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dorma+kaba Group announces Future Plan Germany

- **Targeted investment in the modernization of the German Ennepetal and Ocholt sites as innovation and production locations for high-quality technology products**
- **Improvements to cost structure, streamlining of the organization and use of synergies will result in a planned reduction of around 440 jobs in Germany and relocation of some sites**

The dorma+kaba Group is systematically laying the foundations at all levels of the organization for sustainable and profitable growth. This includes a higher pace of innovation, more rapid product development and market readiness, a leaner organization, systematic exploitation of synergies from the merger and improved cost structures. The Future Plan Germany, which is being announced today, has a key role in this process and is based on integration measures arising from the merger of dorma+kaba, as well as on existing stand-alone business plans of the former Dorma Group. Consistent implementation of the plan will further strengthen the global competitiveness of dorma+kaba. It is an important element in the previously announced targets of achieving an EBITDA margin of 18% and organic growth in sales of at least 2%-points above adjusted GDP in fiscal 2018/2019.

Future Plan Germany strengthens center for innovation

Innovation capacity plays a decisive role in being able to exploit growth potential optimally. Over the coming years dorma+kaba plans to put up financial resources in a significant double-digit million amount for the development of high-quality technology products, the relocation and modernization of production facilities as well as the further development of information technology. The dorma+kaba Future Plan Germany includes the following core elements:

- The role of the Ennepetal site as Competence Center for mechanical and electronic door technology is to be developed and thus systematically strengthened further.
- At the same time, the manufacture of certain standard products (TS 93 and BTS 80 door closers) is being relocated from Ennepetal to Singapore, while other products will be moved from Singapore to Suzhou (China).
- The Ocholt site (Movable Walls segment) is to be sustainably focused on the future with the automation of the production of movable wall systems.
- It is hoped to improve the long-term unsatisfactory results of the door furniture unit in Velbert through cost control measures.
- The activities of Kaba Mauer in Heiligenhaus are to be moved to existing sites, such as Bad Berka and Velbert.
- A restructuring concept is currently being negotiated for the loss making sanitary business at Rietberg, and, as an alternative option, the possibility of selling it off or closing it down is being investigated. This will also affect the sanitary business at Bad Salzuflen and will entail an adjustment in production capacities together with a workforce reduction.

Measures to result in personnel cutbacks

The realignment, the relocation of production units and the more effective organizational structure will result in a planned reduction of around 440 jobs in total at the various dorma+kaba sites in Germany, including reductions in administrative staff as well. At the same time there will be an increase of around 160 jobs at the sites in Singapore and Suzhou (China) in order to meet increased production requirements. The German head office of dorma+kaba, the headquarters for the Access Solutions DACH segment and some of the Group functions will continue to remain at the Ennepetal site. The implementation of all measures should be completed during 2018 and conducted in a manner as socially responsible as possible.

Press Release

dorma+kaba

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dorma+kaba – a new industry leader is born

The merger of the businesses of Kaba Group, headquartered in Rümlang (Switzerland) and Dorma Group, based in Ennepetal (Germany), was completed on 1 September 2015. Together, dorma+kaba are one of the top 3 global companies in the market for security and access solutions, with pro forma sales of over CHF 2 billion, and around 16,000 employees.

SIX Swiss Exchange: DOKA (formerly: KABN / KABNE)

Further information at www.dormakaba.com

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- 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
- Realization of synergies
- Other factors named in this communication

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