

> Press release

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RÜMLANG 27 FEBRUARY 2014

## Kaba switches from IFRS to Swiss GAAP FER

The Board of Directors of Kaba Holding AG has decided to change to Swiss GAAP FER for the preparation of the company's consolidated accounts as from the new financial year (starting 1 July 2014). Kaba's registered shares remain listed on the SIX Swiss Exchange and are still included in the Swiss Performance Index (SPI).

Kaba Holding has used the IFRS accounting standard since 2004. In recent years this standard has become more and more demanding. It has required increasingly complex and time-consuming details and disclosures, which have tied up ever more internal resources. Swiss GAAP FER takes a more pragmatic approach that meets all the needs of a medium-sized international company like Kaba Group and those of its stakeholders while keeping the work required to a sensible level. Using Swiss GAAP FER, Kaba will continue to report fully and transparently in accordance with the "true and fair" principle.

The application of the new accounting standard will allow Kaba to charge all goodwill through shareholders' equity. This will reduce the level of total assets and the equity ratio, which, based on the last audited balance sheet of 30 June, will come to around 47%. Now that the proportion of long-term assets is lower, Kaba has defined a new target for the equity ratio of 20%. Even after the switch this target figure will easily be exceeded. The change of system will also make it simpler to value Kaba's pension fund liabilities. Under Swiss GAAP FER there will no longer be any need to carry out expensive actuarial valuations. For the 2012/13 financial year, the absence of amortisation on intangibles would have left consolidated net profit around 5% higher. As a result of the switch from IFRS to Swiss GAAP FER, Kaba's registered shares will now be traded in the Domestic Standard. Following the decision by Kaba's Board of Directors to make this change, an application has been submitted accordingly to the SIX Swiss Exchange AG.

Kaba will produce a detailed assessment of the previous year under the new accounting system when it publishes the 2014/15 results.

### **For further information:**

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**Kaba – Beyond security**

With its innovative products, systems and services, globally active technology group Kaba is a leading provider of high quality access management solutions, keys, cylinders, physical access systems, enterprise data and time recording, and hotel access systems. The group is also a global market leader for high security locks, key blanks, transponder keys and key manufacturing machines. The stock exchange-listed group has sales of around one billion Swiss francs and employs around 7,500 people in more than 60 countries. For more than 150 years Kaba has set trends in security and beyond – in terms of functionality, convenience and design, and always with a focus on optimum value to customers.

SIX Swiss Exchange: KABN

For more information please visit [www.kaba.com](http://www.kaba.com)

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**Cautionary Statement About Provisional Financial Figures:**

*All financial figures contained in this press release are unaudited and provisional and reflect Kaba's estimates based on financial information available as of the date of this press release. Actual impacts of the change from IFRS to Swiss GAAP FER to be reported could differ materially from those contained in this press release because of a number of factors, including additional or revised information, subsequent events that may affect the fair value of assets at 30 June 2014, and changes in accounting standards or policies or in how those standards are applied. Kaba will provide additional discussion and analysis and other important information about the impact of the change from IFRS to Swiss GAAP FER on its 2013/2014 financial results, when it reports on 12 September 2014.*

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This communication contains certain forward-looking statements, e.g. statements using the words "believes", "assumes", "expects", or formulations of a similar kind. Such forward-looking statements are based on assumptions and expectations which the company believes to be well founded, but which could prove incorrect. They should be treated with appropriate caution because they naturally involve known and unknown risks, uncertainties and other factors which could mean that the actual results, financial situation, development or performance of the company or Group are materially different from those explicitly or implicitly assumed in these statements. Such factors include:

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- > The effects and risks of new technologies
- > The company's ongoing capital requirements
- > Financing costs
- > Delays in the integration of acquisitions
- > Changes in operating expenses
- > Fluctuations in exchange rates and raw materials prices
- > Attracting and retaining skilled employees
- > Political risks in countries where the company operates
- > Changes to the relevant legislation
- > Other factors named in this communication

If one or more of these risks, uncertainties or other factors should actually occur, or if one of the underlying assumptions or expectations proves incorrect, the consequences could be materially different from the assumed ones. In view of these risks, uncertainties and other factors, 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. The Company emphasizes that past results and performances cannot lead to conclusions about future results

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