

150  
YEARS.

**KABA**

**KABA IS 150 YEARS OLD – AND YOUNGER THAN EVER: AS A TECHNOLOGY LEADER IN THE GLOBAL SECURITY INDUSTRY, ITS INNOVATIVE SOLUTIONS ARE ALWAYS SETTING NEW STANDARDS. HERE’S TO THE NEXT 150 YEARS.**



**F**rom the very beginnings, Kaba's success has been founded on a combination of quality and innovation. These are the central drivers of our business. This is underlined by our long track record. Technological change along with ever shorter product life cycles mean the time between conception and marketing needs to be kept as short as possible - whilst ensuring top quality standards and optimum customer benefits.

With its outstanding engineering skill, Kaba regularly sets new trends in security and convenience. To maintain a successful position in the premium segment of the market, leadership in innovation is crucial, which is why Kaba strives with such emphasis to ensure such leadership. The benefit to the customer is always central to this. New technologies are only launched if they provide a compelling combination of security, reliability and user-friendliness. At the same time, Kaba ensures that new solutions can always be fitted into customers' existing systems in optimum fashion. This emphasis on compatibility safeguards customers' previous capital investment and represents an important competitive advantage for Kaba over against the product ranges of other market players.

Kaba products are based on a minimum number of technology platforms and thereby offer an optimum level of upgradability and integration possibilities - irrespective of the country in which the customer buys and uses the products. Thus, around the world the Kaba brand stands not only for forward-looking solutions, but also for future-proof ones.

As a market player with a global presence, in access control Kaba pursues a single-brand strategy in its core business. In the heavily fragmented security market, that represents a decisive competitive advantage. International customers want to be served by the same provider offering the same consistent high quality across the customers' various markets. The focus on a single brand also enhances the effectiveness of Kaba's marketing in more than 60 international markets.

**“INNOVATION WITH THE AIM OF PROVIDING A HIGH LEVEL OF BENEFIT TO THE CUSTOMER IS WHAT DRIVES US TO DO OUR VERY BEST.”**

The Kaba Group operates in a growth industry with potential amounting to around CHF 40 billion. In doing so, it can rely on four strong growth drivers, which are also global trends: urbanization, the growing need for security, technological innovation, and increasing prosperity in emerging markets.

Riet Cadonau, CEO Kaba Group

# KABA IN LINE WITH GLOBAL TRENDS.

## **KABA'S FUTURE GROWTH WILL BE DETERMINED BY FOUR GLOBAL TRENDS: URBANIZATION, A GROWING NEED FOR SECURITY, TECHNOLOGICAL INNOVATION AND INCREASING PROSPERITY.**

### **Urbanization**

Already, more than half the world's population lives in towns and cities - in 40 years, it is likely to be over two-thirds. This means that new infrastructure also needs to be built, in turn driving demand for security. With its skill at innovating and its broad and well-diversified range of products, Kaba is in a position to cater for these needs in full and from a single source - from physical access systems to time and attendance and access management solutions as well as enterprise data collection and hotel locking systems.

### **Growing need for security**

The growing need for security can be seen all around us - in airports, for in-

stance, where security measures and infrastructure are subject to ongoing extension. Changing threat scenarios force airport operators to adjust and develop their security set-up on a continual basis. This is a trend which is of benefit to Kaba.

### **Technological innovation**

Technological innovation has always been a driver of Kaba's business, generating steady revenues. Kaba has an excellent track record in this regard, with the first-time integration of RFID (radio-frequency identification technology) and products like self-boarding gates, for instance. The demand for improved energy efficiency in products and systems, without com-

promising on convenience, has been met by Kaba with revolving door systems for example, which significantly improve heat retention in buildings and thereby enable energy consumption to be reduced.

### **Increasing prosperity**

Prosperity will increase, driven mainly by the emerging markets where there is a burgeoning middle class of well-educated young people. According to the OECD, the number of people living in a household with average expenditure of between USD 10 and 100 per person per day is set to rise from 1.8 billion in 2009 to 4.9 billion in 2030. This will create an increase in the demand for security solutions.

# 150 YEARS.

KABA

**IN 2012, KABA IS CELEBRATING 150 YEARS IN BUSINESS, AND ITS HISTORY HAS BEEN AN EVENTFUL ONE. KABA'S SKILL AT INNOVATING IS THE COMMON THREAD RUNNING THROUGH THOSE 150 YEARS.**

**I**t all began with a small factory making safes in the city of Zurich, Switzerland. Set up by a locksmith called Franz Bauer in 1862, this fledgling enterprise started life with three staff in a modest workshop. There was great demand for safes at the time, as recent legislation had made it obligatory for all firms to keep their accounts safe from fire. An early milestone for the firm came in 1878, when a showpiece safe was displayed at the Paris World's Fair which pulled in the crowds and won the highest accolades.

#### **Pioneering innovation from early on**

Another award-winning exhibit was a highly secure lock developed and manufactured by Mr Bauer himself using eight

special machines. The number of permutations, i.e. the number of possible keys with differing indentations, was already in the millions. This meant the lock met the highest of security requirements for the time - an initial pioneering innovation very much in keeping with future successes. A little later, at the Swiss National Exhibition in Zurich in 1883, a public test was carried out to establish whether a Bauer safe could be broken open by brute force. The result goes without saying.

Following relocation to a new factory building in 1890, the turn of the 20<sup>th</sup> century also marked the beginning of a new era for Franz Bauer's firm, though he was to see only the start of it. Having established his firm as a public company,

# “WE FOSTER A PRONOUNCED CULTURE OF INNOVATION, WITH THE AIM OF CONSTANTLY DEVELOPING NEW PRODUCTS AND CONTINUOUSLY IMPROVING EXISTING ONES.”

Ulrich Graf, Chairman of the Board of Directors

Franz Bauer + Söhne AG, in 1907, and appointed his sons Franz, Carl, Adolf, Max and Edwin to the management, the company's founding father and captain died just a year later.

## **New pioneers take charge**

The firm's history was not all onwards and upwards. After Carl Bauer had gone to the trouble of setting up two additional factories in northern Italy in 1910, the First World War put an abrupt end to these particular ventures. In this period, Edwin Bauer, along with his fellow student from the Swiss Federal Institute of Technology, Leo Bodmer - who, in 1909, aged just 29, acquired the majority of the company's shares - built and developed a proto-

type for a car. Who knows how Kaba might have developed if it had continued its diversification along these lines.

In the second half of the 19<sup>th</sup> century and at the start of the 20<sup>th</sup>, the Swiss banking industry was growing rapidly. The Bauers' safe factory was turned into an enterprise specializing in bank installations. However, despite full order books, the firm got into financial difficulties as the war broke out in 1914 because of excessive diversification into new products and markets. Leo Bodmer saved the company at the last minute. In 1915, Bauer AG was established in Zurich, with Leo Bodmer as its president, J. Rickenbach as managing

director and Edwin Bauer as technical director. Three years later, the owners opened a lock factory in a disused textile mill in Wetzikon, which supplied the Zurich operation with ever larger numbers of locks for its vaults, safes and money boxes.

## **Reversible key system revolutionizes the sector**

In 1924, the inventor Fritz Schori, a precision mechanic by training, took charge of the lock-making operation in Wetzikon. A number of subsequent Kaba developments and patents were down to him. The year 1934 saw his most revolutionary idea: the invention of the first cylinder lock with a reversible key. The simple but brilliant idea is that it does not matter which way you insert the key into the lock - it will work anyway. The entire sector looked on in amazement. Bauer AG had the lock patented and named it after the firm's founder Franz Bauer, referred to colloquially as KAssaBAuer (Kassa referred to the safes he made): hence KABA. This innovation marked the breakthrough that enabled the firm to become a leading specialist in locking systems.

## **New visionaries pursue a growth strategy and international markets**

In the post-war boom years, the company saw progressive expansion. In 1962, Ulrich Breimi joined the firm to

## **EVERYTHING YOU NEED TO KNOW WWW.KABA.COM**

*At [www.kaba.com](http://www.kaba.com), Kaba has a special anniversary website for all those who are interested. We take you on a journey through 150 years of history - with a retrospective, snapshots of particular moments, lots of interesting facts and some curiosities.*

- *How did a small safe factory established in 1862 become a global security group?*
- *Why does Kaba place its faith in ongoing innovation?*

- *Why is Kaba also a drink, an opera, a somewhat common first name and - seriously - a cow as well?*
- *In addition, reports on representative items and engaging interviews*

*The website will be continually added to and updated over the course of 2012, so it is always worth returning to it. We hope you enjoy it and learn some things you never knew.*

take charge. It was immediately clear to him what sort of potential the firm's products offered, and he took the first daring step beyond the Swiss border, first moving into the UK and Austria.

Robust growth demanded additional and modernized production capacity. A new plant producing bank installations was inaugurated in Rümlang in 1968. With the introduction of cashless salary payments, the number of bank customers multiplied, setting off an international banking boom. Bauer AG supplied specialist installations in large numbers to France and Austria. In 1974, a completely new factory for making locks was constructed in Wetzikon.

In order to cope with rapid growth and ensure it was well equipped for the future demands of the market, the company set up a holding structure in 1974: Bauer AG became Bauer Holding AG, and in the same year took over the Union safe factory in Zurich. Its safemaking division was disbanded, whilst the access control, time management and building management division continued in the shape of a

newly established company. This acquisition enabled the firm to diversify into new areas of business.

#### **Innovation drive from the 1980s onward**

In 1965, Ulrich Graf joined the firm. An electrical engineer by training, he succeeded Ulrich Bremi as CEO in 1989, and became Chairman of the Board of Directors in 2006. Mr Graf recognized early on that traditional mechanical products would have to be combined with the new possibilities offered by electronics if the company was to continue to assert itself in the market place. Thus, from the 1980s onwards there was a veritable flood of innovations, surprising the market time and again: in 1982 the first PC-based access and time system, in 1984 the world's first mechatronic lock cylinder, in 1986 the first electronic safe lock, in 1994 the first key based on RFID (radio-frequency identification technology), then more and more products providing contactless access.

#### **On the road to Total Access**

Hand in hand with technological change came the realization that the poten-

tial of the firm's products could only be fully utilized through extension to other security applications. This thinking led to the acquisition in 1990 of the German company Benzing, laying the foundations for today's Workforce Management segment. In the following year, the German firm Gallenschütz was bought, substantially expanding the business in physical access systems. The firm's strategic direction was becoming ever more obvious. Kaba - as the Group started to call itself after its IPO in 1995 - was clearly developing into an integrated provider of comprehensive security solutions, with divisions devoted to locks, doors, identification systems and access control. The magic words, or common thread: Total Access.

#### **The big leap - first over the Atlantic, then to Asia**

The acquisition of Canadian company Unican in 2001 fitted with this overall strategy. This did not just represent a major leap across the Atlantic for Kaba, it also doubled its volume of business, making the Group a world leader in high-security locks, hotel locks, push-button locks and key systems (key copy-

# 1878



#### **Safe at the Paris World's Fair**

Franz Bauer 1862 starts making safes in a small workshop. A showpiece model is special enough to be exhibited at the 1878 Paris World's Fair.

# 1934



#### **Reversible key**

The invention of the first key which could be inserted into the lock either way round represented a major step forward for the company. This flat key, with dimples on both sides, remains to this day one of the most popular locking technologies.

# 1960



#### **Pushbutton lock**

A world's first at the time and still the standard lock in the US market. The PIN codes can be given out for a specific period of time, and varying access codes can be issued, providing continuous audit capability.

1860

1960

1970

ing machines, key blanks). In 2007 - by then Rudolf Weber had become CEO, a position he held until 2011 - the Group expanded by acquiring the Chinese firm Wah Yuet in the promising Asian markets. In this period, the business portfolio was also streamlined by disposing of the Door Automation segment in 2011.

**And the story goes on**

In 2011, Riet Cadonau took charge of Kaba, a world leader in terms of innovation and technology employing around 7,500 staff in over 60 countries. Mr Cadonau had already earned his stripes on Kaba's Board of Directors between 2006 and 2011. The changeover at the top also represented a generational shift. The new crew around Riet Cadonau will strive to maintain and further extend the company's leading position in the areas of access control and keys as part of the global security industry. This will enable Kaba to continue to create added value for all stakeholders through the provision of innovative solutions around the world. Kaba's dynamism makes it an attractive employer for skilled and committed staff and managers who are keen to meet the challenges of the marketplace.

**“KABA AIMS TO CONTINUE TO BRING BENEFIT TO ITS CUSTOMERS THROUGH INNOVATION. LEADERSHIP IN INNOVATION IS THEREFORE A CORNERSTONE OF OUR STRATEGY.”**

Riet Cadonau, CEO

**1975**



**Bauer SCS 256**

Kaba brings the first electronic safe system to market.

**2008**



**RCID/TouchGo**

Electronic locking system based on RCID technology which enables authorized persons to unlock doors simply by touching the handle. This technology makes use of the human body's natural electrostatic charge to provide data transmission.

**2009**



**ZigBee contactless hotel lock**

RFID locks are incorporated into a central management system which enables two-way communication between each individual lock and the central server.



# **KABA WOULD LIKE TO THANK ALL ITS CUSTOMERS AROUND THE WORLD. THEY HAVE BEEN THE DRIVER IN OUR COMMITMENT FOR 150 YEARS. AND THEY WILL CONTINUE TO BE.**

Accor Group Hotels, Air Liquide, Airbus, Ajax Amsterdam, Aldi, Alibaba Group, America's Cup Valencia, Amsterdam Arena, Australian Government - Department of Foreign Affairs and Trade, Australian Turf Club, Banque de France, Beijing National Stadium (Bird's Nest), BMW, Boeing, Bombardier, British Telecom, Bunnings, C&A, Carlton Hotels, Carrefour, Chancellor of the Federal Republic of Germany Berlin, Changi Airport Singapore, China Central Television Station, China Mobil Telecom, Chubb Security Services, Coca-Cola, Deutsche Bank, DHL, Doodricke, Dubai Municipality, EADS, ETH Zürich, Fraport, Fundación Parque Científico de Madrid, Gazprom, General Dynamics, Hamburger Hochbahnen, Hitachi, Ho Chi Minh City Airport Vietnam, Hong Kong Airport Authority, Hôpitaux de Paris, Hospital Clínico San Carlos, Hotel Four Seasons, Hotel Ritz-Carlton, Houses of Parliament, HSBC, IKEA, Leroy Merlin, Lidl, Linfox Armaquard, Lowes, Lufthansa, Madrid City Council, Mäkinen Logistics, Manchester Airport, Marina Bay Financial Center Singapore, Marriott Hotels, Melbourne Racing Club, Metro de Madrid, Mitre 10, Mister Minit, MRTA, MTR Corporation, Munich Airport, Museo Nacional Centro de Arte Reina Sofía, National Australia Bank, Olympia Stadium Berlin, Österreichische Elektrizitätswirtschaft, Paris Charles de Gaulle Airport, Pifkeifi, Poste Italiane, Resort World Sentosa Roche, Royal Airforce, Russian Central Bank, RWE, SECOM, Secundocku, Sepang F1 Circuit, Shenyang metro OCC, Singapore City Development Limited, Singapore Mass Rapid Transit, SJ AB (Swedish Railways) Banverket, Sony Computer Entertainment Inc, Stade de France Paris, Swire, Swiss Federal Railways, Swiss National Bank, Taiwan Semiconductor Manufacturing Company Ltd., Tour Eiffel, Toyota, Trumpf, UBS, University Clinic Munich, University of Constance, University of York, University of Zurich, University Pierre & Marie Curie Paris, Victoria Racing Club, Volkswagen, Walmart, Wuxi Airport, YAS Marina F1 Race Track, Zurich Airport and many more.



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