Locks Corp. (US), Nihon Kaba KK (JP), Kaba Boyd Pty Ltd (AU); Distribution companies in Spain, Singapore, Malaysia

Key figures for the division

Assets in CHF m	155.6	132.6	124.3
Net operating assets in CHF m	88.1	84.1	82.7
Net sales in CHF m	188.8	155.1	145.7
Average number of employees	1070	1029	987
Investments in CHF m	13.4	10.4	8.3
EBIT in CHF m	28.7	20.1	18.9
EBIT in % of net sales	15.2%	13.0%	13.0%
EBIT in % of net operating assets (RONOA)	32.6%	23.9%	22.9%

Access and Time Management Systems (former division)

Production companies: Kaba Benzing GmbH (DE), Legic Identsystems (CH); Development company: Kaba Baxess (CH); Systems integrators: Kaba Security (CH), Kaba Systems GmbH (DE); Distribution companies: Kaba Benzing (Schweiz) AG (CH), Kaba Benzing GmbH (AT), Kaba Benzing Inc. (US); Kaba srl (IT), Kaba S.à.r.l. (FR), Service companies in Switzerland (within Kaba Security)

Key figures for the division

Assets in CHF m	62.5	57.5	56.5
Net operating assets in CHF m	20.5	15.0	27.4
Net sales in CHF m	120.9	141.5	117.3
Average number of employees	619	520	464
Investments in CHF m	2.8	3.2	2.9
EBIT in CHF m	4.5	15.3	9.8
EBIT in % of net sales	3.7%	10.8%	8.4%
EBIT in % of net operating assets (RONOA)	22.0%	102.0%	35.8%

	2001/02	2000/01	1999/00	1998/99
1) Unican income statement is included for 3 months only			1)	

Ex Unican Companies (covers only the 3 months April - June of fiscal year 2000/2001)

Major production companies: Ilco Unican Corp (US), Unican Security Systems Ltd (CA), Ilco Unican Inc (CA), Unican Lock Division (US), Mas-Hamilton (US), Lodging Technology Corp (US), Silca Unican Mexico, Silca spa (IT), Silca-Unican-Elzett (HU), Silca Unican GmbH (DE), Mauer Kromer GmbH (DE), SF2E (FR); Major distribution companies in France, UK, Hong Kong, Singapore, Australia, New Zealand and Brazil

Key figures for the division

Assets in CHF m	467.6
Net operating assets in CHF m	n.a.
Net sales in CHF m	142.7
Average number of employees	927
Investments in CHF m	3.2
EBIT in CHF m	21.7
EBIT in % of net sales	15.2%
EBIT in % of net operating assets (RONOA)	n.a.

Intradivisional profits are reported under EBIT of the supplying division.

n.a. = not applicable

9.6.5. Financial information

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Assets in CHF m					
Intangible assets	5.2	6.7	4.7	5.0	1.8
Property, plant and equipment:					
Land and buildings	140.4	160.7	67.6	75.6	79.1
Machinery and equipment	64.5	81.4	23.9	21.0	21.4
Furniture and fixtures	33.6	45.5	27.9	23.3	23.8
Payments on account and construction in progress	3.4	2.7	0.9	0.8	1.4
Total	241.9	290.3	120.3	120.7	125.7
Financial assets:					
Advance financing participations	0.1	0.1	0.0	18.6	0.0
Long-term loans and securities	9.3	12.7	5.0	4.8	5.0
Total	9.4	12.8	5.0	23.4	5.0
Total fixed assets	256.5	309.8	130.0	149.1	132.5

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Inventory	210.9	256.6	93.1	72.7	67.0
Receivables:					
Trade accounts receivable	184.6	222.8	109.3	85.6	79.3
Other receivables	22.6	18.3	12.2	15.5	8.1
Accruals	5.1	7.1	3.1	2.0	1.7
Total	212.3	248.2	124.6	103.1	89.1
Securities	2.2	0.8	2.5	0.7	0.4
Cash and cash equivalents	83.7	148.9	15.9	6.0	27.1
Total current assets	509.1	654.5	236.1	182.5	183.6
Total assets	765.6	964.3	366.1	331.6	316.1

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Shareholders' equity and liabilities in CHF m

Shareholders' equity:

Capital stock	35.7	35.7	22.5	22.5	22.5
Additional paid-in capital	543.7	543.7	54.1	54.1	54.1
Retained earnings	-674.1	-697.7	37.9	41.2	27.3
Minority interests	0.2	0.1	0.4	0.1	0.1
Total equity	-94.5	-118.2	114.9	117.9	104.0

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Provisions:					
Provisions for pensions and related obligations	26.6	27.1	12.2	12.0	11.2
Provisions for taxes	24.7	50.2	30.4	25.7	21.9
Other provisions	98.3	114.6	43.9	33.8	34.8
Total	149.6	191.9	86.5	71.5	67.9
Long-term liabilities:					
Bank loans	458.0	700.5	35.6	40.1	57.5
Convertible Bond	136.8				
Other long-term liabilities	5.5	19.1	5.7	1.9	2.2
Total	600.3	719.6	41.3	42.0	59.7
Short-term liabilities:					
Trade accounts payable	53.6	81.1	38.9	22.5	20.5
Due to banks	9.6	18.2	58.9	54.7	40.8
Other short-term liabilities	34.5	48.4	18.4	16.4	16.4
Accruals	12.5	23.3	7.2	6.6	6.8
Total	110.2	171.0	123.4	100.2	84.5
Total liabilities	860.1	1082.5	251.2	213.7	212.1
Total shareholders' equity and liabilities	765.6	964.3	366.1	331.6	316.1

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Assets in %					
Intangible assets	0.7%	0.7%	1.3%	1.5%	0.6%
Property, plant and equipment:					
Land and buildings	18.3%	16.7%	18.5%	22.8%	25.0%
Machinery and equipment	8.4%	8.4%	6.5%	6.3%	6.8%
Furniture and fixtures	4.4%	4.7%	7.6%	7.0%	7.5%
Payments on account and construction in progress	0.5%	0.3%	0.2%	0.3%	0.4%
Total	31.6%	30.1%	32.8%	36.4%	39.7%
Financial assets:					
Investments	0.0%	0.0%	0.0%	5.6%	0.0%
Long-term loans and securities	1.2%	1.3%	1.4%	1.5%	1.6%
Total	1.2%	1.3%	1.4%	7.1%	1.6%
Total fixed assets	33.5%	32.1%	35.5%	45.0%	41.9%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Inventory	27.5%	26.6%	25.4%	21.9%	21.2%
Receivables:					
Trade accounts receivable	24.0%	23.1%	29.9%	25.8%	25.1%
Other receivables	3.0%	1.9%	3.3%	4.7%	2.6%
Accruals	0.7%	0.7%	0.8%	0.6%	0.5%
Total	27.7%	25.7%	34.0%	31.1%	28.2%
Securities	0.3%	0.1%	0.7%	0.2%	0.1%
Cash and cash equivalents	11.0%	15.5%	4.4%	1.8%	8.6%
Total current assets	66.5%	67.9%	64.5%	55.0%	58.1%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			

Shareholders' equity and liabilities in %

Shareholders' equity:

Capital stock	4.7%	3.7%	6.1%	6.8%	7.1%
Additional paid-in capital	71.0%	56.4%	14.8%	16.3%	17.1%
Retained earnings	-88.0%	-72.4%	10.4%	12.5%	8.6%
Minority interests	0.0%	0.0%	0.1%	0.0%	0.0%
Total equity	-12.3%	-12.3%	31.4%	35.6%	32.9%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Provisions:					
Provisions for pensions and related obligations	3.5%	2.8%	3.3%	3.6%	3.5%
Provisions for taxes	3.2%	5.2%	8.3%	7.7%	6.9%
Other provisions	12.8%	11.9%	12.0%	10.2%	11.0%
Total	19.5%	19.9%	23.6%	21.5%	21.4%
Long-term liabilities:					
Bank loans	59.8%	72.6%	9.7%	12.1%	18.2%
Convertible Bond	17.9%				
Other long-term liabilities	0.7%	2.0%	1.6%	0.6%	0.7%
Total	78.4%	74.6%	11.3%	12.7%	18.9%
Short-term liabilities:					
Trade accounts payable	7.0%	8.4%	10.6%	6.8%	6.5%
Due to banks	1.3%	1.9%	16.1%	16.5%	12.9%
Other short-term liabilities	4.5%	5.0%	5.0%	4.9%	5.2%
Accruals	1.6%	2.4%	2.0%	2.0%	2.2%
Total	14.4%	17.8%	33.7%	30.2%	26.8%
Total liabilities	112.3%	112.3%	68.6%	64.4%	67.1%
Total shareholders' equity and liabilities	100.0%	100.0%	100.0%	100.0%	100.0%

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Income in CHF m					
Net sales	1027.0	683.6	526.5	394.1	366.2
Changes in inventory of finished- and semi-finished goods	-17.3	19.9	7.9	1.9	-0.5
Other operating revenues	16.2	11.0	12.4	12.1	10.3
Operating revenues	1025.9	714.5	546.8	408.1	376.0
Material costs	-299.2	-215.9	-174.4	-114.7	-103.9
Personnel costs	-393.0	-266.5	-202.1	-162.0	-153.6
Depreciation	-42.6	-25.2	-17.2	-15.1	-14.8
Other operating expenses	-168.1	-138.7	-100.3	-75.0	-68.7
Income from operations	123.0	68.2	52.8	41.3	35.0
Financial income	7.2	7.3	2.6	1.1	1.1
Financial expenses	-47.0	-18.0	-7.6	-5.6	-6.1
Income before taxes	83.2	57.5	47.8	36.8	30.0
Extraordinary income	0.0	0.0	0.0	0.0	6.4
Extraordinary costs	0.0	0.0	0.0	0.0	-6.4
Taxes	-21.4	-15.6	-13.3	-9.1	-7.9
Net income for the year	61.8	41.9	34.5	27.7	22.1
of which minority interests	0.1	0.1	0.1	0.0	0.1

	2001/02	2000/01	1999/00	1998/99	1997/98
1) Unican income statement is included for 3 months only		1)			
Income in % of net sales					
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Changes in inventory of finished- and semi-finished goods	-1.7%	2.9%	1.5%	0.5%	-0.1%
Other operating revenues	1.6%	1.6%	2.4%	3.1%	2.8%
Operating revenues	99.9%	104.5%	103.9%	103.6%	102.7%
Material costs	-29.1%	-31.6%	-33.1%	-29.1%	-28.4%
Personnel costs	-38.3%	-39.0%	-38.4%	-41.1%	-41.9%
Depreciation	-4.1%	-3.7%	-3.3%	-3.8%	-4.0%
Other operating expenses	-16.4%	-20.3%	-19.1%	-19.0%	-18.8%
<i>Income from operations</i>	12.0%	9.9%	10.0%	10.6%	9.6%
Financial income	0.7%	1.1%	0.5%	0.3%	0.3%
Financial expenses	-4.6%	-2.6%	-1.4%	-1.4%	-1.7%
Income before taxes	8.1%	8.4%	9.1%	9.5%	8.2%
Extraordinary income	0.0%	0.0%	0.0%	0.0%	1.7%
Extraordinary costs	0.0%	0.0%	0.0%	0.0%	-1.7%
Taxes	-2.1%	-2.3%	-2.5%	-2.3%	-2.2%
Net income for the year	6.0%	6.1%	6.6%	7.2%	6.0%
of which minority interests	0.0%	0.0%	0.0%	0.0%	0.0%

9.7. Imprint

Editor/Copyright: Kaba Holding AG, Rümlang (Switzerland)
Editorial collaboration: Steiner Communications, Uitikon (Switzerland)
Realization: Corporate Communications, Kaba Management+Consulting AG
Print: Druckerei Albisrieden AG, Zürich (Switzerland)

Rümlang, September, 2002



