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Moving fast.
Interim Report
as at June 30, 2007



Schindler

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Key figures as at June 30, 2007 (1st half)

Elevators & Escalators

In million CHF	2007 1st half	2006 1st half	Δ %	Δ % local currencies
Orders received	4 469	4 227	+5.7	+4.5
Operating revenue	4 225	3 748	+12.7	+11.3
Operating profit (EBIT)	379	321	+18.1	
in %	9.0	8.6		

	30.06.2007	31.12.2006	
Personnel at end of period (number)	42 477	41 632	+2.0

ALSO

In million CHF	2007 1st half	2006 1st half	Δ %	Δ % local currencies
Orders received	2 285	1 038	+120.1	+117.3
Operating revenue	2 268	1 030	+120.2	+117.2
Operating profit (EBIT)	9	10	-10.0	
in %	0.4	1.0		
Net profit	-8	7		

	30.06.2007	31.12.2006	
Personnel at end of period (number)	1 873	2 047	-8.5

Group

In million CHF	2007 1st half	2006 1st half	Δ %	Δ % local currencies
Orders received	6 754	5 265	+28.3	+26.8
Operating revenue	6 493	4 778	+35.9	+34.2
Operating profit (EBIT)	376	321	+17.1	
in %	5.8	6.7		
EU antitrust fine	234			
Profit before taxes	107	325	-67.1	
Net profit	19	225	-91.6	
Net profit before EU antitrust fine	253	225	+12.4	
Cash flow*	55	272	-79.8	
Capital expenditure	43	55	-21.8	

	30.06.2007	31.12.2006	
Order backlog	6 884	6 024	+14.3
Consolidated shareholders' equity	1 991	2 177	-8.5
Personnel at end of period (number)	44 350	43 679	+1.5

* Cash flow: Net profit plus depreciation/amortization +/- change in provisions

Group achieves positive progress

The Schindler Group delivered a successful performance in the first half of 2007.

Pleasing organic growth in both orders received and operating revenue was further strengthened by the acquisition of the Finnish GNT Group by the ALSO subsidiary, effective August 31, 2006. Excluding the EU antitrust fine, Schindler also posted pleasing growth in net profit despite the overall net loss recorded by ALSO due to GNT's subsidiary in Sweden, which requires restructuring.

Orders received

Consolidated orders received grew by 28.3% to CHF 6 754 million compared to the first half of 2006, representing an increase of 26.8% in local currencies. Excluding the impact of the acquisition of GNT by the ALSO subsidiary, orders received rose by 8.0% (+6.7% in local currencies).

Operating revenue

Consolidated operating revenue increased by 35.9% to CHF 6 493 million, corresponding to growth of 34.2% in local currencies. Adjusted for the impact of the GNT acquisition, growth of 13.5% was recorded (+12.1% in local currencies).

The impact of all first-time consolidations on operating revenue is 17% and is mainly attributable to the GNT acquisition.

Net income from financing and investing

Net income from financing and investing totaled CHF –35 million (first half of 2006: CHF +4 million), reflecting a decline in the result from operational hedging transactions as well as increased interest expenses relating to the financing of GNT activities. The first half of 2006 also included extraordinary income of CHF 9 million from an interest rate hedging transaction.

Profit and cash flow

Excluding the EU antitrust fine of CHF 234 million, which was paid in the first half of 2007, net profit grew by 12.4% to CHF 253 million and cash flow rose by 6.3% to CHF 289 million. As a result of the significant reduction in net current assets, cash on hand decreased by only CHF 47 million to CHF 927 million after the payment of the dividend and the EU antitrust fine.

Personnel numbers

Personnel increased by 671 employees or 1.5% to 44 350 employees compared to end-2006. The number of employees in the elevators and escalators business grew by 845 or 2%. Personnel at ALSO – which included GNT as of 31.12.2006 – decreased by 174 employees or 8.5%.

Elevators and escalators business

Controlled growth in orders received

Orders increased by 5.7% to CHF 4 469 million (+4.5% in local currencies). The lower growth in orders compared to prior periods is attributable to the high level of capacity utilization in the areas of production and installation as well as to logistics issues. In addition, efforts were made to improve pricing quality in view of the full order books in the first half of 2007. Thanks to its innovative product solutions, Schindler was able to implement price increases in all regions with the exception of the Asian growth markets.

All regions contributed to the increase in orders received. The sale of elevators in the basic segment and escalators exceeded the volume of sales in the first half of 2006, particularly in Europe and North America. The modernization business in Europe experienced significant growth due in part to the implementation of the EU Safety Norm for Existing Lifts (SNEL).

The order backlog grew by 14.4% to CHF 6 762 million compared to end-2006 (+11.4% in local currencies), mainly reflecting the seasonal increase in work in progress.

Strong growth in operating revenue

All regions contributed to the strong increase in operating revenue, which rose by 12.7% (+11.3% in local currencies) to CHF 4 225 million. This growth also reflects the execution of the large order backlog, which includes a number of challenging major projects.

Operating profit (EBIT) rose by 18.1% to CHF 379 million. The EBIT margin increased to 9.0% (first half of 2006: 8.6%). However, the growth in business volumes and the improvement in cost efficiency were accompanied by supply bottlenecks in the first half of 2007, which will gradually be resolved in the course of the year.

EU antitrust fine

On February 21, 2007, the European Commission announced its decision to impose a fine on various European elevator and escalator manufacturers. Schindler companies were fined a total of EUR 143.7 million or CHF 234 million. This sum is disproportionate in every respect – particularly in view of the extraordinary efforts that the Schindler Group has made in the field of compliance over the last 15 years. An action for the nullification of the decision by the European Commission has therefore been filed before the Court of First Instance at the European Court of Justice in Luxembourg. The proceedings call for the nullification or reduction of the fine, which was paid in the reporting period and recorded in the profit and loss statement. A decision is not expected until 2009.

ALSO

Group reports a loss despite strong growth in net sales

The ALSO Group increased its consolidated net sales by 120% to CHF 2.3 billion in the first half of 2007, mainly reflecting the inclusion of the net sales of the Finnish GNT Group, which was acquired on August 31, 2006. In addition, ALSO Switzerland and ALSO Germany contributed to the strong growth in net sales with an increase of 16%, in spite of a marginal decline in the value of the PC market in these countries.

In the first half of 2007, ALSO reported an overall net loss of CHF –8 million, which was primarily attributable to GNT Sweden. This result also reflects costs for the restructuring of GNT Sweden and exceptional costs for balance sheet adjustments totaling CHF 5 million.

ALSO Switzerland and ALSO Germany delivered an excellent performance in the first half of 2007 and improved their profit for the first six months of the year by 72% to CHF 12 million.

Schindler Holding

Capital reduction

In accordance with the resolution of the General Meeting of March 20, 2007, the participation capital of Schindler Holding Ltd. was reduced by CHF 48 000 or 0.9% to CHF 5 093 640 through the cancellation of the repurchased bearer participation certificates.

Corporate governance

The European Commission has informed Dr. Alexander Schaub that it is opposed to his continued membership of the Board of Directors of Schindler Holding Ltd. while the company's proceedings relating to the EU antitrust fine of February 21, 2007, are pending. This restriction applies no longer than until June 30, 2008. The European Commission had already approved Dr. Schaub's membership of the Schindler Group's Audit Committee. Dr. Schaub has asked for the decision – which is difficult to comprehend – to be reconsidered, particularly as it is over five years since he occupied the role of Director General of Competition at the European Commission. This period of time appears to be well in excess of the requisite "cooling-off period".

As previously announced, Roland W. Hess has been designated as the successor to Alfred Spörri, who will retire from the Board of Directors in 2008 upon reaching the maximum age limit. On August 1, 2007, Roland W. Hess was succeeded as the President of the Management Committee Elevators & Escalators by Jürgen Tinggren, who was previously a Member of the Management Committee Elevators & Escalators with responsibility for Technology and Strategic Supply Management.

Effective August 1, 2007, the Management Committee Elevators & Escalators was extended to include the new Global Business function with the aim of strengthening the business with global product lines and accelerating the introduction of global products. The Board of Directors has appointed Michael Füllemann to this function. He was previously a Senior Partner and Managing Director of The Boston Consulting Group AG (Switzerland). Michael Füllemann worked for the global elevators and escalators business for the last ten years in connection with various advisory mandates and thus gained an excellent knowledge of the industry.

Outlook for 2007

Elevators and escalators

The large order backlog will contribute to a sustained high level of capacity utilization and operating revenue in the second half of 2007 and well into 2008. In view of the increased productivity at all levels, as well as the enhanced cost position, the earnings situation will improve further in the second half of the year.

ALSO

ALSO expects to generate Group net sales of CHF 4.5 billion to CHF 5.0 billion in 2007 and – excluding any unforeseeable events – a Group net profit in the range of CHF 5.0 million and CHF 7.0 million.

Group

At its annual results media conference on February 26, 2007, the Schindler Group stated that it expects to generate a net profit of approximately CHF 530 million. Schindler confirms this profit forecast, excluding any unforeseeable events and the EU antitrust fine of CHF 234 million.



Alfred N. Schindler
Chairman of the Board
of Directors

Luc Bonnard
Vice Chairman of the Board
of Directors

Interim financial statements 2007

Consolidated profit and loss statement

In million CHF	2007		2006	
	1st half	%	1st half	%
Operating revenue	6 493	100.0	4 778	100.0
Operating expenses	6 117	94.2	4 457	93.3
Operating profit	376	5.8	321	6.7
EU antitrust fine	234	3.6		
Net income from financing and investing activities	-35	-0.5	4	0.1
Profit before taxes	107	1.7	325	6.8
Income taxes	88	1.4	100	2.1
Net profit	19	0.3	225	4.7
Of which:				
Schindler Holding shareholders	14		210	
Minority interests	5		15	

Net profit (earnings) per share and bearer participation certificate

Undiluted earnings per share and BPC	CHF 0.11	CHF 1.70
Diluted earnings per share and BPC	CHF 0.11	CHF 1.69

Consolidated balance sheet

In million CHF	30.06.2007		31.12.2006	
		%		%
Cash on hand	927	12.6	974	13.4
Other current assets	4 045	54.8	3 943	54.2
Non-current assets	2 405	32.6	2 361	32.4
Total assets	7 377	100.0	7 278	100.0
Current liabilities	4 025	54.5	3 744	51.4
Non-current liabilities	1 361	18.5	1 357	18.7
Total liabilities	5 386	73.0	5 101	70.1
Schindler Holding shareholders' equity	1 873	25.4	2 060	28.3
Minority interests	118	1.6	117	1.6
Consolidated shareholders' equity	1 991	27.0	2 177	29.9
Total liabilities and shareholders' equity	7 377	100.0	7 278	100.0

Consolidated cash flow statement

In million CHF	2007 1st half	2006 1st half
Net profit	19*	225
Depreciation and amortization	63	60
Change of provision	-27	-13
Other positions with no effect on liquidity	-14	15
Change of remaining net working capital	124	5
Cash flow from operating activities	165	292
Investments in fixed assets, net	-32	-41
Investments in other non-current assets, net	-10	-218
Change of securities and financial assets	46	153
Cash flow from investing activities	4	-106
Dividends paid by Schindler Holding Ltd.	-159	-111
Dividends paid to minority shareholders	-9	-10
Other financing activities	-26	78
Cash flow from financing activities	-194	-43
Translation exchange differences	-22	-18
Change in cash on hand	-47	125
Cash on hand at start of period	974	1 108
Cash on hand at end of period	927	1 233

* After EU antitrust fine of CHF 234 million

Statement of shareholders' equity

In million CHF	2007			2006		
	Schindler Holding share- holders	Minority interests	Group	Schindler Holding share- holders	Minority interests	Group
January 1	2 060	117	2 177	1 749	136	1 885
Exchange differences	38	4	42	-14	-5	-19
Hedging transactions	1	1	2	-	-	-
Financial instruments available for sale	-3	-	-3	-5	-	-5
Total of items recognized in shareholders' equity	36	5	41	-19	-5	-24
Net profit	14	5	19	210	15	225
Total profit and loss	50	10	60	191	10	201
Dividends	-159	-9	-168	-111	-10	-121
Additions/disposals treasury stock	-79	-	-79	-46	-	-46
Options for participation plan (fair value)	2	-	2	2	-	2
Change in minority interests	-1	-	-1	-	-	-
June 30	1 873	118	1 991	1 785	136	1 921

Segment information

In million CHF	Europe	Americas	Asia, Australia, Africa	Services/ Elimi- nations E & E	Elevators & Escalators	ALSO	Finance/ Elimi- nations	Group
1st half 2007								
Operating revenue third parties	2 283	1 307	635	–	4 225	2 268	–	6 493
Intercompany sales	953	43	156	–1 152	–	–	–	–
Total operating revenue	3 236	1 350	791	–1 152	4 225	2 268	–	6 493
Operating profit					379	9	–12	376
Additions of property, plant and equipment	21	10	5	1	37	6	–	43
Depreciation and amortization	32	13	9	3	57	6	–	63
of which impairment	–	–	–	–	–	–	–	–
Share in profits of associated companies					2	–	–	2
1st half 2006								
Operating revenue third parties	1 976	1 171	601	–	3 748	1 030	–	4 778
Intercompany sales	654	31	141	–826	–	–	–	–
Total operating revenue	2 630	1 202	742	–826	3 748	1 030	–	4 778
Operating profit					321	10	–10	321
Additions of property, plant and equipment	32	10	8	1	51	4	–	55
Depreciation and amortization	34	12	8	3	57	3	–	60
of which impairment	–	–	–	–	–	–	–	–
Share in profits of associated companies					6	–	–	6
30.06.2007								
Assets	3 141	1 356	892	71	5 460	1 101	816	7 377
of which investments in associated companies	31	–	219	–	250	–	–	250
Liabilities	2 470	863	580	183	4 096	908	382	5 386
Personnel at end of period (number)	20 791	13 012	8 293	381	42 477	1 873	–	44 350
31.12.2006								
Assets	2 761	1 211	840	81	4 893	1 416	969	7 278
of which investments in associated companies	28	–	221	–	249	–	–	249
Liabilities	1 997	785	518	175	3 475	1 214	412	5 101
Personnel at end of period (number)	20 561	12 612	8 105	354	41 632	2 047	–	43 679

Notes to the consolidated interim financial statements

General principles

In the unaudited consolidated interim financial statements as at June 30, 2007, which have been prepared on the basis of IAS 34 "Interim Financial Reporting", the same accounting policies have been applied as in the consolidated financial statements as at December 31, 2006.

A detailed description of these methods is contained in the notes to the annual financial statements 2006.

In financial year 2007, IFRS 7 (Financial Instruments: Disclosure) and amendments of IAS 1 (Presentation of Financial Statements: Capital Disclosures) are being applied for the first time. IFRS 7 will give rise to more extensive presentation of financial instruments in the notes to the annual financial statements. In the consolidated interim financial statements no additional notes are required.

This spring, the IASB revised IAS 23 (Borrowing Costs). The new rules will apply for the first time for financial year 2009 and will have no material effects.

Neither the new and revised standards nor the individual interpretations (IFRIC 7–10) that became effective on January 1, 2007, have any effect on the preparation and presentation of these interim financial statements.

The interim financial statements based on IFRS contain assumptions and estimates that affect the figures stated in this interim report. The true results may differ from these estimates.

Scope of consolidation

Relative to June 30, 2006, the scope of the consolidation as of June 30, 2007, was expanded to include Schindler Hellas SA, Greece; the Finnish GNT Group that was acquired by ALSO Holding AG on August 31, 2006; and small local companies in Europe and North America.

The operating revenue of the newly consolidated companies amounts in total to CHF 1 090 million (GNT share: CHF 1 069 million) and the operating profit CHF –7 million (GNT share: CHF –8 million).

The French company Etablissements Henri Peignen S.A., which was sold on June 1, 2007, has been removed from the scope of the consolidation. Its removal results in an operational loss of CHF 5 million.

Translation of foreign currency

The exchange rates for the most significant foreign currencies of the Schindler Group are shown in the table below.

Exchange rates						
			2007	2007	2006	2006
			June 30	1st half average	December 31	2006
			closing date	exchange rate	closing date	1st half average
			exchange rate	exchange rate	exchange rate	exchange rate
Eurozone	EUR	1	1.66	1.63	1.61	1.56
USA	USD	1	1.23	1.23	1.22	1.27
Great Britain	GBP	1	2.46	2.41	2.39	2.27
Brazil	BRL	100	63.95	59.89	57.15	57.73
China	CNY	100	16.16	15.87	15.63	15.80

Debentures

The debenture remained unchanged from the financial statements of December 31, 2006:

- 3½% debenture 1999–2009, nominal value CHF 300 million.

EU antitrust fine

The EU antitrust fine for a total amount of EUR 143.7 million was paid and is recognized in these interim financial statements with CHF 234 million charged directly against the profit and loss statement. At the same time, an action for the nullification of the fine was lodged with the first-instance court of the European Court of Justice in Luxemburg. The proceedings call for the nullification or reduction of the fine. A decision is not expected before 2009.

Income taxes

The income tax expense recognized in the interim financial statements is based on the best possible current estimate of the income tax rate for 2007.

Dividend

As decided by the General Meeting of Schindler Holding Ltd. of March 20, 2007, a dividend for the financial year 2006 of CHF 1.30 (previous year CHF 0.90, after 10:1 split) per registered share and bearer participation certificate was paid on March 23, 2007.

Reduction in capital

At the General Meeting of Schindler Holding Ltd. of March 20, 2007, it was decided that the 480 000 bearer participation certificates that were repurchased between January 1 and December 31, 2006, should be cancelled. The capital was correspondingly reduced by CHF 48 000 on May 24, 2007, on expiration of the legally required notice period.

Contingent liabilities/claims

The contingent liabilities are described in detail in the notes to the annual financial statements 2006. As of balance sheet date June 30, 2007, the following additions apply:

- The class-action lawsuits filed in the USA following announcement of the EU cartel investigation were already rejected by the responsible judge in New York. The plaintiffs have referred the decision to the responsible Federal Court of Appeals. The decision of this court is still pending.
- Since the beginning of 2007, proceedings that were initiated by the Austrian federal competition authorities in relation to a monetary fine have been pending at the Austrian Cartel Court. Besides other Austrian companies, these proceedings also affect subsidiary companies of the Schindler Group in Austria. Within the scope of the current proceedings, the Schindler Group is cooperating extensively with the Austrian authorities.
- In neither of the foregoing proceedings is it possible to estimate the amount of any potential financial consequences at present with the information available. Consequently, no provisions were created in the reporting period.

Release of the interim financial statements for publication

These interim financial statements as at June 30, 2007, were approved and released for publication by the Board of Directors of Schindler Holding Ltd. on August 16, 2007.

Events after balance sheet date

No significant events occurred after the date of the balance sheet.

Financial calendar

	2007	2008
Annual results media conference	February 26	February 28
Ordinary General Meeting Schindler Holding Ltd.	March 20	March 26
Date of Schindler Holding Ltd. dividend payment	March 23	
Publication of Interim Report	August 17	August 19

The Schindler Group Interim Report 2007 is published in German, English, and French. The original German language version is binding.

Also available at www.schindler.com are the Annual Report, press releases, and current share price, as well as general information about the Group. Interested persons from the financial markets, or members of the public, may also communicate with the Group directly through the following contacts:

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