

Global challenges.
First-class solutions.
Group Review 2010



Schindler

Global challenges. First-class solutions.

Schindler is a global provider of mobility solutions. Each day, it transports one billion people with its elevators and escalators – rapidly, efficiently, and in accordance with their diverse needs.

Its offerings range from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for skyscrapers.

Schindler moves people and materials, and connects vertical and horizontal transport systems through intelligent mobility solutions driven by green and user-friendly technologies.



Our products and services

Passenger elevators

For any individual need in the market, Schindler provides an appropriate elevator solution. Starting with low-rise requirements focusing on basic transportation needs at affordable costs, through mid-rise applications for the residential and commercial market segments, and finally on to the high requirements in the high-rise segment for buildings up to 500 meters.

Freight elevators

For small and large volumes, and light- or heavy-duty freight.

Escalators and moving walks

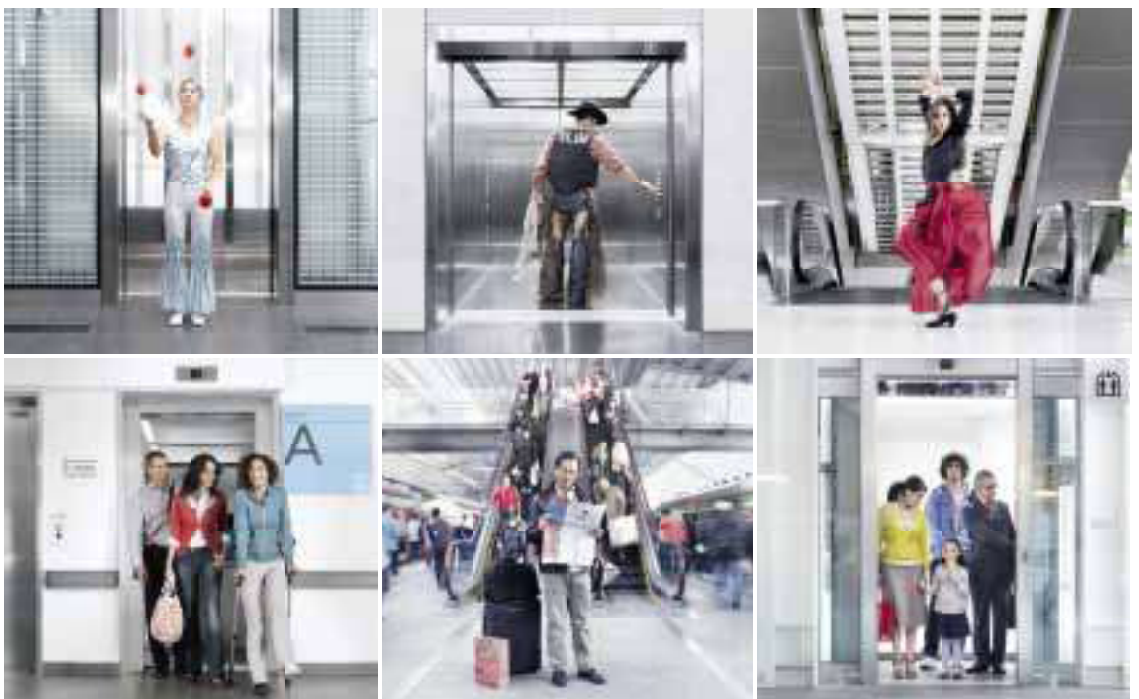
Escalators for all applications, from shopping malls, offices, hotels, and entertainment centers, to busy airports, subways, and railway stations. Moving walks – inclined and horizontal – for efficient transportation in public areas.

Modernization

Elevator and escalator modernization products.

Services

The next technician is always within reach, worldwide, 24 hours a day.





Ladies and Gentlemen

Do you like small talk? Neither do I. Well then, let's direct our thoughts from wishful thinking to clarity. The other day, when contemplating the pile of debt undermining Western economies, a German writer came to my mind. He said: "Self-pity is like heroin – one continuously needs to increase the daily dose to maintain the desired effect." In my opinion, addiction to debt follows the same pattern – one just passes away somewhat faster. The FED and the ECB have flooded the market with liquidity, saving the world from contagion and imminent implosion. But gone are the days when "QE2" stood for the name of a beautiful ocean liner. As the French would say: "Adieu richesse, bonjour tristesse" ...

In this context, it might be helpful to remember that citizens and even more so entrepreneurs base their long-term decisions on expectations rather than on facts. Indeed, the mere anticipation that the proceeds from hard work, delayed gratification, innovation, responsibility, loyalty, and risk might be confiscated due to taxes and/or inflation, etc. will suffice to trigger risk-averse behavior: Entrepreneurs will avoid investing, postpone the creation of new jobs, and in the worst case divest. As political history has proven time and again, the added value of redistribution turns negative when the giving end falls into hibernation. The Romans would say: "Caveat consules."

Coming back to our Group, there are a few milestones worth mentioning: Group net liquidity amounts to CHF 2.5 billion and this figure compares favorably with our Group equity of CHF 2.8 billion and the book value of our subsidiaries (CHF 1.6 billion) at Holding level. Liquidity is important to us because it guarantees our entrepreneurial independence and maximizes our options.

The merger between ALSO and Actebis was accepted by the European antitrust authorities without any restrictions. The main contracts have been approved by the respective boards and, except for the extraordinary ALSO shareholders meeting on February 8, 2011 to finalize the required increase of capital, all vital steps have been achieved on time. Accordingly, ALSO is deconsolidated this year already and recorded in our books as "discontinued operations."

The Swiss franc is at record levels and the US dollar has lost about 78% of its value since I left the Wharton School of Finance in the 1970s. This year alone, our translation losses (sales excl. ALSO) amount to CHF 291 million. Given this,

Switzerland should be awarded the Nobel prize for having discovered the "Emmentaler paradox." It goes like this: First, you do the right things. Second, you do things right. And third, you choke because your country has made a surplus ...

Despite all the above, earnings after taxes and cash flow are at record levels with CHF 711 million and CHF 861 million respectively. For the first time in our history, operating profit including ALSO is slightly above CHF 1 billion (CHF 1 007 million), a figure you will not find in the report because as mentioned, ALSO is no longer consolidated. In addition, for the first time ever, the year-end price of our stock was above CHF 100 and our market cap went "ballistic" ... (CHF 13.4 billion).

Before closing, let me get back to my opening remarks. Tucholsky once said: "In theory there is no difference between theory and practice, but in practice, there sure is a difference between the two." Well, in theory the European 35-hour work week should help create new jobs by dividing a given "lump of labor" among more people ...

Dear reader, by now it should be clear that my letter should not be taken too seriously. Nevertheless, from the modest perspective of a Swiss humorist, I have a growing concern: The combination of high debts, high taxes, low investments and low labor hours will make the Eurozone less competitive and our emerged competitors very powerful. Hence, it would perhaps be good advice to be less distracted by ideology, and to emulate pragmatically what works in practice elsewhere.

"If you drink water, think of the well," a Chinese proverb brings it accurately to the point. Indeed, this is the right context for the Board to extend a heartfelt thank-you to all of our employees for they have been the well of our company during this difficult year. Hard work, resilience, discipline, integrity, and innovation – in summary our employees' "response-ability" – has overcome all obstacles and made sure that our goals have been met. Let's protect the well and we will steam ahead regardless of the choppy waters.

Alfred N. Schindler

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www.schindler.com

Schindler in brief

Group

Founded in Switzerland in 1874, the Schindler Group now employs around 43 000 staff worldwide and comprises two core areas of business: Elevators & Escalators, and ALSO, an information technology and consumer electronics (ICE) distributor in Europe. The parent company Schindler Holding Ltd. is listed on the SIX Swiss Exchange.

Elevators & Escalators

As one of the leading global manufacturers of elevators, escalators, and moving walks, with an operating revenue of CHF 8.2 billion in 2010, and with a network of over 1 000 branches spanning every continent, Schindler develops, plans, produces, and installs mobility solutions in accordance with customer requirements. A comprehensive service offering ensures the smooth functioning of these installations throughout their service life of around 30 years. Customized solutions are available for the modernization and replacement of units.

ALSO

Schindler owns 64% of ALSO Holding AG, which is listed on the SIX Swiss Exchange. The ALSO Group is one of Europe's leading distribution and logistics companies for ICE. ALSO is active in the following European countries: Switzerland, Germany, Finland, Norway, Estonia, Latvia, and Lithuania. As at December 31, 2010, the ALSO Group, with net sales in 2010 of CHF 4.2 billion, is reported as a disposal group.

Strategic orientation

"Leadership through Service" is the company's vision in the elevators and escalators business, since 30 million individuals worldwide use Schindler products every hour. We want to ensure that our customers and passengers can rely on high-quality mobility solutions and services at all times.

Two factors are essential in order to achieve this: first, the strengthening of Schindler's global presence and the related expansion of its service network in the individual markets. The company is thus able to exploit different global growth cycles, to smooth out currency risks, to reduce response times thanks to its proximity to customers, and, at the same time, to increase the productivity of its services. The second prerequisite is a clear focus on its core competencies in the elevators and escalators business, in order to pursue a cost leadership strategy aimed at outperforming the competition in an increasingly price-sensitive market.

Schindler works constantly in order to secure this competitive advantage. All processes are therefore continuously optimized, manufacturing depth is reduced by focusing exclusively on strategic core competencies, and the range of product families is reduced to a reasonable number.

At the same time, Schindler focuses continuously on developing leading products featuring the latest technology.

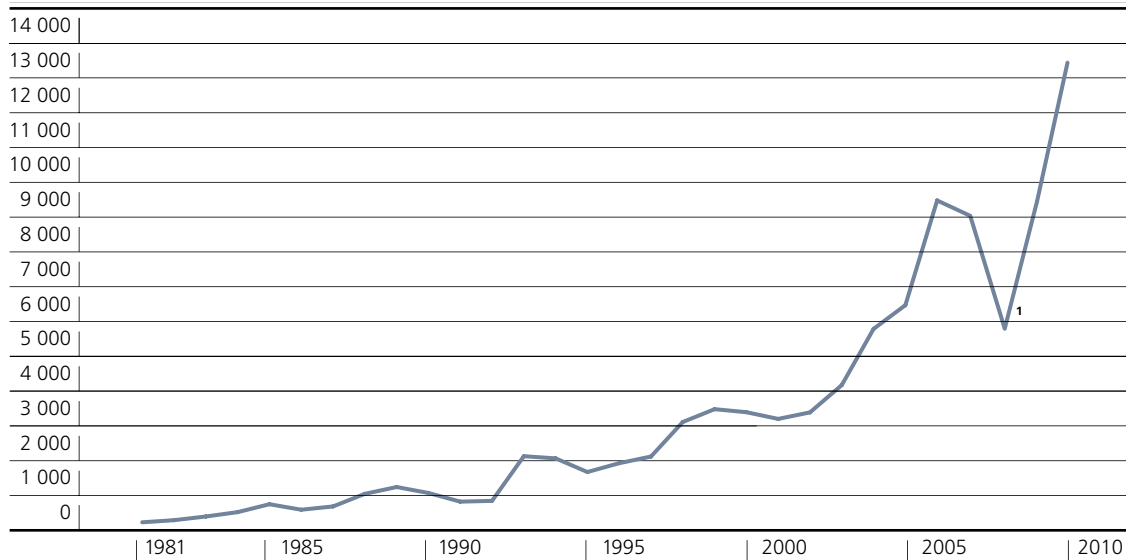
Examples of recent innovation include the first patent for elevators without a machine room, the Miconic 10 hall call destination system, its successor, the Schindler ID, incorporating personalized access control, the Schindler 7000 global high-rise elevator, and the fully synthetic aramid rope and modern traction belt technology. In 2009, an entirely new concept for managing the transit of passengers through the building was rolled out, a third generation hall call destination system, PORT technology, which has generated tremendous interest in the user community.

Schindler will systematically pursue the aforementioned strategy in order to further expand its leading position, thus generating added value for its shareholders and increasing its market capitalization.

We create value

Market capitalization 1981 to 31.12.2010

In million CHF



¹ In 2008, market capitalization decreased by 36% as a result of the financial crisis, although earnings per share increased; see page 5 for details.

Key figures 2010

Group					
In million: CHF	2010	2009 ¹	Δ %	Δ % local currencies	2009
Orders received	8 778	8 418	4.3	7.7	12 865
Operating revenue	8 187	8 281	−1.1	2.4	12 691
Operating profit (EBIT)	950	934	1.7		974
Profit from continuing operations	679	636	6.8		
Profit of the disposal group ALSO	32	17	88.2		
Net profit	711	653	8.9		653
Cash flow ²	861	813	5.9		813
Return on equity in %	26.6	28.7			28.7
Consolidated equity	2 819	2 521			2 521
Order backlog	6 075	6 200	−2.0	7.8	6 341
Personnel at year-end (number)	43 010	41 962	2.5		43 437

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see financial statements, note 11

² Net profit + depreciation/amortization +/- change in provisions

Elevators & Escalators

In million: CHF	2010	2009	Δ %	Δ % local currencies
Orders received	8 778	8 418	4.3	7.7
Operating revenue	8 187	8 281	−1.1	2.4
Operating profit (EBIT)	980	962	1.9	
in %	12.0	11.6		

ALSO (disposal group)

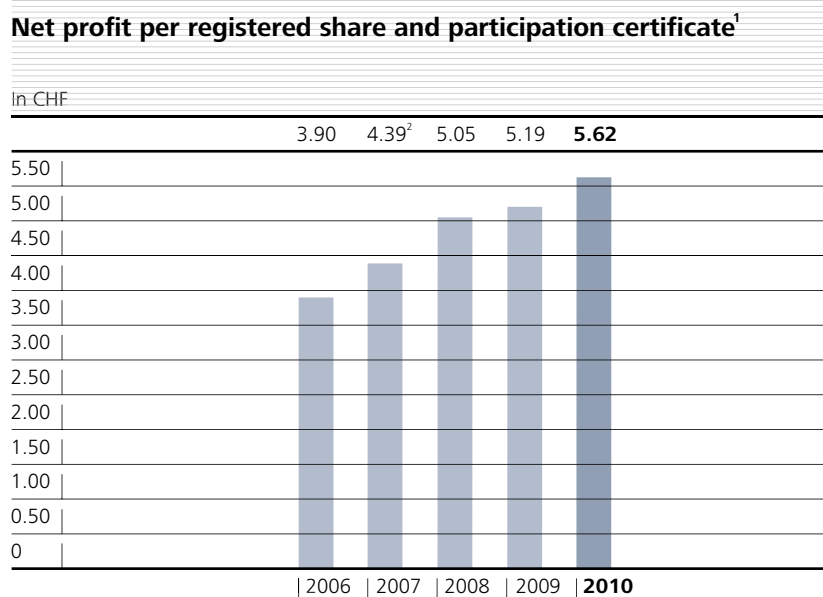
In million: CHF	2010	2009 ¹	Δ %	2009
Orders received	–	–		4 447
Operating revenue	–	–		4 410
Operating profit (EBIT) in %	–	–		0.9
Profit of the disposal group ALSO	32	17	88.2	

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see financial statements, note 11

Dividends proposed by the Board of Directors of Schindler Holding Ltd.

In CHF	additional	2010 ordinary	2009
Registered share	1.00	2.00	2.00
Participation certificate	1.00	2.00	2.00

Subject to approval by the General Meeting, the dividend will be paid on March 22, 2011.



¹ Adjusted after 10:1 split on March 27, 2006

² Before antitrust fines

Organization

Board of Directors Schindler Holding Ltd.

Status December 31, 2010

Alfred N. Schindler	Chairman	Member of the Executive Committee of the Board
Luc Bonnard	Vice Chairman	Member of the Executive Committee of the Board
Prof. Dr. Peter Athanas	Member	Member of the Executive Committee of the Board
Prof. Dr. Pius Baschera	Member	
Dr. Hubertus von Grünberg	Member	
Prof. Dr. Karl Hofstetter	Member	
Lord Charles Powell	Member	
Dr. Alexander Schaub	Member	
Rolf Schweiger	Member	
Dr. Klaus W. Wellershoff	Member	

Management Committees

Status December 31, 2010

Elevators & Escalators

Jürgen Tinggren, President
Miguel A. Rodríguez, Deputy President
Erich Ammann
Dr. Rudolf W. Fischer
Didier Gaudoux
Albert Haffert
Silvio Napoli
Thomas Oetterli
Jakob Züger

ALSO

Thomas C. Weissmann, President
Laisvunas Butkus
Michael Dressen
Lucas Kuttler
Marc Schnyder
Maija Strandberg
Urs Windler

For details see Corporate Governance starting on page 115



High specifications
meet high standards.



The **Pangu 7 Star Hotel** in Beijing is a juxtaposition of top sport and top design. Located next to the Beijing Olympic Park, the luxury hotel and business complex constructed in the form of a Chinese dragon provide a unique view over the Bird's Nest Olympic stadium and the Water Cube Aquatics Center. Each day, Schindler high-rise elevators transport a diverse range of passengers to their destinations – whether it is one of the hotel's ballrooms, the elegant lobby or one of the neighboring sporting venues.



Where modernity
meets tradition.



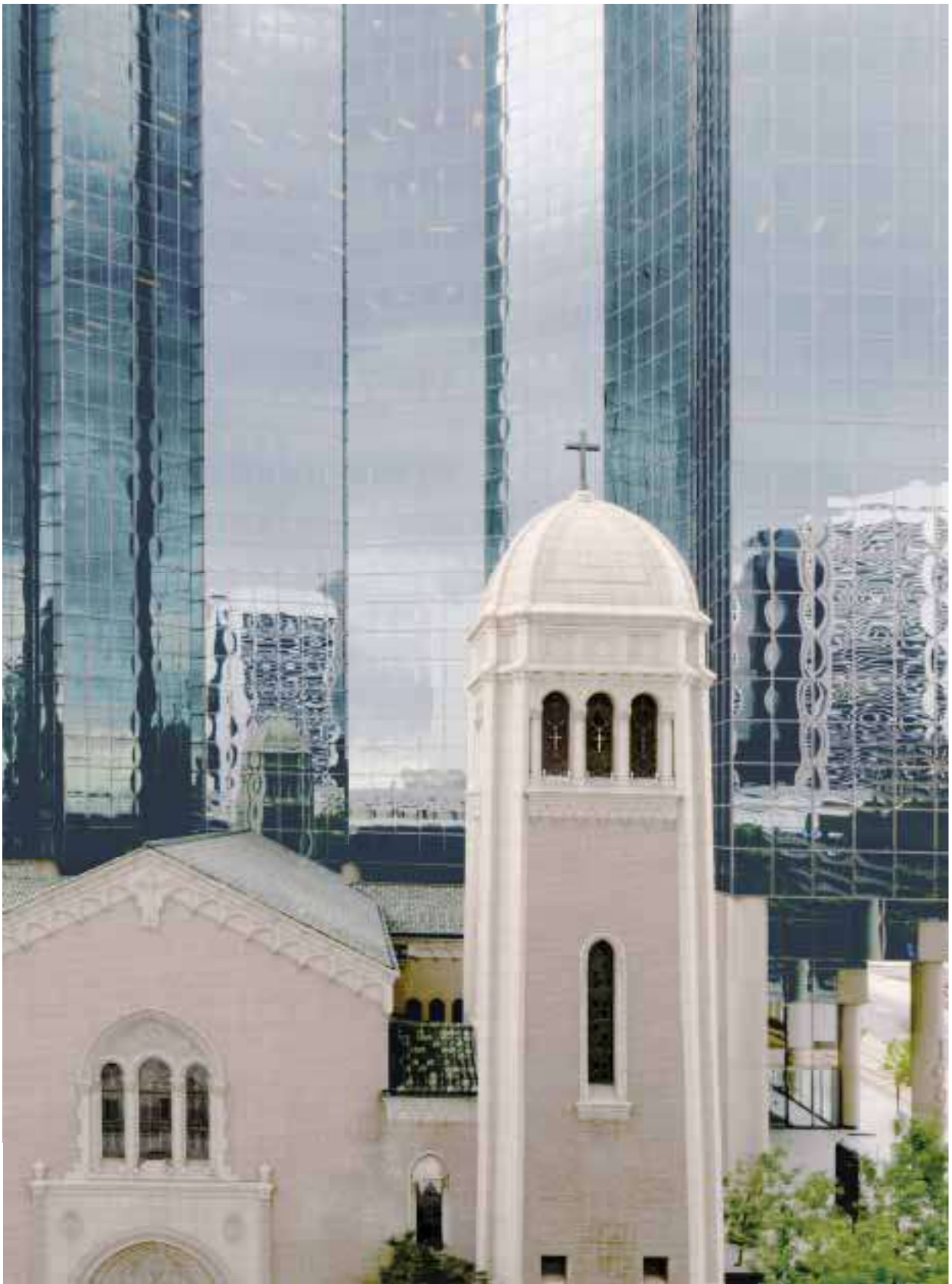
The **Kufstein-Galerien** mall in the heart of the Austrian fortress town of Kufstein is not only a shopping paradise for visitors, but also meets the highest international standards of environmental protection and sustainability – a concept that perfectly combines a modern shopping experience with the region’s traditional love of nature. Four Schindler 9300 escalators help to ensure an energy-efficient approach – automatically reducing their speed when the number of visitors to the mall decreases, and feeding excess energy back into the network when there is a high volume of traffic.



Saving energy for
future generations.



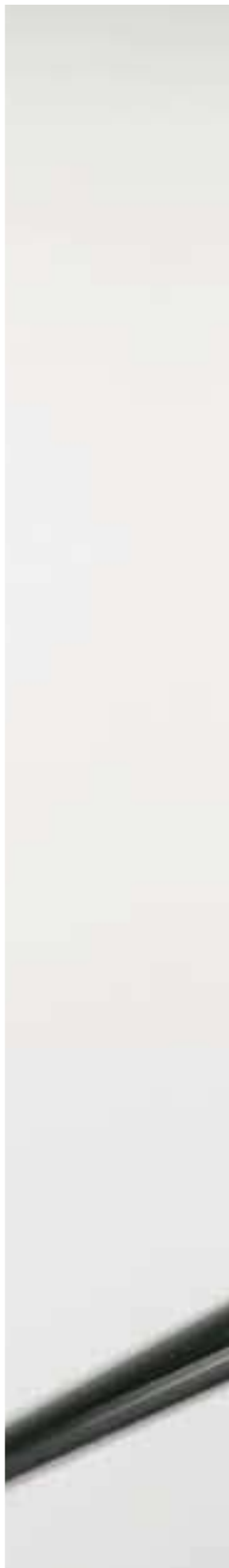
The **Energy Complex** in Bangkok is one of Thailand's most high-profile green building projects. It has set new standards in the areas of sustainability and energy efficiency, earning the building complex a LEED Platinum Certification. A total of 18 Schindler 7000 high-rise elevators featuring the Schindler ID personalized access control system play a key role by transporting people to their destinations rapidly and securely. Thanks to their energy efficiency, these elevators help to ensure the building has a small environmental footprint.



From young love
to young at heart.



Located directly behind the Holy Ghost Church – one of Denver’s best-known landmarks – the 43-story skyscraper **1999 Broadway** rises high above the city. After over a quarter of a century, the building’s original elevators have been upgraded and now feature the state-of-the-art Schindler ID access control system. This technology not only satisfies the building’s complex security requirements, but also meets the individual needs of passengers.



A unique view starts
with a great way up.



The **Greenland Financial Center** in Nanjing is one of the tallest buildings not only in China but also globally. Rising to a height of 450 meters, the landmark is clearly visible over a large area. Anyone wishing to enjoy the stunning views of the city from the public viewing platform will experience the first highlight of their visit as soon as they enter one of the Schindler high-rise elevators: Traveling at a speed of 8 meters per second, visitors are transported to the top of the building in an instant – the perfect prelude to a magnificent view.

To the shareholders

Statement of the Board of Directors

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To the shareholders

Enhanced performance in a difficult environment

Market developments vary between regions

China, India, Latin America, and the Gulf region experienced strong growth rates in the construction sector during the reporting year, while North America and Southern and Eastern Europe were severely impacted by the effects of the recession, which led to a sharp decline in construction activity. However, the first signs of a stabilization of market conditions emerged in the final months of the reporting year.

Despite the partly challenging environment, the Group achieved growth and further improved its performance across all regions.

Group key figures

On February 9, 2011, ALSO and Actebis completed their merger, which created the third-largest distribution and logistics company for information and communications technology (ICT) and consumer electronics (CE) in the European market. Schindler will retain a minority shareholding in the company (see Financial Statements, note 11).

In view of the fact that the transaction was not completed until early 2011, the assets and liabilities of ALSO are reported in the consolidated balance sheet as of December 31, 2010, as a "disposal group." The consolidated profit and loss statement for 2010 only displays the profit generated by the ALSO disposal group.

The comments relating to the Group key figures therefore refer to the figures for the previous year, which have been adjusted retrospectively to reflect the disposal of the ALSO Group in reporting terms.

Orders received and order backlog

Orders received totaled CHF 8 778 million, an increase of 4.3% compared to the previous year (+7.7% in local currencies). All regions contributed to this trend – especially Asia / Pacific. Schindler was once again selected as a partner for a number of notable major projects in the reporting year. Further details can be found in the Business Review on page 23.

The order backlog at end-2010 amounted to CHF 6 075 million, corresponding to a decline of 2% compared to the previous year. In local currencies, the order backlog grew by 7.8%.

Operating revenue

Operating revenue totaled CHF 8 187 million, a decrease of 1.1% compared to 2009, reflecting negative foreign exchange impacts. In local currencies, operating revenue rose by 2.4%.

Operating profit

Consolidated operating profit (EBIT) grew by 1.7% to CHF 950 million.

Operating profit (EBIT) in the elevators and escalators business improved by 1.9% to CHF 980 million. As a result, the operating margin rose to 12.0% (previous year: 11.6%). Excluding the non-recurring accounting gain of CHF 39 million realized on the sale of real estate, the EBIT margin for the previous year would have been 11.2%. Lower exchange rates had a negative impact in the amount of CHF 35 million.

The improvement in the result was mainly attributable to efficiency measures as well as continued systematic cost discipline. A further reduction of capacity and costs was initiated in those weak markets that are not expected to recover. The related restructuring costs before taxes totaled CHF 25 million for the reporting period (2009: CHF 45 million).

Net income from financing and investing

Net income from financing and investing was CHF –12 million (previous year: CHF –50 million). The financial result was very positively impacted by the foreign exchange result (primarily due to operational hedging activities) as well as a reduction in net interest expenses.

Profit generated by the ALSO disposal group

The reclassification of assets and the resulting differences in the valuation of individual positions in total assets and in elimination effects gave rise to profit figures that are different from those reported by ALSO. The profit generated by the ALSO disposal group in 2010 was CHF 32 million.

Net profit

Net profit totaled CHF 711 million, thus exceeding the figure for the previous year by 8.9%. Adjusted for the non-recurring accounting gain of CHF 31 million in the previous year, net profit increased by 14.3%. In the reporting year, restructuring costs (after taxes) of CHF 18 million were recorded (previous year: CHF 44 million after taxes).

Change in the Elevators & Escalators Management Committee

The Board of Directors of Schindler Holding Ltd. decided to create a new organizational unit, "Field Quality & Excellence," with effect from July 1, 2010. Albert Haffert, the former CEO of Schindler Germany, was named the Head of the new unit and appointed as a member of the Elevators & Escalators Management Committee. The new organizational unit brings together all the technical functions relating to field operations. It focuses on systematically improving efficiency and on generating increased value for customers.

Personnel numbers

The number of employees totaled 43 010 at end-2010 (previous year: 41 962). This 2.5% increase is attributable to the inclusion of Saudi Elevator Co. Ltd. as well as the growth in Latin America and Asia / Pacific.

Schindler Holding Ltd.

Dividend and capital structure

Schindler Holding Ltd. closed the financial year 2010 with a net profit of CHF 670 million (previous year: CHF 491 million). The increase in profit is attributable to higher dividend payments from Group companies (for further details, see Financial Statements, page 89). The payment of an ordinary dividend of CHF 2.00 and an additional dividend of CHF 1.00 per registered share and per participation certificate will be proposed to the forthcoming General Meeting on March 15, 2011.

Repurchase program

In December 2009, the Board of Directors decided to launch a new program to repurchase a maximum of 10% of the total nominal capital of Schindler Holding Ltd. As of December 31, 2010, no registered shares or participation certificates had been repurchased.

Outlook

The economic environment remains uncertain and it is difficult to predict how it will develop. Schindler anticipates that market conditions will remain favorable in China, India, Latin America, and the Gulf region in 2011, although there are some signs of overheating. The economic climate in Europe and North America is expected to recover further. However, pricing pressure is likely to persist. Schindler's attractive product range will be expanded in 2011 to include the new Schindler 5500 elevator. This product will be used primarily in commercial buildings and will be rolled out globally over the next two to three years. Schindler anticipates that the launch of this new product will significantly enhance its competitiveness.

In growth markets, additional costs relating to the development of expertise, the growth of capacity, and the strengthening of Schindler's market position will be incurred in 2011. Continued pricing pressure, negative foreign exchange impacts, and the risk of an increase in material costs will have a negative impact in the 2011 reporting year. As a result, it is likely to be difficult for Schindler to generate the same level of operating profit (EBIT) as in 2010.

Further adjustments of capacity and costs will be necessary in markets that are not expected to recover. As a result, restructuring costs of approximately CHF 25 million to CHF 30 million are expected to be incurred in 2011.

The revaluation of the ALSO participation is expected to produce an accounting gain of CHF 40 million to CHF 50 million. Including this one-off effect and excluding any unforeseeable events, Schindler expects its net profit for 2011 to be slightly lower than in the previous year.

Schindler thanks its employees and clients

The developments in individual markets varied considerably from region to region during the reporting year. Schindler succeeded in rapidly adapting to these changes and was thus once again able to grow its net profit. Its success was driven, in particular, by the dedication and expertise of employees at all levels of the company as well as their willingness to approach essential changes to the business in a constructive manner. Their high level of commitment is not something that can be taken for granted and the Board of Directors and both Management Committees therefore wish to express their considerable thanks to Schindler's employees for their efforts. They would also like to thank all of the Group's clients and business partners around the globe for their loyalty and continuing trust in the Schindler Group.

Alfred N. Schindler
Chairman of the Board
of Directors

Luc Bonnard
Vice Chairman of the Board
of Directors

Elevators & Escalators

Highlights

- Pleasing level of orders received, including a number of major orders
- 2.4% increase in operating revenue in local currencies
- 1.9% growth in operating profit to CHF 980 million
- Rise in operating margin from 11.6% to 12.0%
- Strong order backlog of CHF 6 075 million
- Successful management of net working capital

Market developments varied from region to region in 2010: China, India, Latin America, and the Gulf region experienced strong growth rates in the construction sector during the reporting year, while North America and Southern and Eastern Europe were severely impacted by the effects of the recession, which led to a significant decline in construction activity. However, the first signs of a stabilization of market conditions emerged in the final months of the reporting year.

Despite the partly challenging environment, Schindler captured market opportunities, invested in the expansion of its market position and continued to improve its performance. Its activities were underpinned by:

- The global launch of new product lines
- Improvements in efficiency and systematic cost discipline
- A strong order backlog
- A focus on strategically meaningful acquisitions
- Annual investments of over CHF 100 million in research & development
- A strong customer focus, enhanced through regular surveys and the implementation of measures in response to customer needs
- Intensive training and development of employees at all levels of the organization
- Strengthening of the Schindler brand based on the pursuit of a uniform approach in over 1 000 Schindler branches across more than 100 countries.

Enhanced performance in a difficult environment

Europe

Europe

Operating revenue:
CHF 4 250 million

Number of personnel:
20 506

Number of countries:
37

Number of production sites:
5

Satisfactory level of orders received

Southern and Eastern Europe were particularly affected by the recession, which led to a sharp downturn in construction activity. In the rest of Europe, growth remained low or stagnated at 2009 levels. This resulted in a satisfactory level of orders received for Europe as a whole. Schindler secured orders for a number of major projects, including contracts for Victoria station and Tottenham Court Road station on London's underground system as well as the 22-kilometer Kadiköy-Kartal metro line in Istanbul, which Schindler will supply with 339 escalators and elevators.

Access for all – Schindler Award 2010

The 2010 competition presented students of architecture with the challenge of transforming an area of land on the western periphery of the Olympic Park Berlin into an attractive, functional, and barrier-free park for sports and leisure that is accessible to all members of society. The jury selected 10 finalists from the 174 projects submitted by young architects across Europe. Further details of the competition can be found on page 48 and at: www.schindleraward.com

North, Central, and South America

North, Central, and South America

Operating revenue:
CHF 2 352 million

Number of personnel:
11 706

Number of countries:
12

Number of production sites:
3

North America: various major orders secured

Construction activity appeared to stabilize at a low level, although the commercial sector remained weak. Schindler once again won a number of major orders, including a contract to supply 17 elevators and 45 escalators for the East Side Access project in New York City – which involves the construction of a direct rail link from Long Island to the Grand Central Terminal in Manhattan – as well as an order for 60 escalators, elevators, and moving walks for Los Angeles International Airport.

Schindler's escalator plant in the US – the largest in the country – celebrated its 20th anniversary in 2010. It has manufactured more than 11 000 escalators since it first opened.

Latin America: success in every country

Construction activity continued to recover in Latin America – particularly in Brazil – resulting in a pleasing level of orders received across the entire region. Major orders in Latin America include the Costanera Center in Santiago de Chile, which Schindler will supply with 109 elevators, and a contract to provide a total of 117 installations for 13 stations on the Mexico City metro system.

Asia and Middle East

Pleasant level of orders received

China and India were the strongest growth markets in Asia, while Saudi Arabia displayed the highest level of growth in the Middle East. Schindler strengthened its market position throughout the region and generated a good level of orders received – particularly in China, India, and Southeast Asia.

China

Schindler won an order to supply a total of 353 escalators for a project to extend China's rail network from Changchun in the far north of the country to Guangzhou on the south coast. It will supply a further 124 escalators for the Yiwu Commodity Market, a commercial complex in Yiwu. The Tsingtao Center – a multifunctional complex featuring a shopping mall, hotel, offices, and apartments in the port of Tsingtao – will be equipped with 39 Schindler 7000 high-rise elevators and 3 Schindler 7090 double-deck elevators.

Other markets

In India, Schindler is supplying a total of 127 elevators for 40 stations on the Bangalore Metro Rail system as well as 22 high-rise elevators and 6 Schindler 5400 elevators for a commercial construction project, the Indiabulls Finance Centre, in South Mumbai. In Makati, Philippines, the Zuellig office building will be equipped with 17 Schindler 7000 high-rise elevators, 4 Schindler 5400 elevators and 4 Schindler 9300 AE escalators. In Anyang, Korea, 80 Schindler installations will meet the vertical transportation needs in the GS Square complex that incorporates a shopping mall and offices. In Riyadh, Saudi Arabia, the multifunctional ITCC complex will be supplied with 44 Schindler 7000 high-rise elevators as well as a further 24 elevators and 16 escalators.

Outlook

Schindler expects China, India, Latin America, and the Gulf region to achieve further growth and anticipates that the economic climate in Europe and North America will recover further. However, pricing pressure is likely to persist. Schindler is well positioned thanks to its competitive product range and is confident that it will be able to further strengthen its activities globally and to capture new opportunities for growth.

Asia and Middle East

Operating revenue:
CHF 1 585 million

Number of personnel:
10 798

Number of countries:
30

Number of production sites:
4

Important orders

Elevators & Escalators

Europe

Austria	Vienna International Airport, Vienna-Schwechat	Maintenance contract for 122 elevators and 17 escalators
	Opera House, Linz	13 elevators, including 7 Schindler 5400
	BAWAG P.S.K., bank, Vienna	Modernization of 12 Schindler elevators
	Seeschlössl, residential buildings, Millstatt	7 Schindler 3300 elevators
	Donaufelder Strasse, residential buildings, Vienna	10 Schindler 3300 elevators
Azerbaijan	Port Baku Residence, shopping mall and residential buildings, Baku	33 elevators, including 12 Schindler 7000, 6 Schindler 5400, 7 Schindler 2400, and 8 Schindler 5400 AP; as well as 4 Schindler 9300 escalators
	JW Marriott Absheron, hotel and residential building, Baku	17 elevators, including 5 Schindler 7000, 4 Schindler 5400, and 5 Schindler 2400
Belgium	Belgacom Towers, office buildings, Brussels	Modernization of 42 elevators
	Saint-Pierre University Hospital, Brussels	8 elevators, including 7 Schindler 5400 and 1 lifting platform
	Woonhaven, residential buildings, Antwerp	Modernization of 343 elevators and maintenance contract for 497 elevators
Croatia	Portanova, shopping mall, Osijek	10 elevators, including 6 Schindler 5400 and 4 Schindler 2600; as well as 14 Schindler 9300 escalators and 2 Schindler 9500 moving walks
	Hotel Lafodia, Lopud	5 elevators, including 2 Schindler 5300, 2 Schindler 300, and 1 Schindler 2200
	Vila Ljubica, holiday apartments, Dubrovnik	5 Schindler 3300 elevators
Czech Republic	Nova Karolina, shopping mall, Ostrava	23 elevators, including 18 Schindler 5400, 2 Schindler 2600, and 3 Schindler 5300; as well as 32 Schindler 9300 escalators and 2 Schindler 9500 moving walks
	Vackov, residential buildings, Phase 1, Prague	11 Schindler 3300 elevators
Denmark	Pingorsuaq, residential buildings, Nuuk, Greenland	10 Schindler 3300 elevators
	Tivoli, amusement park, Copenhagen	Maintenance contract for 45 elevators
	Lyngby-Taarbæk municipality, various buildings, Zealand Island	Maintenance contract for 300 elevators
France	Cité du Cinéma, cinema complex, Saint-Denis	15 elevators, including 8 Schindler 5400 and 7 Schindler 5300
	Bureaux Hermès, office buildings, Pantin	20 elevators, including 14 Schindler 5400, 5 Schindler 5300, and 1 Schindler 2600
	Le Verdun, office building, La Garenne-Colombes	9 Schindler 5400 elevators
	Zac des Guipons, office building, Villejuif	15 elevators, including 10 Schindler 5400 and 2 Schindler 3400
	Gustave Eiffel, shopping mall, Levallois	11 elevators, including 7 Schindler 5400, 3 Schindler 2400, and 1 Schindler 2600; as well as 8 Schindler 9300 AE escalators and 12 Schindler 9500 moving walks
Germany	Frankfurt am Main Airport, Frankfurt	46 Schindler 9300 escalators and 30 Schindler 9500 moving walks
	City Tunnel, 5 subway stations, Leipzig	26 escalators, including 14 Schindler 9300 and 12 Schindler 9700
	Schwarzwald-Baar Klinikum, hospitals, Villingen-Schwenningen	19 elevators, including 5 Schindler 5400
	HafenCity, Überseequartier, hotel, residential and retail building, Hamburg	9 Schindler 5400 elevators
	Landtag Brandenburg, government building, Potsdam	8 elevators, including 6 Schindler 5300 and 2 Schindler 2600
Greece	McArthurGlen, outlet stores, Athens	15 elevators, including 8 Schindler 5400 and 7 Schindler 2600; as well as 4 Schindler 9300 escalators
	River Mall, shopping mall, Athens	6 Schindler 9500 moving walks

Europe

Hungary	K & H Bank, office buildings, Budapest	24 elevators, including 19 Schindler 5400 and 5 Schindler 5300
	University of Technology and Economics, Building Q, Budapest	8 Schindler 5400 elevators
	Tópark, office, commercial and residential buildings, Biatorbágy	58 Schindler 5400 elevators
Iceland	Hotel Loftleidir, Reykjavík	3 elevators, including 2 Schindler 6300 and 1 Schindler 5400
	Institute of Natural History, Gardabær	2 Schindler 5300 elevators
Italy	CityLife, residential buildings, Milan	97 Schindler 3300 elevators
	Porta Nuova Varesine, office and residential buildings, Milan	39 elevators, including 4 Schindler 7000, 12 Schindler 3300, 6 Schindler 5300, 7 Schindler 5400, 9 Schindler 2400 and 1 lifting platform; as well as 8 Schindler 9300 escalators
	Intesa Sanpaolo, bank, Turin	9 elevators, including 7 Schindler 6300 and 2 Schindler 6200; as well as modernization of 7 elevators
	Metro Napoli, two subway stations, Naples	4 Schindler 5400 elevators, 32 Schindler 9300 escalators, 2 Schindler 9700 escalators and 4 Schindler 9500 moving walks
	Bleu Lancia Tower, office and residential building, Turin	Modernization of 5 elevators with Schindler ID and PORT technology
Lithuania	Swedbank, office building, Vilnius	8 Schindler 5400 elevators
	Panorama, shopping mall, Vilnius	14 elevators, including 4 Schindler 5400, 3 Schindler 5300, and 7 Schindler 2600; as well as 20 Schindler 9300 escalators and 4 Schindler 9500 moving walks
Luxembourg	Maison du Savoir, university, Luxembourg	10 elevators, including 7 Schindler 5400, 1 Schindler 2600, and 2 dumbwaiters; as well as 8 Schindler 9300 escalators
Montenegro	TQ Plaza, commercial building, Budva	8 elevators, including 4 Schindler 5300 and 4 Schindler 5400; as well as 2 Schindler 9300 escalators
	Atlas Capital Center, office and commercial building, Podgorica	23 Schindler 5400 elevators and 2 Schindler 9300 escalators
Netherlands	Meander Medisch Centrum, hospital, Amersfoort	25 elevators, including 19 Schindler 2500; as well as 2 Schindler 9300 escalators
	Puntenburg, shopping mall and residential building, Amersfoort	8 elevators, including 6 Schindler 5400, 1 Schindler 3300 and 1 Schindler 2400; as well as 10 Schindler 9500 moving walks
	De Woonplaats, residential buildings, Enschede	Maintenance contract for 100 elevators
Poland	Maślice Stadium, football stadium, Wrocław	23 elevators, including 21 Schindler 5400 and 2 Schindler 2200
	Lech Poznań Stadium, football stadium, Poznań	23 elevators, including 19 Schindler 3300 and 4 Schindler 5400
	Galeria Echo, shopping mall, Kielce	9 elevators, including 3 Schindler 5400, 5 Schindler 2400, and 1 Schindler 3400; as well as 38 Schindler 9300 escalators
Portugal	Loures Hospital, Loures	20 elevators, including 17 Schindler 5400, 1 Schindler 5300, and 2 lifting platforms; as well as 2 Schindler 9500 moving walks
	Torre Ocidente Colombo, office building, Lisbon	9 Schindler 5400 elevators
	Energias de Portugal, headquarters, office buildings, Porto	8 Schindler 5400 elevators with Miconic 10
Romania	Upground, office and residential buildings, Bucharest	32 Schindler 5400 elevators
	Gold Plaza, shopping mall, Baia Mare	17 Schindler 5400 elevators, 8 Schindler 9300 escalators, and 2 Schindler 9500 moving walks
	Nusco Tower, office building, Bucharest	8 elevators, including 7 Schindler 7000 and 1 Schindler 5400
Russia	Yarmarka, shopping mall, Astrakhan	8 elevators, including 6 Schindler 3300; as well as 8 Schindler 9500 moving walks
	Medsina Hospital, Moscow	14 elevators, including 7 Schindler 5400, 2 Schindler 5300, and 3 Schindler 3300

Europe

Serbia	Imperial Gradnja Blok 11A, residential buildings, Belgrade	7 elevators, including 6 Schindler 5300 and 1 Schindler 2600
Slovenia	KRKA, industrial complex, Novo Mesto	5 Schindler 2600 elevators
	Notranje Gorice, nursing home, Notranje Gorice	8 elevators, including 4 Schindler 5400 and 4 Schindler 5300
	Feniks, office and commercial building, Ljubljana	6 Schindler 5300 elevators
Spain	Jumeirah Port Soller Resort, hotel, Mallorca	23 elevators, including 19 Schindler 5400
	Accor Hotels, various cities	Maintenance contract for 129 elevators
	Mutua Madrileña, office building, Madrid	Modernization of 8 elevators
	Ibiza Airport, Ibiza	15 elevators, including 13 Schindler 5300 and 2 Schindler 5400; as well as 6 Schindler 9300 escalators
	Arena Multiespacio, shopping mall, Valencia	Maintenance contract for 11 elevators, 8 escalators, and 12 moving walks
Switzerland	Messe Basel, exhibition center, Basel	20 elevators, including 6 Schindler 5400 and 14 freight elevators; as well as 20 Schindler 9300 escalators
	Richti, commercial and residential buildings, Wallisellen	22 elevators, including 21 Schindler 5400 and 1 Schindler 2600
	Swissporarena, sports venue and residential buildings, Lucerne	12 elevators, including 6 Schindler 5400, 4 Schindler 3300, and 2 Schindler 2600
	City West twin towers, hotel, office and residential buildings, Chur	16 elevators, including 8 Schindler 5400, 1 Schindler 5300, 3 Schindler 2400, and 4 Schindler 2600
Turkey	Etiler Tourism Center, hotel and residential building, Istanbul	23 elevators, including 8 Schindler 7000, 5 Schindler 5400, 2 Schindler 3400, and 7 Schindler 5300
	Torium, shopping mall, Istanbul	23 elevators, including 2 Schindler 2400, 2 Schindler 5400, 8 Schindler 100P, and 11 Schindler 300P MRL; as well as 32 Schindler 9300 escalators and 4 Schindler 9500 moving walks
	Forum, shopping mall, Kayseri	16 elevators, including 8 Schindler 5400; as well as 26 Schindler 9300 escalators and 4 Schindler 9500 moving walks
United Kingdom	American Express Brighton Development, office building, Brighton	13 elevators, including 8 Schindler 2400, 3 Schindler 2500, and 2 Schindler 5400
	Gatwick Airport, London	14 elevators, including 1 Schindler 5400, 7 Schindler 2400, and 6 Schindler 2600; as well as 5 Schindler 9300 escalators
	Heathrow Airport, Terminal 2, London	84 elevators, including 25 Schindler 2400, 20 Schindler 2700, 15 Schindler 2600, and 24 Schindler 5400; as well as 44 Schindler 9300 escalators
	London Underground, Victoria Station, London	8 Schindler 2700 elevators and 9 Schindler 9300 escalators
	Peverel Group, retirement properties, various locations	Maintenance contract for 1 375 elevators

Cristalia, office building; Madrid, Spain



Nusco Tower, office building; Bucharest, Romania



Swedbank, office building; Vilnius, Lithuania



Luigi Bocconi University of Economics; Milan, Italy



London 2012 Olympic Aquatics Centre; London, UK



Jelmoli, department store; Zurich, Switzerland



BASF, office building; Ludwigshafen, Germany



Microsoft, office building; Issy-les-Moulineaux, France



Sollentuna Centrum, shopping mall; Stockholm, Sweden



North, Central, and South America

California	Los Angeles International Airport, Phase II, Los Angeles	60 Schindler 9700 escalators and 4 Schindler 9500 moving walks; as well as modernization of 6 elevators
	One Maritime Plaza, office building, San Francisco	Modernization of 13 elevators, including 11 with Schindler ID, and 2 escalators
	Nestlé USA, office building, Glendale	Modernization of 16 elevators
Colorado	IKEA, Denver	13 hydraulic elevators, 3 Schindler 9300 escalators, and 2 Schindler 9500 moving walks
	Qwest, office building, Denver	Maintenance contract for 30 elevators
Georgia	C-Tech, office building, Atlanta	21 elevators, including 17 Schindler 400A and 4 Schindler 330A
	Metropolitan Atlanta Rapid Transit Authority, rail and bus stations, Atlanta	Maintenance contract for 109 elevators and 149 escalators
Illinois	Skygazer, office building, Chicago	14 Schindler 400A elevators
	Village Market, shopping mall, Chicago	7 elevators, including 5 Schindler 330A; as well as 4 Schindler 9300 AE escalators
Massachusetts	60 State Street, office building, Boston	Modernization of 17 elevators
Michigan	American Center, office building, Southfield	Maintenance contract for 14 elevators and 6 escalators; as well as modernization of 7 elevators, including 6 with Schindler ID
New York	East Side Access project, transit station, New York	17 elevators, including 13 hydraulic elevators; as well as 45 Schindler 9700 escalators
	Fiterman Hall, residential building, New York	14 elevators, including 13 Schindler 7000 and 1 hydraulic elevator; as well as 6 Schindler 9300 AE escalators
	One Worldwide Plaza, office building, New York	Maintenance contract for 31 elevators and 6 escalators; as well as modernization of 5 elevators with Schindler ID
	Yankee Stadium, sports venue, New York	Maintenance contract for 21 elevators and 7 escalators
	Harlem Hospital, New York	Maintenance contract for 23 elevators
North Carolina	Wake County Justice Center, office building, Raleigh	18 elevators, including 12 Schindler 400A and 6 Schindler 7000; as well as 4 Schindler 9300 AE escalators
Ohio	University of Toledo, Toledo	Maintenance contract for 103 elevators
	Macy's Headquarters, retail stores and office buildings, Cincinnati	Maintenance contract for 276 elevators and 337 escalators
Pennsylvania	Curtis Center, office building, Philadelphia	Modernization of 5 elevators with Schindler ID

North, Central, and South America

Canada	South Beach, residential buildings, Toronto	9 elevators, including 8 Schindler 7000 and 1 Schindler 330
	Southern Alberta Institute of Technology, Calgary	9 elevators, including 7 Schindler 400A and 2 hydraulic elevators; as well as 14 Schindler 9300 AE escalators
	GTAP, office buildings, Surrey	15 elevators, including 14 Schindler 400A and 1 Schindler 330A
	Concert hall of the Montreal Symphony Orchestra, Montreal	5 elevators, including 3 Schindler 400A and 1 Schindler 330A; as well as 2 Schindler 9300 escalators
	22 Eddy, office building, Gatineau	10 elevators, including 9 Schindler 400A
	455 de la Carrière, office building, Gatineau	9 elevators, including 8 Schindler 400A
	Market Wharf, residential building, Toronto	3 Schindler 7000 elevators
	Toronto Community Housing, residential building, Toronto	7 elevators, including 3 Schindler 7000 and 4 Schindler 400A
	Montreal Casino, Montreal	7 Schindler 9300 escalators
Argentina	Art María, residential building B, Buenos Aires	6 elevators, including 2 Schindler 7000 and 4 Schindler 5400 AP
Brazil	Cidade Jardim Corporate Center, office buildings, São Paulo	47 elevators, including 32 Schindler 7000 (30 with Miconic 10), 2 Schindler 3300, 10 Schindler 5300, 2 Schindler 300L, and 1 hydraulic elevator
	Pátio Faria Lima, office buildings, São Paulo	36 elevators, including 21 Schindler 300L (9 with Miconic 10), 14 Schindler 500L with Miconic 10, and 1 hydraulic elevator
	Infinity, office building, São Paulo	13 elevators, including 9 Schindler 500L with Miconic 10, 1 Schindler 300L, and 3 Schindler 5400
	Iguatemi Alphaville, shopping mall, São Paulo	6 Schindler 300L elevators and 24 Schindler 9300 escalators
	BNDES, bank, Rio de Janeiro	Modernization of 14 elevators, 12 with Miconic 10
Chile	Costanera Center, shopping mall and commercial buildings, Santiago	109 elevators, including 77 Schindler 7000 with Miconic 10 and Schindler ID, 14 Schindler 5400, and 18 Schindler 2600
	Torre Huérfanos, office building, Santiago	8 Schindler 7000 elevators with Miconic 10 and Schindler ID
Mexico	Torre New York Life, office building, Mexico City	22 elevators, including 13 Schindler 7000 with Schindler ID and 9 Schindler Eurolift
	Senado de la República Mexicana, government buildings, Mexico City	17 elevators, including 16 Schindler 5400
	Partenón, office building, Mexico City	8 elevators, including 6 Schindler 7000 and 2 Schindler 5400
	Ciudad Judicial de Jalisco, court buildings, Guadalajara	20 elevators, including 16 Schindler 5400 AP and 4 Schindler 3300 AP
	Metro Line 12, subway stations, Mexico City	36 Schindler 5400 AP elevators, 73 Schindler 9300 AE escalators, and 8 Schindler 9500 moving walks
	Reforma Capital, office and commercial buildings, Mexico City	29 Schindler 5400 AP elevators and 1 Schindler 9300 AE escalator
Venezuela	Sigo, shopping mall and office building, Caracas	17 elevators, including 5 Schindler 5400 and 12 Schindler Neolift
	Banco Exterior, office building, Caracas	Modernization of 4 Schindler 7000 elevators with Miconic 10
	Vinsoca, residential buildings, Puerto Ordaz	20 Schindler 3300 elevators

Corporativo CEO, office building; Mexico City, Mexico



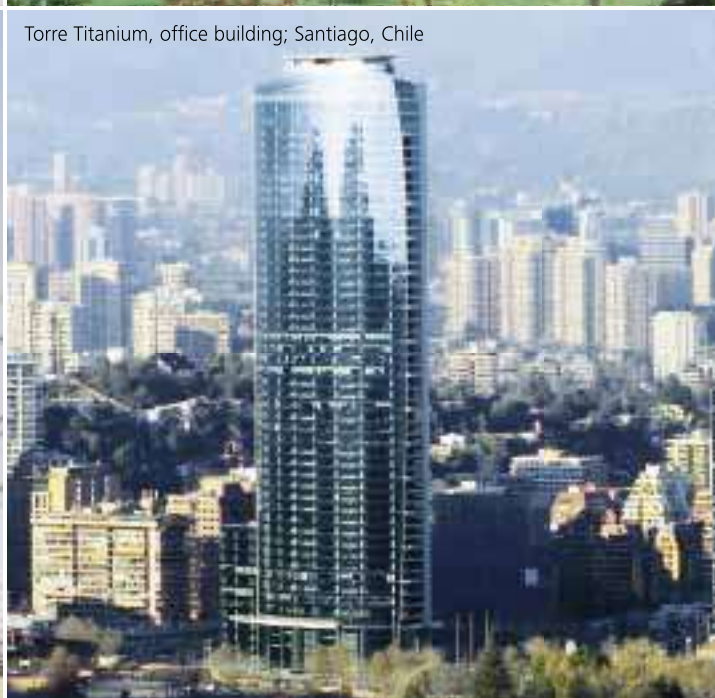
BNDES, bank; Rio de Janeiro, Brazil



Art María, residential building B; Buenos Aires, Argentina



Torre Titanium, office building; Santiago, Chile



Cleveland Clinic Lou Ruvo Center for Brain Health; Las Vegas, Nevada, USA



Aria Resort & Casino; Las Vegas, Nevada, USA



Asia, Australia, and Africa

Cambodia	Vattanac Tower, office building, Phnom Penh	32 elevators, including 18 Schindler 7000 with Schindler ID and 12 Schindler 5400; as well as 8 Schindler 9300 AE escalators
China	China Nobel City, residential buildings, Jinan	117 Schindler 3300 AP elevators
	Yiwu Commodity Market, Phase III, commercial complex, Yiwu	124 Schindler 9300 AE escalators
	Tsingtao Center, shopping mall, hotel, office and residential complex, Tsingtao	42 Schindler 7000 elevators with Miconic 10 and Schindler ID
	Peking Union Medical College Hospital, Beijing	70 elevators, including 57 Schindler 5400 AP and 9 Schindler 3300 AP; as well as 20 Schindler 9300 AE escalators
	Metro Line 9, subway stations, Beijing	157 Schindler 9300 AE escalators
	Rongqiao Villa, residential buildings, Fuzhou	275 Schindler 3300 AP elevators
	Railway expansion project, 17 stations, nationwide	353 Schindler 9300 AE escalators
	Vanguard Chengdu CRC, shopping mall and office buildings, Chengdu	44 elevators, including 20 Schindler 7000 and 21 Schindler 5400 AP; as well as 74 Schindler 9300 AE escalators
	Regal Lake, residential buildings, Guangzhou	120 elevators, including 118 Schindler 3300 AP and 2 Schindler 5400 MRL
	Mingfa Plaza, shopping malls, Yangzhou and Hefei	146 Schindler 9300 AE escalators
	Lishui Jindu, residential buildings, Chengdu	Maintenance contract for 52 elevators
	Pangudaguan, hotel and office buildings, Beijing	Maintenance contract for 38 elevators and 16 escalators
	The Mixc, shopping mall, Nanjing	39 elevators, including 14 Schindler 7000 and 11 Schindler 5400 MRL; as well as 64 Schindler 9300 AE escalators and 4 Schindler 9500 AE moving walks
	Qin Lake, residential buildings, Changshu	85 Schindler 3300 AP elevators
	Poly Chongqing Guesthouse Plaza, hotel and office building, Chongqing	24 elevators, including 18 Schindler 7000 with Miconic 10 and Schindler ID and 6 Schindler 5400 MRL; as well as 1 Schindler 9300 AE escalator
	Public housing development, Kai Tak, Site 1B, Hong Kong	55 elevators, including 17 Schindler 7000 and 38 Schindler 3400; as well as 2 Schindler 9300 AE escalators
	Hennessy Centre redevelopment at 500 Hennessy Road, shopping mall and residential building, Hong Kong	53 Schindler 9300 AE escalators
	Centennial Campus, University of Hong Kong	17 elevators, including 11 Schindler 7000 and 5 Schindler 5400; as well as 18 Schindler 9300 AE escalators
	KIL 11073, residential development, West Kowloon, J/O Hoi Wan Road/Yau Cheung Road, Hong Kong	25 elevators, including 17 Schindler 7000 and 8 Schindler 5400; as well as 6 Schindler 9300 AE escalators
	3 Connaught Road, office building, Hong Kong	13 elevators, including 9 Schindler 7000 and 4 Schindler 5400; as well as 12 Schindler 9300 AE escalators
India	Cathay Pacific Cargo Terminal, Hong Kong Airport	20 elevators, including 3 Schindler 7000 and 17 Schindler 5400; as well as 1 Schindler 9300 AE escalator
	Renaissance Harbour View Hotel, Hong Kong	Modernization of 14 elevators
	Bangalore Metro Rail, various stations, Bangalore	127 Schindler 100P MRL elevators
	Mumbai Monorail project, various stations, Mumbai	42 Schindler 3300 IN elevators
	Indiabulls Finance Centre, office and commercial buildings, Mumbai	28 elevators, including 22 Schindler 7000 and 6 Schindler 5400 AP
	Mumbai International Airport, Mumbai	62 elevators, including 52 Schindler 2600 and 2 Schindler 5400 AP; as well as 44 Schindler 9300 escalators and 26 Schindler 9500 moving walks
	Magarpatta City Mall, shopping mall, Pune	12 Schindler 5400 AP elevators, 28 Schindler 9300 escalators and 2 Schindler 9500 moving walks
	Hiranandani Upscale, residential buildings, Chennai	15 Schindler 5400 AP elevators

Asia, Australia, and Africa

Indonesia	Kuningan City, shopping mall and office building, Jakarta	25 elevators, including 14 Schindler 7000 with Miconic 10 and 11 Schindler 5400; as well as 54 Schindler 9300 AE escalators
	Residence 8 at Senopati, office and residential buildings, Jakarta	28 elevators, including 19 Schindler 7000, 5 Schindler 5400, and 4 Schindler 3300 AP; as well as 4 Schindler 9300 AE escalators
	Central Park, office building, Jakarta	18 elevators, including 16 Schindler 7000 with Miconic 10 and 2 Schindler 3300 AP; as well as 2 Schindler 9300 AE escalators
Korea	Geumgang Exllu Tower, residential buildings, Daejeon	51 elevators, including 36 Schindler 7000 and 15 Schindler 5400
	Euljiro office buildings, Seoul	26 elevators, including 20 Schindler 7000 and 6 Schindler 5400; as well as 4 Schindler 9300 escalators
	GS Square, shopping mall and office building, Anyang	27 elevators, including 7 Schindler 7000, 17 Schindler 5400, and 3 freight elevators; as well as 53 Schindler 9300 escalators
	E-Mart, shopping malls, nationwide	16 elevators, including 4 Schindler 5400 and 12 freight elevators; as well as 72 Schindler 9500 moving walks
Malaysia	Integra Tower at The Intermark, office building, Kuala Lumpur	31 elevators, including 24 Schindler 7000 with Schindler ID and 7 Schindler 5400; as well as 2 Schindler 9300 AE escalators
	CBD Perdana 2, phases I & II, commercial building, Cyberjaya	28 Schindler 3300 elevators
	The Cube, shopping mall, Puchong	41 Schindler 3300 AP elevators
	Puchong Financial Corporate Centre, Towers 4 & 5, Petaling Jaya	18 elevators, including 14 Schindler 7000 and 4 Schindler 5400
Philippines	Zuellig building, office building, Makati	21 elevators, including 17 Schindler 7000 with PORT technology and 4 Schindler 5400; as well as 4 Schindler 9300 AE escalators
	CCF Headquarters, worship and training center, Pasig City	8 elevators, including 7 Schindler 5400; as well as 10 Schindler 9300 AE escalators
Singapore	Novena Hospital at Irrawaddy Road	33 elevators, including 16 Schindler 7000 and 6 Schindler 5400; as well as 2 Schindler 9300 AE escalators
	Marina Bay Financial Center, residential building	10 elevators, including 8 Schindler 7000; as well as 2 Schindler 9300 AE escalators
	Nim Road housing development	123 elevators, including 121 Schindler 3300 AP and 2 Schindler 3400
Taiwan	Jing Ge Shou Xi, residential building, Taipei	41 Schindler 3300 AP elevators
Thailand	Metro Park Sathorn, residential buildings, Bangkok	30 Schindler 3300 AP elevators
	IKEA, Mega Bangna shopping mall, Bangkok	16 elevators, including 2 Schindler 5400; as well as 3 Schindler 9300 AE escalators
	Four Preuksa Real Estate residential developments, Bangkok	34 elevators, including 3 Schindler 7000 and 31 Schindler 3400
Vietnam	MIPEC Tower, shopping mall, office and residential buildings, Hanoi	25 elevators, including 8 Schindler 7000 with Schindler ID, 5 Schindler 5400, 9 Schindler 3400, 1 Schindler 3300 AP; as well as 14 Schindler 9300 AE escalators
	Crescent Mall, shopping mall, Ho Chi Minh City	10 elevators, including 5 Schindler 5400; as well as 34 Schindler 9300 AE escalators
	Sunrise City, Lot V, shopping mall and residential buildings, Ho Chi Minh City	25 elevators, including 19 Schindler 7000 and 6 Schindler 5400; as well as 6 Schindler 9300 AE escalators
	Indochina Plaza, shopping mall, hotel and residential buildings, Hanoi	18 elevators, including 10 Schindler 7000 and 8 Schindler 5400; as well as 12 Schindler 9300 AE escalators

Asia, Australia, and Africa

Australia	Fiona Stanley Hospital, Perth	46 elevators, including 22 Schindler 7000 and 24 Schindler 2000
	Brisbane Airport Corporation, Brisbane	Maintenance contract for 36 elevators
	321 Exhibition Street, office building, Melbourne	Modernization of 11 elevators with Schindler ID and PORT technology
Egypt	Madinaty, residential buildings, Cairo	216 Schindler 3300 elevators
	El Rehab, residential buildings, Cairo	290 Schindler 3300 elevators
Kenya	Villa Rosa Hotel, Nairobi	7 Schindler 5400 AP MRL elevators
	Sarova Panafric Hotel, Nairobi	2 Schindler 5300 EU MRL elevators
	Sweeney Development, office building, Nairobi	3 Schindler 100 AP MRL elevators
Morocco	Hotel Solazur, Tangier	7 Schindler 5400 elevators
	Borj Fes, shopping mall, Fes	6 Schindler 5400 elevators, 8 Schindler 9300 escalators, and 4 Schindler 9500 moving walks
	Le Guéliz, hotel, shopping mall and residential buildings, Marrakech	28 Schindler 3300 elevators, 6 Schindler 9300 escalators, and 4 Schindler 9500 moving walks
	Hotel Le Royal Mansour, Casablanca	Modernization of 2 elevators
	Carlton Centre, shopping mall and office building, Johannesburg	Maintenance contract for 63 elevators and 34 escalators
South Africa	Kusile Power Station, Witbank, Mpumalanga Province	18 Schindler 2600 elevators
	Standard Bank Rosebank, office building, Johannesburg	30 Schindler 9300 AE escalators
Qatar	Heart of Doha, office and residential buildings, Doha	30 elevators, including 19 Schindler 5400 and 7 Schindler 2400; as well as 4 Schindler 9300 escalators
	Al Jassimya Tower, office building, Doha	11 elevators, including 9 Schindler 7000 and 1 Schindler 5400 AP
Saudi Arabia	Tamkeen Tower, office building, Riyadh	14 elevators, including 12 Schindler 7000 and 2 panorama elevators
	ITCC Information Technology and Communication Complex, Riyadh	68 elevators, including 44 Schindler 7000; as well as 16 Schindler 9300 AE escalators
	Criminal Court, Riyadh	29 elevators
United Arab Emirates		
Emirates	Mina Al Arab Precinct 2, residential buildings, Ras Al Khaimah	40 Schindler 3300 AP elevators
	Agora, shopping mall, Dubai	7 elevators, including 4 Schindler 2000, 2 Schindler 5400 AP MRL, and 1 hydraulic panorama elevator; as well as 12 Schindler 9300 AE escalators
	Presidential Terminal, Abu Dhabi International Airport	1 Schindler 5400 EU elevator and 1 hydraulic panorama elevator; as well as 2 Schindler 9300 AE escalators and 1 Schindler 9500 moving walk
	Al Madina, shopping mall, Dubai	7 elevators, including 4 Schindler 2000, 1 Schindler 5400 AP MRL, and 2 panorama elevators; as well as 10 Schindler 9300 AE escalators and 2 Schindler 9500 AE moving walks
	Marjan Pacific Development, residential buildings, Ras Al Khaimah	16 Schindler 3300 AP elevators

321 Exhibition Street, office building; Melbourne, Australia



Equity Centre, office building; Nairobi, Kenya



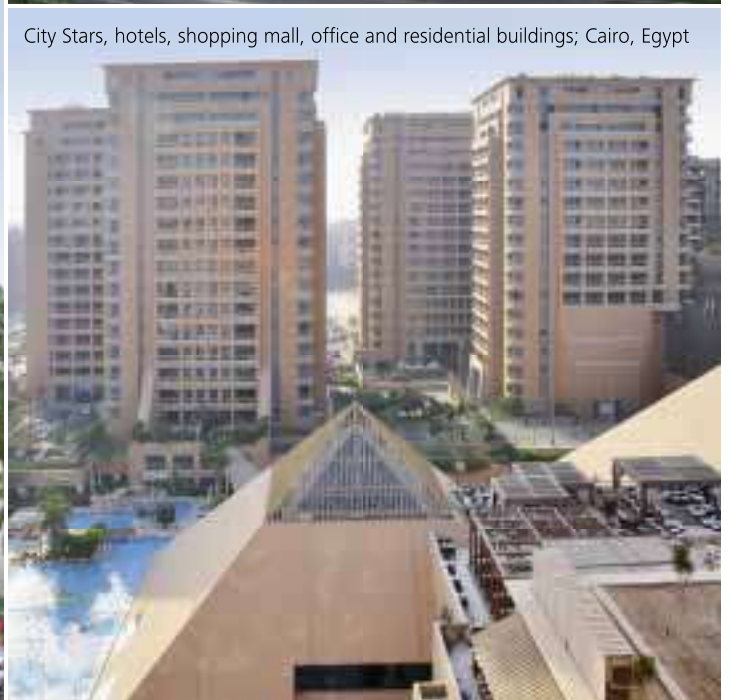
Tamkeen Tower, office building; Riyadh, Saudi Arabia



Indiabulls Finance Centre, office and commercial buildings; Mumbai, India



City Stars, hotels, shopping mall, office and residential buildings; Cairo, Egypt



Euljiro office buildings; Seoul, Korea



Shengyang Station, part of a nationwide railway expansion project; China



International Commerce Centre (ICC), hotel, residential and commercial building; Hong Kong, China



Innovation: PORT technology

Groundbreaking new technology to manage the flow of passengers

Schindler launched the world's very first hall call destination system, Miconic 10, in 1990. This unique product was followed in 2000 by Schindler ID – a second-generation traffic management system that was used in the market thousands of times. A decisive factor behind this breakthrough was the product's new destination-dispatch algorithm combined with a state-of-the-art access control system.

A decade later, Schindler has launched its PORT technology, which centers on a Personal Occupant Requirement Terminal (PORT) – a universal communication system that is interconnected throughout the building. This communication platform makes it possible to calculate the optimal route to any destination in the building while ensuring a high level of security: residents, visitors and delivery agents are identified and their authorization is checked at the entrance to the building using a preprogrammed access card. This individual identification process also enables the hall call destination system to calculate the swiftest route from any point in the building to the door of the individual's apartment or office. All passengers are automatically directed to the elevator with the shortest waiting time.

PORT technology offers a highly customized level of service that also takes account of the needs of people with restricted mobility, while saving energy and optimizing the flow of traffic within the building.

PORT is an intelligent, interactive interface between the passenger and a highly sophisticated computer system that can accept commands issued via a touch screen. PORT speaks to and identifies passengers, as well as helping them to navigate their way through the building.

PORT technology is revolutionizing the transportation and security philosophy of buildings and is opening up previously inconceivable architectural opportunities.

With this new system, Schindler is once again positioning itself as a leader in the field of innovation.



Corporate Citizenship

Wide-ranging corporate commitments

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Corporate Citizenship

Each day, Schindler elevators and escalators across all continents transport one billion people, as well as a range of goods. The company's long-term business success depends to a significant extent on its ability to meet the need for safe, comfortable, and efficient mobility solutions in a market-oriented and profitable manner. The more successfully Schindler can achieve this, the greater are the benefits for its customers, employees, shareholders, and other key stakeholders. Schindler's corporate citizenship activities illustrate how the company assumes its role within society and fulfills its responsibilities towards various stakeholders and the environment.

A dedicated corporate citizenship website

Schindler reported on its environmental performance in the field of product ecology for the first time in its Annual Report 2000. It went one step further in 2005 by extending its reporting to include data on operational ecology, as well as details of the corporate principles and values that guide it in its business activities. Explanations about the ways in which it assumes its social responsibility complete this information.

To avoid any unnecessary impact on the environment through the use of paper and transportation, Schindler decided to publish this detailed and regularly updated information exclusively on a specially designed website: www.schindler.com/corporatecitizenship.

The following topics are examined in detail on the site:

Environment

Elevators and escalators are designed to have an average service life of 30 years. From a product ecology perspective, the main environmental impact occurs during the operation of the elevators due to their long service life – and not as a result of the actual manufacturing of the products. The primary objective when developing new elevators and escalators is therefore to improve their energy and material efficiency in comparison with the models that are being replaced.

Operational ecology performance indicators reveal that almost 60% of the company's environmental impact is attributable to the fleet of over 16 000 service vehicles in use globally. Particular attention is therefore being paid to reducing fuel consumption by optimizing scheduled journeys, and by selecting more environmentally friendly models when purchasing new vehicles.

Safety

The safety of around 43 000 employees, as well as of one billion passengers who use Schindler products each day, is the core element of our corporate responsibility. Consequently, our quality and safety standards are not restricted to our products: they apply to the entire company. A comprehensive internal and external risk and safety management system was therefore established at an early stage, since Schindler does not wish to – and cannot – make any compromises in the field of safety.

Employees

Schindler believes that highly motivated employees are a prerequisite to fulfill customer needs and thus guarantee business success. The company therefore aims to be the employer of choice in its industry. A number of different measures have been developed to attract and retain the best employees and to further develop their skills, including the provision of a healthy and safe workplace, annual training and development opportunities, and efforts to support the political, cultural, or charitable commitments of staff.

Values and social responsibility

Schindler's vision is "Leadership through Service." The Schindler name is thus synonymous with customer service and uncompromising integrity.

In 1997, Schindler became the first company in the European elevator industry to introduce a Code of Conduct, which requires all its managers and employees worldwide to act in an ethical manner and in accordance with applicable legislation. The implementation of, and compliance with, the Code of Conduct is monitored by dedicated Compliance Officers, who have a direct reporting line to the Audit Committee appointed by the Chairman of the Board of Directors.

Schindler subsequently signed the Partnering Against Corruption Initiative (PACI) established by the World Economic Forum (WEF), which is aimed at preventing all forms of corruption and bribery worldwide.

Schindler 7000 high-rise elevator – energy efficiency rating "A"

Energy consumption is rising continuously. Reducing the amount of energy we use is therefore one of the greatest challenges of our time and is reflected by the trend towards the construction of "green" buildings. Elevator energy consumption is a topic of growing interest among property developers and real estate managers. As early as 1999, Schindler began conducting comprehensive studies that proved the energy consumed by its elevators while in operation has the greatest impact on their environmental performance. The reduction of energy consumption forms an integral part of the product development process at Schindler.

Environmentally friendly Schindler elevators

The consideration of ecological requirements is best illustrated by the Schindler 7000 high-rise elevator, which is used in skyscrapers and other high-rise buildings throughout the world.

Schindler assigns priority to the use of materials that have a lower environmental impact than those used in earlier product lines and can also be disposed of in an ecologically sound manner. Large energy savings have been achieved through the development of significantly lighter components, the optimization of the energy levels required to light elevator cars and for other electric functions when in standby mode, and the recovery of energy that is subsequently fed back into the building's electricity network. In addition, Schindler's revolutionary PORT transit management system optimizes travel within the building while, at the same time, reducing the individual energy consumption per passenger.

Energy efficiency ratings

It is possible to determine just how energy-efficient an elevator actually is using the system of ratings which ranges from "A" (top level of energy efficiency) to "G." The evaluation takes account of the amount of energy consumed by the elevator when operating and in standby mode.

The measurements are based on the VDI 4707 standard, which was introduced in March 2009 by the Association of German Engineers to assess the energy efficiency of elevators.

The Schindler 7000 high-rise elevator has achieved an "A" rating for energy efficiency – meaning it belongs to the "greenest" category of elevators.

Further information is available at: www.schindler.com/corporatecitizenship.

Schindler Award

Access for all – Schindler Award

Barrier-free mobility for all members of society

The Schindler Award was launched by the Schindler Group in 2003. The competition is open to students of architecture throughout Europe, who are invited to submit design concepts based on the central theme “Access for all.”

The aim of the competition is to raise awareness among young architects of the need for barrier-free architecture and mobility in urban areas by encouraging them to think beyond form, light and materials and to focus on the needs of all the people who will one day use the structures and spaces they design. The objective is to bring about targeted improvements to buildings, railroad stations, airport terminals, hospitals, etc. – in other words, to provide enhanced mobility for all people, irrespective of their age, state of health or physical capabilities.

Schindler Award 2010 – Olympic Park Berlin

The 2010 competition presented students of architecture with the challenge of transforming an area of land on the western periphery of the Olympic Park Berlin into an attractive, functional and barrier-free park for sports and leisure that is accessible to all members of society.

From the total of 174 projects submitted by young architects across Europe, the jury selected 10 finalists, whose designs were presented at an award ceremony in Berlin on January 14, 2011.

“It is interesting to note that the students focused much more intensively on the ‘Access for all’ theme and on sustainability in their designs than on the realization of architectural utopias,” commented Françoise-Hélène Jourda, professor of architecture at the Vienna University of Technology, and president of this year’s jury. She expressed the view that future architectural projects will concentrate more on the regeneration of urban areas than on the planning of imposing buildings that fail to cater for the needs of city dwellers. “Competitions such as the Schindler Award that are open to students are important because these young architects are a source of ideas about how we can maintain and revive our cities to improve integration and create sustainable, social living spaces.”

Several universities have now incorporated the Schindler Award into their curricula.

Further information on the Schindler Award 2010 can be found on the website www.schindleraward.com.

President of the jury Prof. F.-H. Jourda (center) in a discussion with presenter R. Kaspar and the competition manager A. Binkert



Winners of the students' prize, ranks 1–5



Winners of the students' prize (from left): S. P. Roesti, S. Moser, and D. Meier from the Bern University of Applied Sciences, Switzerland, as well as T. Oetterli, representative of the Schindler Management Committee



Award ceremony in the Kosmos events center; Berlin, Germany

Overview of financial results

Summary financial statements Group

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Overview of
financial results

Profit and loss statement

In million CHF	2010	2009 ¹	2009	2008	2007	2006
Operating revenue	8 187	8 281	12 691	14 027	13 835	11 106
Operating cost	7 237	7 347	11 717	13 138	13 005	10 380
Operating profit	950	934	974	889	830	726
Antitrust fines					293	
Financing activities	-17	-44	-64	-12	-51	-25
Income from investments in associated companies	5	-6	-6	1	-	10
Profit before taxes	938	884	904	878	486	711
Income taxes	259	248	251	244	208	200
Profit from continuing operations	679	636				
Profit of the disposal group ALSO	32	17				
Net profit	711	653	653	634	278	511
Net profit attributable to:						
the equity holders of Schindler Holding Ltd.	677	625	625	615	254	488
non-controlling interests	34	28	28	19	24	23
Profit from continuing operations attributable to:						
the equity holders of Schindler Holding Ltd.	654	613				
non-controlling interests	25	23				

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see financial statements, note 11

Balance sheet December 31

In million CHF	2010	2009	2008	2007	2006
Current assets	5 402	5 103	4 956	4 927	4 917
Non-current assets	2 028	1 977	1 855 ¹	2 214	2 359
Total assets	7 430	7 080	6 811	7 141	7 276
Current liabilities	3 671	3 466	3 726	3 827	3 744
Non-current liabilities	940	1 093	1 049 ¹	1 232	1 355
Total liabilities	4 611	4 559	4 775	5 059	5 099
Equity	2 819	2 521	2 036 ¹	2 082	2 177
Equity holders of Schindler Holding Ltd.	2 715	2 412	1 925 ¹	1 957	2 060
Non-controlling interests	104	109	111	125	117
Total liabilities and equity	7 430	7 080	6 811	7 141	7 276

¹ Retrospective adjustment in the financial statements 2009

Cash flow statement

In million CHF	2010	2009	2008	2007	2006
Cash flow from operating activities	1 114	1 052	1 062	602	476
Cash flow from investing activities	-361	215	-525	-11	-288
Cash flow from financing activities	-339	-624	-264	-511	-319
Translation exchange differences	-13	22	-45	-28	-3
Change in cash and cash equivalents	401	665	228	52	-134

Summary financial statements Schindler Holding Ltd.

Profit and loss statement

In million CHF	2010	2009	2008	2007	2006
Income from Group companies	766	553	520	398	325
Other revenue	10	26	44	546	26
Total revenue	776	579	564	944	351
Write-down, value adjustment, and change to provisions	73	54	82	28	72
Other expenses	33	34	54	42	46
Total expenses	106	88	136	70	118
Net profit for the year	670	491	428	874	233

Balance sheet December 31

In million CHF	2010	2009	2008	2007	2006
Current assets	1 483	1 135	1 219	1 052	711
Non-current assets	1 637	1 604	1 604	1 615	1 274
Total assets	3 120	2 739	2 823	2 667	1 985
Debenture	–	–	300	300	300
Other liabilities	503	553	528	404	408
Total liabilities	503	553	828	704	708
Share capital	7	7	7	7	7
Participation capital	5	5	5	5	5
Retained earnings	1 935	1 683	1 555	1 077	1 032
Net profit for the year	670	491	428	874	233
Total equity	2 617	2 186	1 995	1 963	1 277
Total liabilities and equity	3 120	2 739	2 823	2 667	1 985

Dividend payment

In million CHF	2010	2009	2008	2007	2006
Registered shares	215 ^{1,2}	141	141	114	93
Participation certificates	146 ^{1,2}	97	97	78	66
Total dividend payment	361^{1,2}	238	238	192	159

¹ Proposal by the Board of Directors

² Total ordinary and additional dividend

Dividend policy

The dividend policy approved and communicated by the Board of Directors is earnings-related and provides for a payout ratio of 35% to 45% of the consolidated net profit (excluding non-controlling interests) (see also page 61).

Key figures Group

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Overview of
financial results

Group							
In million CHF							
		2010	2009 ¹	2009	2008	2007	2006
Orders received	A	8 778	8 418	12 865	14 479	14 116	11 720
Operating revenue	A	8 187	8 281	12 691	14 027	13 835	11 106
EBITDA ²	A	1 082	1 054	1 124	1 018	958	848
in %		13.2	12.7	8.9	7.3	6.9	7.6
EBITA ³	A	998	965	1 028	926	865	758
in %		12.2	11.7	8.1	6.6	6.3	6.8
EBIT ⁴	A	950	934	974	889	830	726
in %		11.6	11.3	7.7	6.3	6.0	6.5
Antitrust fines						293	
Net income from financing and investing activities	A	-12	-50	-70	-11	-51	-15
Profit before taxes	A	938	884	904	878	486	711
Net profit		711	653	653	634	278	511
in %		8.7	7.9	5.1	4.5	2.0	4.6
Net profit before antitrust fines						571	
in %						4.1	
Net profit of equity holders of Schindler Holding Ltd.		677	625	625	615	254	488
Cash flow ⁵		861	813	813	733	391	623
Cash flow (continuing operations) ⁵	A	823	774				
Capital expenditure		147	103	103	120	103	112
Order backlog	A	6 075	6 200	6 341	6 396	6 752	6 024
Personnel at year-end (number)	A	43 010	41 962	43 437	45 063	45 208	43 679
Total equity		2 819	2 521	2 521	2 036 ⁶	2 082	2 177
Equity ratio in %		37.9	35.6	35.6	29.9	29.2	29.9

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see financial statements, note 11

² EBITDA: Operating profit + depreciation/amortization

³ EBITA: Operating profit + depreciation

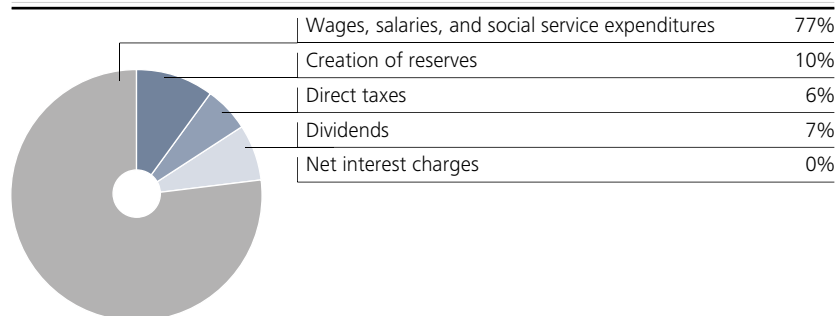
⁴ EBIT: Operating profit

⁵ Cash flow: Net profit + depreciation/amortization +/- change in provisions

⁶ Retrospective adjustment in the financial statements 2009

A For the years 2010 and 2009¹ excluding disposal group ALSO

Allocation of the Group's net value added 2010



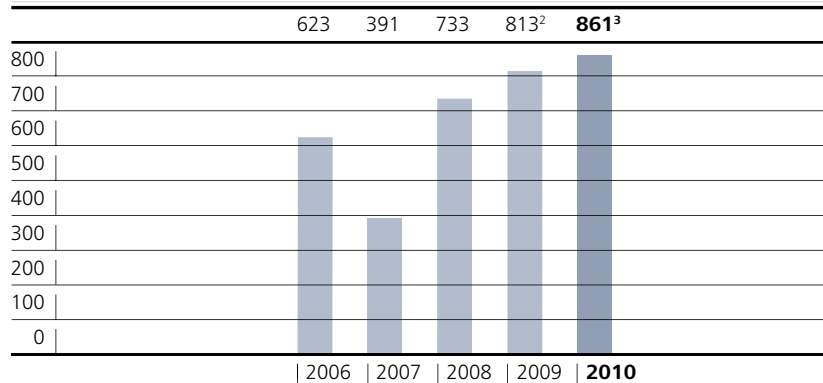
The Group's total value added is the increase in value achieved by the whole Group within a certain period of time.

The net value added is calculated by subtracting the value of goods and services drawn on by other companies, as well as depreciations, from overall Group income.

The distribution of the Group's net value added shows how employees, the governments, the company itself, the shareholders, and other providers of finance participate in this economically relevant amount.

Cash flow¹

In million CHF



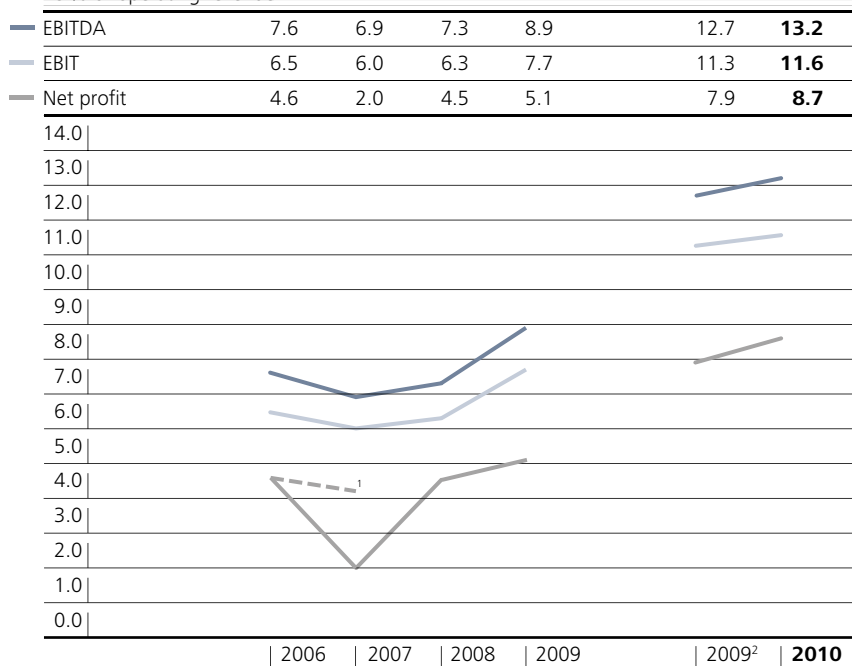
¹ Net profit + depreciation/amortization +/- change in provisions

² Continuing operations: CHF 774 million

³ Continuing operations: CHF 823 million

EBITDA, EBIT, net profit

As % of operating revenue

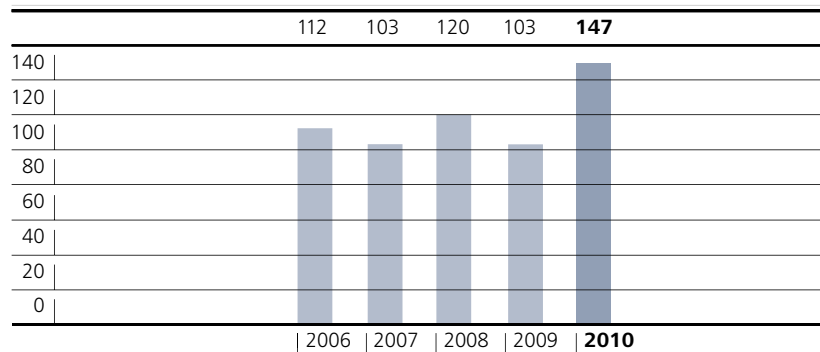


¹ Before antitrust fines

² Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see financial statements, note 11

Capital expenditure¹

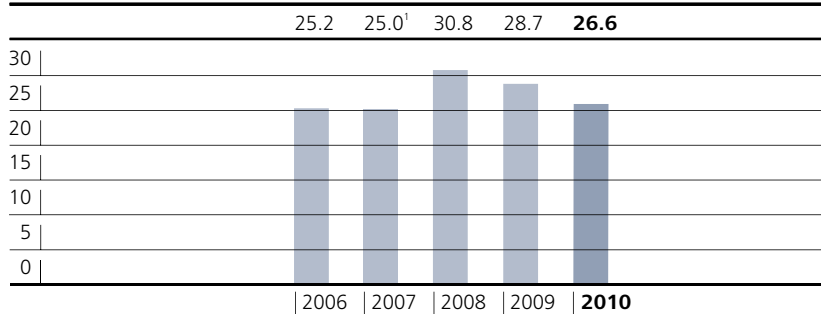
In million CHF



¹ Including investment properties

Return on equity

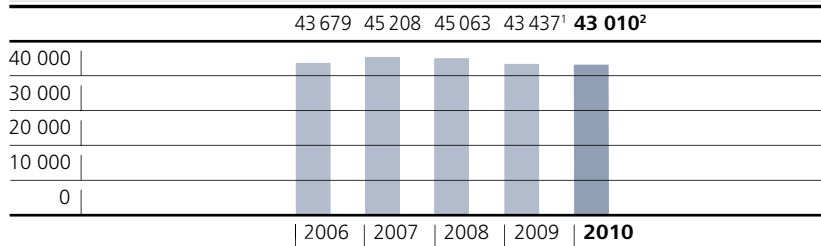
In %



¹ Before antitrust fines

Personnel at year-end

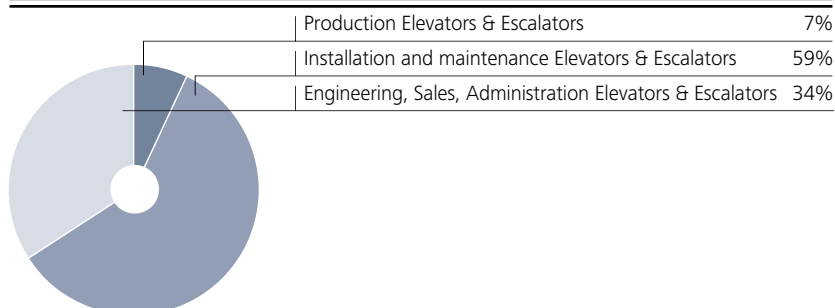
Number



¹ Continuing operations: 41 962

² Continuing operations

Personnel 2010 by sector



Key figures Elevators & Escalators

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Overview of
financial results

Elevators & Escalators

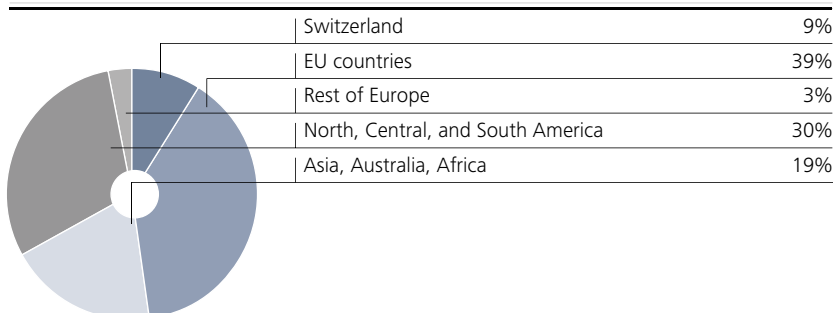
In million CHF	2010	2009	2008	2007	2006
Orders received	8 778	8 418	9 259	9 023	8 417
Operating revenue	8 187	8 281	8 761	8 752	7 829
EBITDA ¹	1 112	1 081	1 007	917	831
in %	13.6	13.1	11.5	10.5	10.6
EBITA ²	1 028	992	926	832	747
in %	12.6	12.0	10.6	9.5	9.5
EBIT ³	980	962	895	802	717
in %	12.0	11.6	10.2	9.2	9.2
Order backlog	6 075	6 200	6 291	6 602	5 911
Research & development	109	109	100	109	111
Personnel at year-end (number)	43 010	41 962	43 226	43 221	41 632

¹ EBITDA: Operating profit + depreciation/amortization

² EBITA: Operating profit + depreciation

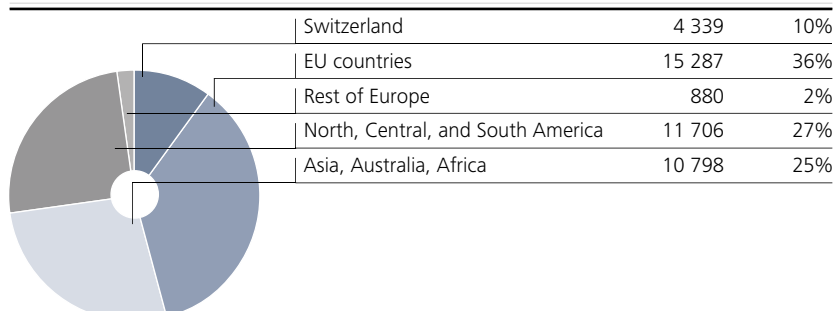
³ EBIT: Operating profit

Invoiced sales 2010 by market



Personnel 2010

Total 43 010



Key figures ALSO

Overview of
financial results

ALSO

In million CHF	2010	2009 ¹	2009	2008	2007	2006
Orders received	–	–	4 447	5 220	5 093	3 303
Operating revenue	–	–	4 410	5 266	5 083	3 277
EBITDA ²	–	–	70	40	66	37
in %			1.6	0.8	1.3	1.1
EBITA ³	–	–	63	29	58	31
in %			1.4	0.6	1.1	0.9
EBIT ⁴	–	–	40	24	54	29
in %			0.9	0.5	1.1	0.9
Personnel at year-end (number)	–	–	1 475	1 837	1 987	2 047
Profit of the disposal group	32	17				

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see financial statements, note 11

² EBITDA: Operating profit + depreciation/amortization

³ EBITA: Operating profit + depreciation

⁴ EBIT: Operating profit

The different reporting structure and elimination effects may cause individual values and percentages to differ slightly from those reported in the ALSO Annual Report.

Key figures Schindler Holding Ltd.

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Overview of
financial results

Schindler Holding Ltd.

In million CHF	2010	2009	2008	2007	2006
Share capital	7	7	7	7	7
Participation capital	5	5	5	5	5
Equity	2 617	2 186	1 995	1 963	1 277
Debenture	–	–	300	300	300
Net profit for the year	670	491	428	874	233
Dividend payment	361 ^{1,2}	238	238	192	159

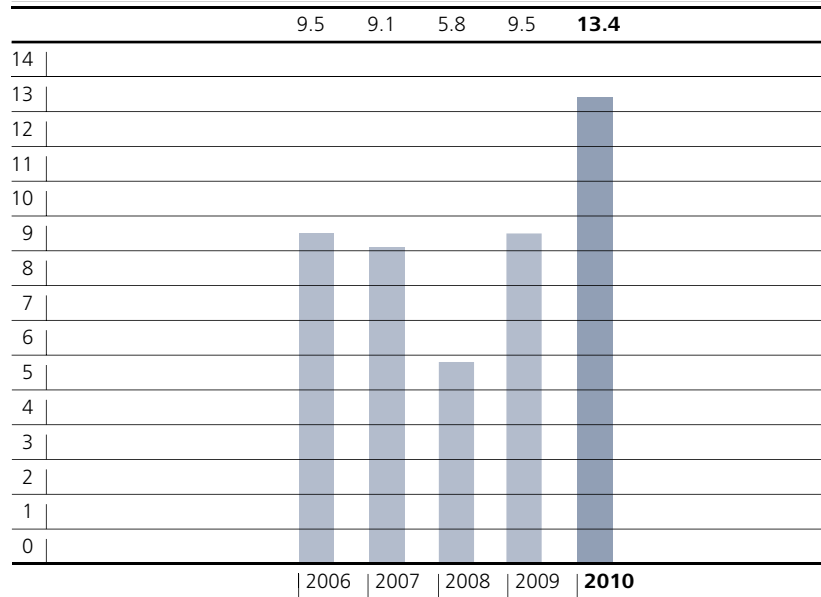
¹ Proposal by the Board of Directors

² Total ordinary and additional dividend

Key figures registered share / participation certificate

Market capitalization as of December 31

In billion CHF



Registered share

In CHF	2010	2009	2008	2007	2006
Number of registered shares outstanding	71 776 700	71 776 700	72 451 200	73 568 200	73 568 200
thereof in treasury stock	1 327 102	1 271 425	2 002 896	1 799 250	829 123
Nominal value	0.10	0.10	0.10	0.10	0.10
Price high	118.00	79.40	87.10	84.50	76.00
Price low	76.60	45.80	42.00	65.50	52.00
Price year-end	111.90	78.35	47.05	73.00	76.00
P/E ratio December 31	19.9x	15.1x	9.3x	35.8x	19.5x

Participation certificate

In CHF	2010	2009	2008	2007	2006
Number of certificates outstanding	48 609 400	48 609 400	49 256 900	50 936 400	51 416 400
thereof in treasury stock	404 831	120 826	964 458	1 633 177	1 153 433
Nominal value	0.10	0.10	0.10	0.10	0.10
Price high	118.40	80.60	87.90	85.85	77.80
Price low	76.05	47.10	41.30	66.00	52.10
Price year-end	110.60	79.65	48.10	73.00	76.65
P/E ratio December 31	19.7x	15.3x	9.5x	35.8x	19.7x

Information per registered share and participation certificate

In CHF	2010	2009	2008	2007	2006
Net profit	5.62	5.19	5.05	2.04	3.90
Cash flow	7.15	6.75	6.02	3.14	4.98
Equity at year-end	22.88	20.27	16.21	16.16	16.75
Gross dividend – ordinary	2.00¹	2.00	2.00	1.60	1.30
Gross dividend – additional	1.00¹				
Pay-out ratio	in % 53.3²	38.5	39.6	36.4 ³	33.3
Market capitalization (in million CHF)	13 408	9 495	5 778	9 089	9 532

¹ Proposal by the Board of Directors

² Relative to total dividend, ordinary and additional

³ Before antitrust fines

Ticker and security number

	Registered share	Participation certificate
Bloomberg	SCHN	SCHP
Reuters	SCHN.S	SCHP.S
Valor	002463821	002463819
ISIN	CH0024638212	CH0024638196

Both the registered shares and the participation certificates are traded on the SIX Swiss Exchange. The participation certificates have the same rights as the registered shares with the exception of attendance at the Annual General Meeting and voting rights.

Significant shareholders

At the end of 2010, registered shares of Schindler Holding Ltd. were held by 4 418 shareholders (previous year: 4 443).

On the same date, the Schindler and Bonnard families, together with parties related to these families, held within the scope of a shareholders' agreement 50 999 418 registered shares (previous year: 51 026 502) of Schindler Holding Ltd., corresponding to 71.1% (previous year: 71.1%) of the voting rights of the share capital entered in the Commercial Register.

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Financial calendar

Financial calendar

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Financial calendar

	2011	2012
Annual results media conference	February 17	February 21
Ordinary General Meeting Schindler Holding Ltd.	March 15	March 19
First trading date ex-dividend	March 17 ¹	
Date of Schindler Holding Ltd. dividend payment	March 22 ¹	
Publication of selected key figures as of March 31	April 19	April
Publication of Interim Report as of June 30	August 16	August
Publication of selected key figures as of September 30	October 26	October

¹ Subject to approval of a dividend payment by the General Meeting of Schindler Holding Ltd.

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The Annual Report of the Schindler Group for 2010 consists of the Group Review and the Financial Statements and Corporate Governance Report.

The original German language version is binding. English, French, Spanish and Chinese translations of the Group Review are available. The Financial Statements and the Corporate Governance Report are published in German and English only.

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Interbrand Zurich, Switzerland

Premedia and printing

Swissprinters Zurich AG
Schlieren, Switzerland

Image photography

OnRequest Images,
Seattle, USA



Red shoes in motion.

Every movement is a thing of beauty that combines individual moments in time to create a single, flowing gesture. This is why artists repeatedly focus their attention on the aesthetic elements of movement – in dance, in photography or in painting. The French artist Nicolas Bernière is no exception: his work "Red Shoes" impressively captures a single graceful moment.

"Red Shoes"; Nicolas Bernière; Paris, France
www.nicolasberniere.com

Photography: E. T. Studhalter, Schachen, Switzerland



Years before the **Centre Pompidou** in Metz, France, was completed, the world was already familiar with its unusual roof structure: the Japanese star architect Shigeru Ban drew his inspiration from the curved lines of a rice planter's straw hat when creating the design. Today, art enthusiasts can find 5 000 m² of exhibition space, studios and an auditorium, as well as a restaurant and café, under this one roof. The steel structure supporting the roof – complete with Schindler glass elevators – provides a visual highlight in the interior of the building.



Global challenges.
First-class solutions.
Financial Statements and
Corporate Governance
2010



Schindler

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Corporate Governance

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www.schindler.com

Financial Statements Group

Consolidated profit and loss statement

Financial Statements Group

In million CHF	Notes	2010	%	2009 ¹	%
Continuing operations					
Operating revenue	3	8 187	100.0	8 281	100.0
Material cost		2 302	28.1	2 250	27.2
Personnel cost	4	3 162	38.6	3 295	39.8
Other operating cost	5	1 629	19.9	1 664	20.1
Depreciation	16, 17, 18	132	1.6	120	1.4
Change of provision	27	12	0.2	18	0.2
Total operating cost		7 237	88.4	7 347	88.7
Operating profit		950	11.6	934	11.3
Financial income	6	49	0.6	44	0.6
Financial expenses	7	66	0.8	88	1.1
Income from investments in associated companies	8	5	0.1	–6	–0.1
Profit before taxes		938	11.5	884	10.7
Income taxes	9	259	3.2	248	3.0
Profit from continuing operations		679	8.3	636	7.7
Profit of the disposal group ALSO	11	32	0.4	17	0.2
Net profit		711	8.7	653	7.9
Net profit attributable to:					
The equity holders of Schindler Holding Ltd.		677	8.3	625	7.6
Non-controlling interests		34	0.4	28	0.3
Profit from continuing operations attributable to:					
The equity holders of Schindler Holding Ltd.		654	8.0	613	7.4
Non-controlling interests		25	0.3	23	0.3
Net profit (earnings) per share and participation certificate in CHF					
Undiluted earnings per share and participation certificate	10	5.69		5.26	
Diluted earnings per share and participation certificate	10	5.66		5.25	
Earnings per share and participation certificate of continuing operations in CHF					
Undiluted earnings per share and participation certificate	10	5.50		5.16	
Diluted earnings per share and participation certificate	10	5.47		5.15	

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

Consolidated statement of comprehensive income

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Financial Statements Group

2010						
In million: CHF	Changes in value of financial instruments	Translation exchange differences	Reserves	Equity holders of Schindler Holding Ltd.	Non-controlling interests	Group
Net profit			677	677	34	711
Other comprehensive income:						
Translation exchange differences	–	–126		–126	–10	–136
Hedging transactions:						
unrealized	14	–		14	–	14
realized	–5	–		–5	–	–5
Financial assets available for sale:						
unrealized	3	–		3	–	3
realized	–	–		–	–	–
Taxes other comprehensive income	–1	–	–	–1	–	–1
Comprehensive income	11	–126	677	562	24	586

2009						
In million: CHF	Changes in value of financial instruments	Translation exchange differences	Reserves	Equity holders of Schindler Holding Ltd.	Non-controlling interests	Group
Net profit			625	625	28	653
Other comprehensive income:						
Translation exchange differences	–	88		88	1	89
Hedging transactions:						
unrealized	4	–		4	–1	3
realized	–	–		–	–	–
Financial assets available for sale:						
unrealized	–3	–		–3	–	–3
realized	–	–		–	–	–
Taxes other comprehensive income	–	–	–	–	–	–
Comprehensive income	1	88	625	714	28	742

Consolidated balance sheet

Financial Statements Group

Assets

In million: CHF	Notes	31.12.2010	%	31.12.2009	%
Current assets					
Cash and cash equivalents		2 310	31.1	1 919	27.1
Marketable securities	12	125	1.7	257	3.6
Accounts receivable	13	1 280	17.2	1 707	24.1
Taxes receivable		52	0.7	63	0.9
Net assets of construction contracts	14	409	5.5	460	6.5
Inventories	15	359	4.8	595	8.5
Prepaid expenses and accrued income		131	1.8	101	1.4
Assets held for sale and disposal group ALSO	11	736	9.9	1	0.0
Total current assets		5 402	72.7	5 103	72.1
Non-current assets					
Property, plant, and equipment	16	438	5.9	480	6.8
Investment properties	17	18	0.2	21	0.3
Intangible assets	18	768	10.3	834	11.8
Investments in associated companies	20	213	2.9	178	2.4
Long-term financial assets	21	329	4.4	192	2.7
Deferred taxes	22	131	1.8	140	2.0
Employee benefits	23	131	1.8	132	1.9
Total non-current assets		2 028	27.3	1 977	27.9
Total assets		7 430	100.0	7 080	100.0

Liabilities and equity

In million CHF	Notes	31.12.2010	%	31.12.2009	%
Liabilities					
Current liabilities:					
Financial debts	26	145	1.9	174	2.4
Accounts payable	24	722	9.7	1 013	14.3
Taxes payable		125	1.7	125	1.8
Net liabilities of construction contracts	14	845	11.4	764	10.8
Accrued expenses and deferred income	25	1 180	15.9	1 236	17.5
Provisions	27	144	1.9	154	2.2
Liabilities associated with the disposal group ALSO	11	510	6.9	–	–
Total current liabilities		3 671	49.4	3 466	49.0
Non-current liabilities:					
Financial debts	26	132	1.8	245	3.4
Provisions	27	346	4.7	319	4.5
Deferred taxes	22	164	2.2	199	2.8
Employee benefits	23	298	4.0	330	4.7
Total non-current liabilities		940	12.7	1 093	15.4
Total liabilities		4 611	62.1	4 559	64.4
Equity					
Share capital and participation capital	28	12	0.2	12	0.2
Treasury stock		–138	–1.9	–91	–1.3
Changes in value of financial instruments		16	0.2	5	0.1
Translation exchange differences		–675	–9.1	–549	–7.8
Reserves		3 500	47.1	3 035	42.9
Equity of the equity holders of Schindler Holding Ltd.		2 715	36.5	2 412	34.1
Non-controlling interests		104	1.4	109	1.5
Total equity		2 819	37.9	2 521	35.6
Total liabilities and equity		7 430	100.0	7 080	100.0

Consolidated cash flow statement

Financial Statements Group

In million CHF	Notes	2010	2009
Net profit		711	653
Depreciation and amortization		139	150
Change of provisions		11	10
Other items with no effect on liquidity		34	20
Contributions to pension funds		-23	-26
Change of remaining net working capital		242	245
Cash flow from operating activities		1 114	1 052
Additions to:			
Property, plant, and equipment		-147	-103
Intangible assets		-38	-34
Investments in associated companies		-61	-5
Long-term financial assets		-202	-116
Disposals of:			
Property, plant, and equipment		6	7
Investment properties		2	-
Marketable securities		138	398
Long-term financial assets		47	24
Non-current assets held for sale		-	56
Additions to investments in affiliated companies	29	-106	-1
Cash flow from investing activities		-361	226
Financial debt assumed		85	7
Repayment 3½% debenture due 2.6.2009		-	-300
Other financial debt repaid		-98	-69
Purchase of non-controlling interests		-	-11
Additions treasury stock		-79	-24
Disposals treasury stock		20	25
Dividends paid to the equity holders of Schindler Holding Ltd.		-238	-238
Dividends paid on non-controlling interests		-29	-25
Cash flow from financing activities		-339	-635
Translation exchange differences		-13	22
Change in cash and cash equivalents¹		401	665
Opening balance cash and cash equivalents		1 919	1 254
Closing balance cash and cash equivalents		2 320	1 919
Of which cash and cash equivalents of the continuing operations		2 310	1 854
Of which cash and cash equivalents of the disposal group ALSO	11	10	65
Cash flow from operating activities includes:			
Income taxes paid		248	210
Interest paid		46	43
Interest received		37	31
Dividends received from associated companies		10	3

¹ The cash flow of the disposal group ALSO is reported separately in note 11.

Consolidated statement of change in equity

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Financial Statements Group

In million CHF	Share and PC capital	Treasury stock	Changes in value of financial instruments	Translation exchange differences	Reserves ¹	Equity holders of Schindler Holding Ltd.	Non-controlling interests	Group
January 1, 2009	12	-199	4	-637	2 745	1 925	111	2 036
Net profit					625	625	28	653
Other comprehensive income			1	88	–	89	–	89
Comprehensive income			1	88	625	714	28	742
Dividends					-238	-238	-25	-263
Cancellation of treasury stock		103			-103	–	–	–
Additions/disposals treasury stock		5			2	7	–	7
Participation plans					10	10	–	10
Change in non-controlling interests					-6	-6	-5	-11
December 31, 2009	12	-91	5	-549	3 035	2 412	109	2 521
Net profit					677	677	34	711
Other comprehensive income			11	-126	–	-115	-10	-125
Comprehensive income			11	-126	677	562	24	586
Dividends					-238	-238	-29	-267
Additions/disposals treasury stock		-47			-2	-49	–	-49
Participation plans					28	28	–	28
December 31, 2010	12	-138	16	-675	3 500	2 715	104	2 819

¹ Including share premiums of Schindler Holding Ltd. (CHF 311 million)

Notes to the consolidated financial statements

1 Activities of the company

In its core business Elevators & Escalators, Schindler, as the world's largest supplier of escalators and second largest supplier of elevators, is active in the business areas production, installation, maintenance and modernization with local companies in the most important markets worldwide. In 2010, turnover in this segment was CHF 8.2 billion.

Schindler owns 64% of ALSO Holding AG, which is listed on the SIX Swiss Exchange. The ALSO Group is one of Europe's leading distribution and logistics companies for information technology and consumer electronics (ICE). ALSO is active in the following European countries: Switzerland, Germany, Finland, Norway, Estonia, Latvia, and Lithuania. As at December 31, 2010, the ALSO Group, with net sales in 2010 of CHF 4.2 billion, is reported as a disposal group (see note 11).

2 Accounting policies

2.1 Principles of preparation

The accounting and reporting principles applied to these consolidated financial statements comply with Swiss Corporation Law as well as with the International Financial Reporting Standards (IFRS). The annual financial statements are prepared according to the historical cost principle, with transactions being recognized and reported in the period when they occur. Departures from this principle are specifically stated. The reporting periods of all affiliated companies (directly or indirectly controlled by Schindler Holding Ltd.) end on December 31.

2.2 Main changes in accounting policies

Schindler introduced new and revised IFRSs and interpretations of the IFRS Interpretations Committee (IFRIC) from January 1, 2010, or retrospectively from January 1, 2009. The changes and their effects on the consolidated annual financial statements are described below. Application of all of the changes and interpretations did not have any material effects on the capital, financial, income, or cash flow situation.

- IFRS 3 revised – Business Combinations contains a further development of the acquisition method for business combinations. Material changes relate to the measurement of non-controlling interests and the recognition of acquisitions achieved in stages, as well as the treatment of contingent components of the acquisition price and acquisition-related costs. In the reporting year, the revised standard particularly resulted in an adjusted measurement of previously held interests in the case of acquisitions achieved in stages. When control over the company is gained, the total of such interests is measured at fair value and the difference from the former book value is recognized as a gain or loss in the profit and loss statement. Also, transaction costs are no longer capitalized, but charged to operating expenses.
- IAS 27 revised – Consolidated and Separate Financial Statements contains changed rules for the purchase of non-controlling interests, for the sale of interests without loss of control, and for accounting for the loss of control of an affiliated company should this occur. This means, for example, that changes in the interests in an affiliated company that do not result in a loss of control must be recognized in equity. If the control over an affiliated company is lost, the profit or loss resulting from the deconsolidation must be recognized in the profit and loss statement. Included in this amount is the gain or loss from remeasurement at fair value of all interests that continue to be held. In the reporting year, these changes had no effects, since changes in the interests in affiliated companies were already recognized as pure equity transactions under the former accounting and reporting principles. Also, no loss of control over an affiliated company occurred.

Listed below are further amendments and interpretations that have come into force in the reporting period but which are not relevant for the consolidated financial statements:

- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Structural Amendment
- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Additional Exemptions for First-time Adopters (Amendment)
- IFRS 2 – Share-based Payment: Group Cash-settled Share-based Payment (Amendment)
- IAS 39 – Financial Instruments: Recognition and Measurement: Eligible Hedged Items
- Improvements to IFRSs for the years 2008 and 2009 (operative from 2010)
- IFRIC 17 – Distributions of Non-cash Assets to Owners.

2.3 Published standards, interpretations, and amendments not yet applied

Potential effects of new and revised standards that will become effective for subsequent consolidated financial statements are being evaluated. These are the following:

- IFRS 7 – Disclosures – Transfers of Financial Assets (Amendment) (effective from 2012) complements the requirements for disclosure of risks resulting from transfers of financial instruments and their financial effects.
- IFRS 9 – Financial Instruments (effective from 2013) newly regulates areas of the accounting for financial instruments, including simplification of the existing rules for measurement. As from January 1, 2013, financial instruments must be measured either at fair value or at amortized cost using the effective interest method. Further issues that are also addressed include opting for measurement with fair values, reclassification, and investments in equity instruments.
- IAS 24 revised – Related Party Disclosures (effective from 2011) particularly contains a more comprehensive definition of related parties. This can have corresponding effects on the determination of the occurrence of transactions with related parties.

Further new amendments and interpretations of no practical relevance are:

- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Amendment) (effective from 2011)
- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment) (effective from 2012)
- IAS 12 – Income Taxes: Deferred Tax: Recovery of Underlying Assets (Amendment) (effective from 2012)
- IAS 32 – Financial Instruments: Presentation: Classification of Rights Issues (Amendment) (effective from 2011)
- Improvements to IFRSs for 2010 (effective from 2011)
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (effective from 2011).

Application of these changes and interpretations is not expected to have any material effects on the capital, financial, income, or cash flow situation. Schindler will apply the new rules for the first time as of the dates stated in the respective standards.

2.4 Significant estimates

The annual financial statements based on IFRS contain assumptions and estimates that affect the figures contained in this report. The necessary analyses and evaluations are continuously reviewed and adapted if required. However, the true results may differ from these estimates. Comments on the most important areas follow below.

Intangible assets / goodwill: Intangible assets (normally the service portfolio) that are purchased in acquisitions are measured at fair value. In many cases, however, such fair values cannot be observed as market prices but have to be determined by reference to models using various parameters that are based on estimates. This ultimately also applies to the goodwill that is recognized, since the purchase price allocation normally consists mainly of the portfolio value and goodwill. In addition, with regard to intangible assets with an indefinite useful life, as well as goodwill, further medium- and long-term estimates are necessary as part of the annual impairment test. These comprise internal planning data (cash flows, growth rates, etc.) as well as parameters obtained externally (discount rates).

Deferred tax assets: Deferred tax assets are in some cases determined on the basis of far-reaching estimates. The forecasts that are made for this purpose cover a time period of several years, and include amendments to, and interpretations of, existing tax laws and ordinances as well as changes in tax rates.

Provisions: Provisions are created for a variety of possible events. By their nature, provisions contain a greater degree of estimation than other balance sheet items and can therefore cause a greater or lesser cash outflow depending on how the respective situation materializes.

Employee benefits: The status of various defined benefit plans depends on actuarial assumptions, some of which are of a long-term nature and may not correspond to reality. Furthermore, for the amortization of excessively large actuarial differences, the remaining working life of the employees must be determined. Both the status used for the calculation, and the amortization of any difference, contain estimated values which may have an effect on the capital, financial, and income situation of the Group.

2.5 Fair values

The fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's-length transaction. Fair values are determined by reference to quoted prices, or by means of recognized measurement methods (e.g. option price models, DCF model). The fair value is always determined by means of a model when no quoted prices in an active market are available.

2.6 Scope of consolidation

The consolidated financial statements include the annual financial statements of Schindler Holding Ltd., Hergiswil, Switzerland, and of all companies which Schindler Holding Ltd. controls (affiliated companies).

The main Group companies (affiliated and associated companies), including the company name, headquarters address, and share held, are listed in the Financial Statements of Schindler Holding Ltd.

2.7 Method of consolidation

The consolidated financial statements are based on the annual financial statements of the individual affiliated companies, all of which follow uniform measurement and reporting practices prescribed by the Group. These companies are controlled directly or indirectly by Schindler Holding Ltd., a share of more than 50% of the voting rights being normally required. The assets, liabilities, income, and expenses of all affiliated companies are recognized to 100% by the full consolidation method, non-controlling interests being reported separately. All Group-internal relationships and transactions, including unrealized profits between affiliated companies, are eliminated in the consolidated financial statements.

Companies acquired in the reporting period are included in the consolidated financial statements from the date on which their business activities become controlled by the Group. Companies that are sold are included until the date of transfer of control to the purchaser.

Investments in Group companies with voting rights between 20% and 50% are classified as investments in associated companies and accounted for according to the equity method. This accounting method is also used for joint ventures.

2.8 Acquisitions and goodwill / Change in interests held

Business combinations are handled according to the acquisition method. The acquisition costs comprise the price paid. Transaction costs are recognized as operating expenses. The acquired net assets are composed of the identifiable assets, liabilities, and contingent liabilities, and are recognized at fair value. The identifiable assets also particularly include those of an intangible nature. This applies mainly to maintenance contracts, customer lists, supplier relationships, licenses, patents, brand names, and similar rights. The residual value of acquisition costs and interest in net assets is recognized as goodwill. Non-controlling interests are normally recognized in the balance sheet according to their share in the fair value of the acquired net assets. In certain cases, their measurement can be in proportion to the fair value of the acquired company.

Adjustments to the goodwill and fair value of the net assets are recognized in the assets and liabilities of the acquired company in its functional currency. Hence, goodwill and intangible assets in particular are recognized in those cash-generating units that are expected to benefit from the acquisition and/or to generate future cash flows.

Changes in the percentage interest in affiliated companies (purchase or sale) are recognized as transactions in equity provided that control continues. On the other hand, if control over an affiliated company is lost, e.g. through sale, the difference between the selling price and the net assets plus cumulative exchange differences is reported as operating profit in the profit and loss statement. A complete sale of an affiliated company is handled similarly.

When calculating the cash flow from business combinations, the values of the acquired cash and cash equivalents are deducted from the respective purchase price that was paid in cash.

Goodwill and/or identifiable net assets at fair value of associated companies are recognized under investments in associated companies. Amortization and any unplanned impairment adjustments are recognized in the profit and loss statement under income from investments in associated companies. In case of the partial or complete sale of investments in associated companies, the difference between the selling price and the net assets plus cumulative exchange differences is reported in income from investments in associated companies.

2.9 Translation of foreign currency

The functional currency of affiliated companies is the currency that is customary in the local economic area. Transactions in foreign currencies are translated at the respective spot rate. Exchange gains and losses resulting from such transactions, as well as those from the adjustment of foreign currency assets and liabilities at the balance sheet date, are recognized through profit or loss as income or expense respectively.

Within the consolidation, the annual financial statements of the foreign companies in foreign currencies are translated into Swiss francs as follows:

- Balance sheet at year-end exchange rates
- Profit and loss statement at the annual average exchange rates
- Cash flow statement at the annual average exchange rates

Exchange differences that result from calculation of the Group result at average and year-end exchange rates, and from changes in exchange rates between the start of the year and the end of the year, are reported in other comprehensive income. In the case of a sale of the entire company, or partial sale where control is lost, the cumulative translation exchange differences are recognized in the profit and loss statement.

The cumulative translation exchange differences are also realized in the profit and loss statement when there is a change of status from an associated company to an affiliated company.

The following exchange rates have been applied for the most significant foreign currencies:

			2010		2009	
			Year-end rate	Average rate	Year-end rate	Average rate
Eurozone	EUR	1	1.25	1.38	1.48	1.51
USA	USD	1	0.94	1.04	1.03	1.08
United Kingdom	GBP	1	1.45	1.60	1.66	1.68
Brazil	BRL	100	56.48	58.97	59.17	54.10
China	CNY	100	14.22	15.33	15.08	15.83

2.10 Financial assets

2.10.1 Principles of classification and measurement

The financial assets are divided into the following categories:

- At fair value through profit or loss: financial assets that are held for trading or were designated for this category on initial recognition. Financial assets held for trading are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Derivatives with a positive replacement value are assigned to this category by definition.
- Held-to-maturity: non-derivative financial assets with fixed or determinable payments and fixed duration which Schindler intends to, and can, hold to maturity.
- Loans and receivables: non-derivative financial assets with fixed or determinable payments that are not listed in an active market.
- Available for sale: all other financial assets.

All financial assets are first measured at fair value. Except for financial assets at fair value through profit or loss, the fair value also includes the costs of the transaction. All purchases and sales are recognized at trade date, i.e. at the date at which the commitment to purchase or sell the asset is entered into.

After their initial recognition, and depending on their category, financial assets are measured as follows:

- At fair value through profit or loss: at fair value. Should the fair value not be readily available, it must be calculated using recognized valuation methods. All changes in value are reported in the financial result (financial income or expense) for the respective reporting period.
- Held-to-maturity and loans and receivables: at amortized cost using the effective interest method.
- Available for sale: at fair value. All unrealized changes in value are recognized in other comprehensive income, with the exception of interest that was calculated based on the effective interest method, and foreign currency fluctuations on financial debt instruments. On sale, impairment, or other derecognition, the accumulated gains and losses that were recognized in equity are transferred to the financial result (financial income or expense) for the current reporting period.

Financial assets are derecognized when Schindler gives up its control over them, i.e. when the rights associated with them are sold or expire.

2.10.2 Impairment of financial assets

Whenever there are indications of a possible impairment, the carrying amounts of financial assets that are not measured at fair value through profit or loss are tested for objective substantial indications of impairment (e.g. serious financial difficulties of the debtor, insolvency proceedings of the debtor, etc.) to identify a concrete need for value reduction. For assets in the available for sale category, material or permanent reductions in price result in an impairment. Price reductions of 20% or more are considered material. Sustained price reductions are price reductions that last for at least six months. Any impairment expense is recognized through profit or loss. Impairment expense is recognized directly, except for accounts receivable, for which it is recognized through a value adjustment account.

2.10.3 Cash and cash equivalents / Securities

Cash and cash equivalents include cash on hand, deposits, and time deposits with an original maturity of maximum three months.

Readily saleable titles including time deposits with a term of three to twelve months, or a residual term of up to twelve months, are recognized as marketable securities. By contrast, company shares held long term, and time deposits with a residual term of more than twelve months, are recognized as securities in long-term financial assets.

Marketable securities consist mainly of low-risk investments in the form of bonds and capital-protected units.

2.10.4 Accounts receivable

Trade accounts receivable, as well as other receivables, do not bear interest and are reported at nominal values less adjustments necessary for commercial reasons.

Adjustments are based on Group-internal guidelines, according to which revaluation of individual values must be undertaken first. Systematic additional value adjustments of between 10% and 100% are made on the residual balances according to the age of the receivable.

2.11 Financial liabilities

Financial liabilities particularly include trade accounts payable, liabilities to banks, other liabilities, liabilities from finance leases, and derivative financial liabilities.

Financial liabilities are separated into two categories. They are classified either as at fair value through profit or loss or as other financial liabilities.

2.11.1 Financial liabilities at fair value through profit or loss

At their initial recognition and subsequently, these financial liabilities are measured at fair value. The transaction costs directly identifiable to the purchase of these liabilities are expensed. Derivatives with a negative replacement value are by definition assigned to the category at fair value through profit or loss.

2.11.2 Other financial liabilities

Other financial liabilities mainly comprise financial debts, which are valued at their (discounted) costs. Long-term financial liabilities are measured using the effective interest method. In addition to actual interest payments, interest expense includes annual compound interest and pro rata transaction costs.

Financial and other guarantees are reported as contingent liabilities and only carried in the balance sheet as a provision if a cash outflow is probable.

2.12 Hedge accounting

Schindler hedges the interest and foreign currency risks of its operational activities, financial transactions, and investments, with derivative financial instruments. For a hedge to be recognized as a hedging transaction, a hedging relationship must fulfill various criteria relating to documentation, probability of occurrence, effectiveness of the hedging instrument, and reliability of the measurement.

Most hedging relationships that represent effective hedges both economically and within the scope of the Group strategy do not fulfill the criteria for recognition as hedging transactions. Changes in the fair values of related hedging instruments are reported immediately as financial income or financial expense in the profit and loss statement.

For the recognition of hedging transactions, three different sorts of hedging relationships apply:

- A hedge of the cash flows from an anticipated transaction or fixed obligation (cash flow hedge)
- A hedge of the fair value of a recognized asset or liability (fair value hedge) or
- A hedge of a net investment in a foreign Group company.

2.12.1 Cash flow hedge

Fluctuations in value of hedging instruments forming part of a cash flow hedge are recognized in other comprehensive income. If the hedged underlying transaction results in recognition of an asset or a liability, the cumulative fluctuations in value are included in the corresponding carrying amount. Conversely, if the underlying transaction results directly in expense or income, the cumulative fluctuations in value are derecognized through the profit and loss statement.

Elements of value fluctuations that relate to ineffective positions are recognized directly in the financial result.

2.12.2 Fair value hedge

Fluctuations in the fair values of financial instruments are hedged selectively by means of so-called fair value hedges. In such cases, within the scope of the hedged risk, a market valuation is made of both the underlying and the hedging transaction for their effect on profit or loss.

2.12.3 Hedging of net investments in foreign Group companies

In the case of hedging transactions for net investments in the form of investments in Group companies, the cumulative fluctuations in value that may occur in the case of a possible sale of the company, resulting from loss of control, loss of material influence, or loss of joint control are included in the profit and loss statement.

2.13 Construction contracts, inventories

Construction contracts are recognized in the balance sheet by the percentage of completion method. The respective percentage of completion is determined by contract-related progress measurement using the cost-to-cost method. In this method, the accumulated costs that have occurred to date are expressed as a percentage of the expected total costs. In the balance sheet – after offsetting down payments from customers – work in progress is reported as net assets or net liabilities from construction contracts.

Inventories are recognized at the lower of the cost of purchase or cost of net disposal value, cost of purchase or cost being calculated either according to FIFO or by the weighted average method. Production overheads are included in the inventories. Items with low turnover are revalued. Technically obsolete items are fully written off.

2.14 Non-current assets held for sale and associated liabilities

These items comprise individual assets and liabilities held for sale, as well as assets and liabilities from discontinued operations. These are all those assets of a business area that are associated with discontinuation of a major line of business, or individual balance sheet items or disposal groups that comprise at least one non-current asset plus any associated liabilities that will be realized by a sales transaction and no longer by continued use. The reclassification only takes place when management has decided on the sale and actively begun seeking purchasers. In addition, the asset or disposal group must be readily saleable. In principle, the transaction should take place within one year. Long-term assets or disposal groups that are classified as held for sale are no longer systematically depreciated or amortized and are impaired if required.

In the profit and loss statement of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separate from normal income and expenses down to the level of profit after taxes. The resulting profit or loss (after taxes) is reported separately in the profit and loss statement.

2.15 Property, plant, and equipment / Investment properties

Property, plant, and equipment, and investment properties, are valued at purchase value less cumulative depreciation. Borrowing costs of qualified assets are capitalized.

Depreciation of property, plant, and equipment takes place according to the straight-line method over the useful life of the items. Land is not systematically depreciated. The recoverable amount of property, plant, and equipment is tested if events or changed circumstances indicate that their carrying amounts may be overvalued. If the impairment test shows the carrying amount to exceed the recoverable amount, the carrying amount is impaired to the recoverable amount. Impairment losses are recognized as amortization and reported separately in the notes.

Real estate not used for operational purposes is recognized as investment property, and carried in the balance sheet and depreciated according to the same criteria as real estate used for operational purposes. Investment property includes real estate (land and/or buildings or parts thereof) that is held for the purpose of generating rental income and/or for an undefined future purpose. The fair value of the investment properties is reported separately in the notes. The fair value is determined by recognized methods on the basis of estimates.

Costs are capitalized if they extend the useful life, or expand the production capacity, of an asset. Non-value-adding costs of maintenance and repairs are recognized immediately as expenses in the profit and loss statement.

The estimated useful lives in years of the major classes of property, plant, and equipment are as follows:

	Years
Buildings	20–40
Equipment, machines	5–10
Furniture	10
IT equipment	3–5
Vehicles	5–10

2.16 Intangible assets

Items carried as intangible assets are goodwill, maintenance contracts acquired from third parties, customer lists, supplier relationships, licenses, patents, brand names and similar rights, and software.

All intangible assets with finite useful lives are amortized using the straight-line method. They are also tested for impairment whenever there are indications of impairment. Intangible assets with an indefinite useful life are not systematically amortized but are tested for impairment annually, or whenever there are indications of impairment.

Impairment losses are recognized as amortization and reported separately. Reversal of an impairment expense from an earlier period for intangible assets – except goodwill – is possible.

The estimated useful lives in years of intangible assets are as follows:

	Years
Service portfolio	5–15
Software	3
Rights, patents, licenses	Normally 5

2.17 Provisions

Provisions are only recognized in the balance sheet if Schindler has a sufficiently probable obligation to a third party that has arisen from a past event, and if a reliable estimate of the obligation can be made. Existing provisions are reassessed at the balance sheet date.

Long-term provisions are discounted at a risk-adjusted interest rate. The time-related increase in the present value is recognized in profit and loss as interest expense.

Restructuring provisions are only recognized if the respective costs can be reliably determined by reference to a plan, and there is a corresponding obligation resulting from a contract or communication.

Contingent liabilities that will probably result in an obligation are also recognized in the balance sheet under provisions.

2.18 Deferred taxes

Deferred taxes are recognized in accordance with the liability method. With this method, the impact on income taxes from temporary differences arising from differences between Group values and the corresponding tax basis is recorded as either non-current liability or non-current asset. The relevant tax rates are the actual local tax rates. The change in deferred tax assets and liabilities is recognized as income tax expense in the profit and loss statement or on the other comprehensive income.

Deferred tax liabilities are calculated on all taxable temporary differences. By contrast, deferred tax assets, including assets for unused tax loss carry-forwards and expected tax credits, are only recognized if it is probable that future taxable profits will be available against which those temporary differences (including tax losses) can be utilized.

2.19 Employee benefits

Various employee benefit plans exist within the Group, which are individually tailored to suit the local conditions in each respective country. They are financed either by means of contributions to legally independent pension/insurance funds, or by recognition as employee benefit liabilities in the financial statements of the respective Group companies.

For defined contribution benefit plans the costs to be recognized for the reporting period are the agreed contributions of the employer.

In the case of defined benefit plans, the costs to be recognized for the reporting period are determined by external actuaries using the projected unit credit method. The liabilities are backed by assets which are managed separately from the assets of the Group by autonomous employee benefit funds (funded benefit plans). By contrast, plans that do not have their own assets (unfunded benefit plans) are backed by corresponding liabilities in the balance sheet.

For defined benefit plans with separate assets (separately funded), the under- or over-coverage of the present value of defined benefit obligations by the net assets at fair value is reported in the balance sheet according to IFRIC 14 as a liability or an asset. The amount recognized takes into account any unrecognized actuarial gains or losses or outstanding rights. Any assets resulting from surpluses in defined benefit plans are limited to the value of the maximum future savings from reduced contributions.

Actuarial gains and losses result mainly from changes in actuarial assumptions, or from differences between actuarial assumptions and actual values. Actuarial adjustments that exceed the so-called corridor of 10% are debited or credited to personnel costs over the average remaining working life of the insured employees. The effects of amendments to plans are recognized until the benefits become available to the employees.

Other long-term employee benefits (e.g. service anniversary awards) are measured by the method described above and recognized in the balance sheet under employee benefits, with any actuarial gains being recognized immediately in personnel costs.

2.20 Capital participation plans

A capital participation plan comprising a shares plan and an options plan for managerial and other employees of the Group has been in existence since 2000. In addition, in 2008 a Long Term Incentive Plan was introduced to provide long-term performance incentives for the members of the Management Committee Elevators & Escalators and other managers.

The share-based payment is settled with shares or participation certificates of Schindler Holding Ltd. from its own treasury stock which the Group normally holds for the foreseen amount. In consequence, no additional shares or participation certificates are issued. All options allow only the purchase of shares or participation certificates respectively and are not settled with cash and cash equivalents.

The amount of the share-based payments is determined from their fair values as of the date of allocation, and as of the same date, or over the time period up to occurrence of the entitlement, the amount is charged to operating profit through personnel cost and recognized as an increase in equity. Cash and cash equivalents received from the exercise of allocated instruments are recognized as a change in equity.

2.21 Treasury stock

The treasury stock of shares and participation certificates is reported as a reduction in equity. The costs of their purchase, realized profits or losses on their sale, and other changes in their number or amount, are recognized in equity.

2.22 Income

2.22.1 Operating revenue and realization of profits

Income from construction contracts is determined from the change in the percentage of completion and recognized in the profit and loss statement as operating revenue.

Revenues from other customer contracts, particularly services, are recognized as operating revenue on the date when they are performed. Discounts, sales taxes, and other reductions in the proceeds from the sale are deducted.

Foreseeable losses on customer contracts are recognized as provisions.

2.22.2 Interest income

Interest income is accrued to the respective period taking into account the outstanding amount and the applicable rate of interest. The applicable rate of interest is that rate of interest that discounts the estimated future cash flows over the life of the financial asset to the net carrying amount of the asset.

2.23 Leasing

Property, plant, and equipment acquired by means of leasing contracts under which reward and risk are largely transferred to the Group are classified as finance leases. Such assets are recognized in both property, plant, and equipment, and financial liabilities, at the lower of fair value and the net present value of future lease payment obligations. Assets in finance leases are depreciated over the shorter of their expected useful life or contract duration. Unrealized gains on sale and leaseback transactions that fulfill the definition of a finance lease are recognized as a liability and amortized through profit or loss over the term of the lease.

Payments resulting from operating leasing are recognized on a straight line as operating expenses and correspondingly charged directly to the profit and loss statement.

2.24 Research and development

Job-related development costs are capitalized as work in progress; other research and development costs are fully expensed to the profit and loss statement in the period in which they occur. Development costs for new products are not capitalized, since experience shows that a future economic benefit can only be proven after successful market introduction.

2.25 Segment reporting

The operating business segments correspond to the organizational units that report to the Group management and form the basis for performance evaluation and the allocation of resources. Since the internal and external reporting are based on the same principles of valuation, the need for reconciliation of the management reporting figures to the financial reporting figures does not arise.

3 Operating revenue

In million CHF	2010	2009 ¹
Billings	8 115	8 415
Sundry operating revenue	22	23
Change in balance of work in progress	49	–159
Capitalized own production of property, plant, and equipment	1	2
Total operating revenue	8 187	8 281

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

A total of CHF 4 106 million (previous year: CHF 4 182 million) of the operating revenue was determined according to the percentage of completion method.

4 Personnel cost and headcount

4.1 Personnel cost

In million CHF	2010	2009 ¹
Salaries and wages	2 554	2 651
Cost of defined contribution plans	81	75
Social charges	527	569
Total personnel cost	3 162	3 295

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

Depending on the function, the compensation usually includes the base salary, variable salary components, social benefits, and other payments. All Schindler companies follow the compensation policy of the Group, according to which the income situation, comparability, and individual performance are taken into consideration. Schindler pursues a policy of performance premiums and bonus payments wherever these are justifiable. For managerial employees, the variable components play an important role in the total compensation.

4.2 Headcount

Number	2010	2009 ¹
Average headcount	42 687	42 548
Personnel at year-end	43 010	41 962

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

5 Other operating cost

In million CHF	2010	2009 ¹
Special cost (production, installation, maintenance)	567	555
Employee-related expenses	265	254
Rent, leasing	167	176
Maintenance and repairs	69	78
Energy supply, consumables, and packing material	143	140
Insurance, fees, and capital taxes	85	94
Administration and marketing	224	244
Other operating expenses	123	164
Other income	-14	-41
Total other operating cost	1 629	1 664

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

Research and development costs of CHF 109 million (previous year: CHF 109 million) have been charged to the profit and loss statement.

Other income includes accounting gains from the sale of investment properties; intangible assets; property, plant, and equipment; affiliated companies; and non-current assets held for sale. These gains are reported before taxes, provisions, or contractually agreed expenses, etc.

In the course of the complete acquisition of Saudi Elevator Co. Ltd., previously held interests (20%) were upwardly revalued in the reporting year to their fair value of CHF 22 million. The revaluation gain of CHF 14 million is contained in other income.

6 Financial income

In million CHF	2010	2009 ¹
Interest	39	32
Net income from securities at fair value through profit or loss	10	12
Total financial income	49	44

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

7 Financial expenses

In million CHF	2010	2009 ¹
Interests	17	24
Increase in the present value of provisions	12	12
Net gain/loss on foreign exchange	20	41
Amortization of loan	6	–
Other financial expenses	11	11
Total financial expenses	66	88

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

The foreign exchange result mainly comprises valuation differences on operational hedging transactions. Other financial expenses mainly comprise bank charges and country-specific financial transaction costs.

8 Profit of associated companies

In million CHF	2010	2009
Income from investments in associated companies	16	-3
Amortization of intangible assets	-11	-3
Total profit of associated companies	5	-6

9 Income taxes

In million CHF	2010	2009 ¹
Current income taxes of the reporting period	264	258
Current income taxes of previous periods	-	3
Deferred income taxes	-5	-13
Total income taxes	259	248

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

Reconciliation of income taxes

In million CHF	2010	%	2009	%
Profit before taxes of continuing operations	938		884	
Profit before taxes of the disposal group ALSO	39		20	
Profit before taxes (total)	977		904	
Weighted average income tax rate as % of profit before taxes		26.9		27.1
Expected profit tax expenses	263		245	
Tax effects of:				
Formation / utilization of unrecognized tax loss carryforwards	-4		-2	
Non-taxable income / non-deductible expense	-12		-3	
Non-deductible withholding taxes	16		14	
Other factors	3		-3	
Actual income tax expenses	266		251	
Actual income tax expenses as % of profit before taxes		27.2		27.8
Actual income tax expenses of continuing operations	259		248	
Actual income tax expense of the disposal group ALSO	7		3	

The weighted average tax rate is calculated using expected income tax rates of the individual companies in each jurisdiction.

10 Earnings per share and participation certificate

		2010	2009
Net profit (equity holders of Schindler Holding Ltd.)	in million CHF	677	625
Profit from continuing operations (equity holders of Schindler Holding Ltd.)	in million CHF	654	613
Number of shares and participation certificates		120 386 100	120 386 100
Less number of treasury stock (weighted average)		-1 437 622	-1 544 105
Outstanding number of treasury stock (weighted average)		118 948 478	118 841 995
Basic earnings per share and participation certificate	in CHF	5.69	5.26
Basic earnings per share/participation certificate from continuing operations	in CHF	5.50	5.16
Diluted net profit	in million CHF	677	625
Diluted earnings from continuing operations (equity holders of Schindler Holding Ltd.)	in million CHF	654	613
Diluted number of shares and participation certificates		119 502 185	119 099 615
Diluted earnings per share and participation certificate	in CHF	5.66	5.25
Diluted earnings per share/participation certificate from continuing operations	in CHF	5.47	5.15

The basic earnings per share are calculated as follows: net profit divided by the weighted average number of outstanding shares and participation certificates.

The dilution takes into account the possible effect of the employee participation programs at Schindler Holding Ltd.

11 Non-current assets held for sale

In press releases of August 13, 2010, and January 13, 2011, the planned merger of ALSO Holding AG with Actebis GmbH was announced. At the date of the balance sheet, the merger between ALSO Holding AG and Actebis GmbH was not complete. ALSO is therefore separated as a disposal group. The total assets and associated liabilities of the ALSO Group are reported in the balance sheet for the reporting year as a disposal group in current assets and current liabilities respectively. The profit is also reported separately in the profit and loss statement for the reporting year and the previous year. All material items are shown in the following tables. The cash flows of the disposal group are disclosed individually.

The transaction was completed at the beginning of February 2011 by means of an increase in share capital of ALSO Holding AG against a contribution in kind of the Actebis quotas. The increase in share capital was approved at the extraordinary general meeting of shareholders of ALSO Holding AG on February 8, 2011, and became legally binding with the entry in the Commercial Register of February 9, 2011. The interest of Schindler Holding Ltd. in ALSO-Actebis Holding AG is 30%, while the Droege Group holds 51%. Schindler therefore no longer has control over the ALSO Group, which consequently leaves the scope of the consolidation in 2011.

11.1 Profit and loss statement of the disposal group ALSO

In million CHF	2010	2009
Operating revenue	4 214	4 410
Material cost	3 997	4 187
Personnel cost	108	109
Other operating cost	52	74
Total operating cost	4 157	4 370
Operating profit (EBIT)	57	40
Financial result	-18	-20
Profit before taxes	39	20
Taxes	7	3
Profit of the disposal group ALSO	32	17
of which non-controlling interests	9	5
Profit of the disposal group ALSO		
per share and participation certificate of Schindler Holding Ltd. in CHF		
Undiluted earnings	0.19	0.10
Diluted earnings	0.19	0.10

11.2 Assets and liabilities

In million CHF	Disposal group ALSO	Others	Total 2010	Total 2009
Assets				
Cash and cash equivalents	10	–	10	–
Accounts receivable and prepaid expenses and accrued income	282	–	282	–
Inventories	274	–	274	–
Property, plant, and equipment	60	7	67	1
Goodwill / Intangible assets	102	–	102	–
Deferred taxes	1	–	1	–
Total of assets held for sale and disposal group ALSO	729	7	736	1
Liabilities and equity				
Current liabilities	427	–	427	–
Non-current liabilities	83	–	83	–
Total liabilities associated with assets held for sale and the disposal group ALSO	510	–	510	–
Equity of the disposal group ALSO	198			
Of which equity holders of Schindler Holding Ltd.	128			
Of which non-controlling interests	70			
Contained in the statement of comprehensive income of the equity holders of Schindler Holding Ltd.:				
Unrealized gains/losses	–			
Cumulative exchange differences on equity	–24			

11.3 Cash flow (net) of the disposal group ALSO

In million CHF	2010	2009
Cash flow from operating activities	67	–79
Cash flow from investing activities	–48	–13
Cash flow from financing activities	–69	47
Translation exchange differences	–5	–2
Change in cash and cash equivalents	–55	–47
Cash flow from operating activities includes:		
Income taxes paid	8	7
Interest paid	18	19
Interest received	1	1

12 Marketable securities

In million CHF	2010	2009
Securities	94	239
Time deposits	31	18
Total marketable securities	125	257

13 Accounts receivable

In million CHF	2010	2009
Trade accounts receivable, gross	1 302	1 683
Allowance for doubtful accounts	-137	-156
Trade accounts receivable, net	1 165	1 527
Associated companies and other related parties	9	17
Other accounts receivable	106	163
Total accounts receivable	1 280	1 707

14 Construction contracts

In million CHF	2010	2009
Work in progress	867	1 021
Down payments from customers	-458	-561
Net assets of construction contracts	409	460
Work in progress	854	801
Down payments from customers	-1 699	-1 565
Net liabilities of construction contracts	-845	-764

15 Inventories

In million CHF	2010	2009
Raw material and trading material	291	503
Semifinished and finished goods	58	81
Down payments to suppliers	10	11
Total inventories	359	595

The inventories include write-downs of CHF 123 million (previous year: CHF 116 million) for technically obsolete and slow-moving items.

16 Property, plant, and equipment (PPE)

In million CHF	Operating land	Operating buildings	Equipment and machinery	Other PPE	Total
Net book values 2010					
December 31, 2009	41	170	142	127	480
Additions	16	47	33	52	148 ¹
Disposals	–	–1	–2	–3	–6
Depreciation	–1	–14	–34	–39	–88
Reclassifications:					
Disposal group ALSO	–6	–29	–19	–6	–60
Others	–	–6	3	–3	–6
Additions from business acquisition	9	4	–	1	14
Translation exchange differences	–7	–15	–12	–10	–44
December 31, 2010	52	156	111	119	438
Of which finance lease	1	3	–	4	8
Fire insurance values					1 774
Overview as of January 1, 2010					
Cost	51	400	569	445	1 465
Accumulated depreciation and impairment	–10	–230	–427	–318	–985
Net book values	41	170	142	127	480
Overview as of December 31, 2010					
Cost	62	379	494	399	1 334
Accumulated depreciation and impairment	–10	–223	–383	–280	–896
Net book values	52	156	111	119	438

¹ Of which finance lease: CHF 1 million

The net book values of the property, plant, and equipment do not contain any capitalized borrowing costs.

Other property, plant, and equipment includes IT equipment, furniture, vehicles, and assets under construction. Assets under construction amounted to CHF 26 million in the reporting year (previous year: CHF 22 million).

Gains and losses from the sale of property, plant, and equipment are recognized in other income. No gains/losses occurred in the reporting year (previous year: gain CHF 1 million).

In million CHF	Operating land	Operating buildings	Equipment and machinery	Other PPE	Total
Net book values 2009					
December 31, 2008	37	171	138	125	471
Additions	2	18	35	49	104 ¹
Disposals	–	–1	–1	–4	–6
Depreciation	–	–17	–40	–38	–95
Impairment	–	–1	–	–	–1
Reclassifications	–	4	3	–7	–
Translation exchange differences	2	–4	7	2	7
December 31, 2009	41	170	142	127	480
Of which finance lease	–	–	11	3	14
Fire insurance values					2 142
Overview as of January 1, 2009					
Cost	47	396	571	441	1 455
Accumulated depreciation and impairment	–10	–225	–433	–316	–984
Net book values	37	171	138	125	471
Overview as of December 31, 2009					
Cost	51	400	569	445	1 465
Accumulated depreciation and impairment	–10	–230	–427	–318	–985
Net book values	41	170	142	127	480

¹ Of which finance lease: CHF 1 million

17 Investment properties

In million CHF	2010	2009
Net book values		
January 1	21	21
Disposals	-2	-
Translation exchange differences	-1	-
December 31	18	21
Overview as of January 1		
Cost	53	129
Accumulated depreciation and impairment	-32	-108
Net book values	21	21
Overview as of December 31		
Cost	46	53
Accumulated depreciation and impairment	-28	-32
Net book values	18	21
Fire insurance values	56	73
Net book values of investment properties under finance lease	-	-
Fair values	22	49
Rental income	1	1
Operating expenses:		
Real estate with rental income	-	1
Real estate without rental income	1	2

The net book values of the investment properties do not contain any capitalized borrowing costs.

The fair values of the investment properties were determined from case to case by either external or internal experts based on market data by means of recognized valuation methods (discounted cash flow method, comparative value method). The externally valued investment properties have a fair value of CHF 3 million, the internally calculated fair values amount to CHF 19 million.

There are no restrictions on the salability of the investment properties carried in the balance sheet. There are also no significant contractual obligations to buy, construct, repair, maintain, or improve investment properties.

18 Intangible assets

In million CHF	Goodwill	Brand names	Other intangible assets	Total
Net book values 2010				
December 31, 2009	609	–	225	834
Additions	–	–	38	38
Amortization	–	–	–38	–38
Impairment	–13	–	–	–13
Reclassification:				
Disposal group ALSO	–59	–	–43	–102
Additions from business acquisition	66	–	64	130
Translation exchange differences	–56	–	–25	–81
December 31, 2010	547	–	221	768
Net book values 2009				
December 31, 2008	536	15	229	780
Additions	–	–	34	34
Amortization	–	–	–39	–39
Impairment	–	–15	–	–15
Additions from business acquisition	–	–	3	3
Translation exchange differences	73	–	–2	71
December 31, 2009	609	–	225	834
Overview as of January 1, 2009				
Cost	536	15	465	1 016
Accumulated amortization and impairment	–	–	–236	–236
Net book values	536	15	229	780
Overview as of January 1, 2010				
Cost	609	15	508	1 132
Accumulated amortization and impairment	–	–15	–283	–298
Net book values	609	–	225	834
Overview as of December 31, 2010				
Cost	560	–	496	1 056
Accumulated amortization and impairment	–13	–	–275	–288
Net book values	547	–	221	768

19 Impairment test

19.1 Measurement method

The measurement for the impairment test is determined on the basis of the discounted cash flow method. For use in the method, future cash flows, discount rates, and other parameters of the respective cash-generating units are determined based on various assumptions. The basis for the test is the forecast for the reporting year and the medium-term plan for the following five years. The factors such as volumes, selling prices, sales growth, material costs, personnel costs, and operating costs, as well as capital expenditure, market conditions, and other economic factors, are based on assumptions that management regards as reasonable.

19.2 Impairment test at the acquisition date of Saudi Elevator Co. Ltd.

At the date of the transaction, the goodwill resulting from the acquisition of Saudi Elevator Co. Ltd. was not completely covered by the recoverable amount. The impairment loss of CHF 13 million is part of the amortization and therefore contained in the operating expenses (see note 29).

The test was performed using the usual Group principles, based on the value in use. In the calculation, a discount factor of 12.3%, an inflation rate of 3%, and a real growth rate of 0% were used.

19.3 Annual impairment test

The impairment tests on the goodwill items were performed in the 3rd quarter based on the value in use. The following assumptions were used in the calculations:

Goodwill 2010

In million CHF	Book value at 31. 12. 2010	Base data used		
		Interest rate	Growth rate (real)	Inflation rate
Germany	136	9.0%	0.0%	2.0%
Brazil	312	25.7%	0.0%	4.5%
China	11	12.9%	0.0%	3.0%
Czech Republic	12	11.0%	0.0%	2.0%
Japan	21	9.7%	0.0%	1.0%
Saudi Arabia	40	12.5%	0.0%	4.0%
USA	9	10.4%	0.0%	1.9%
Others	6			
Total	547			

Goodwill 2009

In million CHF	Book value at 31. 12. 2009	Base data used		
		Interest rate	Growth rate (real)	Inflation rate
Germany	162	11.3%	1.8%	2.0%
Brazil	327	24.8%	0.0%	4.5%
China	11	11.1%	0.0%	1.9%
Czech Republic	13	15.1%	0.0%	2.0%
Japan	20	10.5%	0.0%	1.0%
ALSO (GNT Group)	64	10.1%	4.7%	2.0%
Others	12			
Total	609			

The forecast scenarios do not require value adjustments to the goodwill items. The recoverable amount for the cash-generating unit Saudi Arabia corresponds to the carrying amount. The recoverable amounts of the other cash-generating units are substantially above their carrying amounts. A change in the base data used, e.g. a sustained deterioration in the gross margin with unchanged balance sheet and cost structure, would not result in an impairment of the goodwill. Even if the cash flow forecasts were based on nominal zero growth, the carrying amount would not exceed the recoverable amount. An increase of one percentage point in the assumed discount rate would not change the results of the impairment test.

20 Investments in associated companies

In million: CHF	Share in equity	Goodwill	Intangible assets	Total
Net book values 2010				
December 31, 2009	118	34	26	178
Additions / capital increase	47	10	4	61
Amortization	–	–	–11	–11
Share of net profit	16	–	–	16
Dividends received	–10	–	–	–10
Disposal resulting from business acquisition	–5	–	–3	–8
Translation exchange differences	–8	–3	–2	–13
December 31, 2010	158	41	14	213

In million: CHF	Share in equity	Goodwill	Intangible assets	Total
Net book values 2009				
December 31, 2008	109	30	30	169
Additions / capital increase	5	–	–	5
Amortization	–	–	–3	–3
Share of net profit	–3	–	–	–3
Dividends received	–3	–	–	–3
Translation exchange differences	10	4	–1	13
December 31, 2009	118	34	26	178

The translation exchange differences are recognized in comprehensive income.

In the reporting year the investment in Hyundai Elevator Co. Ltd., South Korea, was increased from 25.5% to 35.6%. The transaction contained a share in equity of CHF 38 million. In addition, goodwill for the amount of CHF 10 million and other intangible assets for the amount of CHF 4 million were capitalized.

Cumulative values of the associated companies		
In million CHF	2010	2009
Operating revenue (share)	357	242
Share of net profit	16	–3
Balance sheet values:		
Current assets	150	127
Non-current assets	229	174
Current liabilities	133	113
Non-current liabilities	88	70
Equity	158	118

The values of the associated companies mainly comprise the interests in Hyundai Elevator Co. Ltd., South Korea. The values are based on the financial statements of those companies, or on their latest available forecasts or quarterly figures for the reporting year. Should there be material differences relative to the valuation rules of the Group, the values in the local financial statements are adapted.

The data used for Hyundai are based on the figures published by the company and adapted to IFRS. The current carrying amount of the investment as at December 31, 2010, is CHF 185 million (previous year: CHF 133 million). The fair value of the Hyundai shares at the end of 2010 was CHF 358 million (previous year: CHF 95 million). This value is based on a share price of KRW 168 000 and an exchange rate of 0.00084 (previous year: KRW 58 000 and 0.0009 respectively).

21 Long-term financial assets

In million CHF	2010	2009
Loans to associated companies and other related parties	5	4
Securities	160	127
Time deposits with a duration exceeding 12 months	120	18
Other long-term financial assets	44	43
Total long-term financial assets	329	192

22 Deferred taxes

22.1 Net book values

In million CHF	2010	2009
Deferred taxes based on temporary differences:		
Current assets	62	59
Property, plant, and equipment / investment properties	-8	-10
Provisions	68	65
Employee benefits	3	8
Intangible assets	-124	-114
Tax loss carryforwards	5	5
Other temporary differences	-39	-72
Total net book values	-33	-59
Of which recognized in the balance sheet as deferred tax liabilities	-164	-199
Of which recognized in the balance sheet as deferred tax assets	131	140

No material additional tax liabilities due to dividend payments from Group companies are expected.

22.2 Statement of change in deferred taxes

In million CHF	2010	2009
January 1	-59	-76
Reclassification:		
Disposal group ALSO	8	
Setup and reversal of temporary differences	5	17 ¹
Additions from business acquisition	-7	-
Translation exchange differences	20	-
December 31	-33	-59

¹ Of which disposal group ALSO: CHF 4 million

22.3 Unrecognized deferred tax assets

Deferred tax assets, including assets for unused tax loss carryforwards and expected tax credits, are only recognized if it is probable that future profits will be available against which the assets can be offset for tax purposes.

Deferred tax assets that were not capitalized amount to CHF 81 million (previous year: CHF 94 million).

22.4 Tax loss carryforwards

In million CHF	2010	2009
Total tax loss carryforwards	120	217
Includes tax loss carryforwards in deferred taxes	-16	-15
Total unused tax loss carryforwards	104	202¹
Of which expiring:		
within one year	-	-
in two to five years	6	33
in more than five years	98	169
Tax effect of unused tax loss carryforwards	29	53

¹ Of which disposal group ALSO: CHF 65 million

Income taxes and an analysis of the effective income tax rate are contained in note 9.

23 Employee benefit plans

23.1 Defined benefit plans 2010

In million CHF	Funded	Unfunded	Total
Net assets at fair value	1 925		1 925
Present value of defined benefit obligation	-1 896	-319	-2 215
Financial surplus/shortfall	29	-319	-290
Unrecognized actuarial loss	98	25	123
Total net book value 2010	127	-294	-167
Of which as employee benefits:			
under assets			131
under liabilities			-298

23.2 Defined benefit plans 2009

In million CHF	Funded	Unfunded	Total
Net assets at fair value	1 942		1 942
Present value of defined benefit obligation	-2 020	-344	-2 364
Financial surplus/shortfall	-78	-344	-422
Unrecognized actuarial loss	206	18	224
Total net book value 2009	128	-326	-198
Of which as employee benefits:			
under assets			132
under liabilities			-330

The net plan assets do not contain any shares or participation certificates of Schindler Holding Ltd. The Group does not utilize any assets of the benefit plans.

23.3 Pension cost for defined benefit plans

In million CHF	2010	2009
Current service cost	47	59
Interest cost	91	94
Expected return on plan assets	-91	-99
Actuarial gains/losses	11	13
Effect of the asset ceiling (IAS 19.58b)	28	20
Pension expenses	86	87 ¹
Actual return on plan assets	5.1%	7.7%

¹ Of which disposal group ALSO: CHF 2 million

23.4 Change in net assets at fair value

In million CHF	2010	Funded 2009
January 1	1 942	1 812
Expected return	91	99
Actuarial gains/losses	1	41
Employee contributions	28	27
Employer contributions	60	65
Benefits paid	-112	-103
Disposal group ALSO	-46	-
Translation exchange differences	-39	1
December 31	1 925	1 942

As at the date of this report, and based on current actuarial opinion, only a slight increase in employer contributions in 2011 is expected.

23.5 Change in present value of defined benefit obligation

In million: CHF	2010			2009		
	Funded	Unfunded	Total	Funded	Unfunded	Total
January 1	-2 020	-344	-2 364	-1 965	-346	-2 311
Current service cost	-39	-8	-47	-48	-11	-59
Interest cost	-75	-16	-91	-77	-17	-94
Employee contributions	-28	-	-28	-27	-	-27
Actuarial gains/losses	56	-7	49	-5	8	3
Benefits paid	112	20	132	103	21	124
Additions from business acquisition	-	-9	-9	-	-	-
Disposal group ALSO	53	-	53			
Translation exchange differences	45	45	90	-1	1	-
December 31	-1 896	-319	-2 215	-2 020	-344	-2 364

23.6 Multiyear comparison

In million: CHF	2010	2009	2008	2007	2006
Net assets at fair value	1 925	1 942	1 812	2 092	2 028
Present value of defined benefit obligation	-2 215	-2 364	-2 311	-2 406	-2 435
Financial surplus/shortfall	-290	-422	-499	-314	-407
Experience adjustments on plan assets at fair value	1	41	-352	-28	85
Experience adjustments on present value of defined benefit obligations	49	3	37	60	-54

23.7 Health care plans

The post-employment health care plans relate mainly to the USA. The effects of a change in the assumed cost trend rates for health care would have been insignificant.

23.8 Asset allocation of investments as of December 31

Weighted average in %	2010	2009
Equity instruments	31.7	27.2
Bonds	28.1	29.8
Real estate	22.1	24.4
Cash and cash equivalents	3.0	3.1
Other	15.1	15.5
Total	100.0	100.0

23.9 Basis of actuarial calculations

Weighted average in %	2010	2009
Discount rate	3.00	3.25
Expected return on assets	4.00	4.50
Increase in salaries/wages	2.00	2.00
Increase in pensions	0.00	0.50

The expected return on assets is based on long-term market expectations and actuarial opinions that take into account the asset allocation as well as closely observing and monitoring current developments. Given the long-term nature of the various categories of investment, an expected return of 4.0% can be used for calculation purposes.

24 Accounts payable

In million CHF	2010	2009
Supplies and services	481	718
Associated companies and other related parties	7	12
Social security institutions	50	56
Indirect taxes and capital taxes	126	149
Other accounts payable	58	78
Total accounts payable	722	1 013

25 Accrued expenses and deferred income

In million CHF	2010	2009
Personnel cost	391	452
Late cost	113	113
Invoiced service contracts	342	319
Other accrued expenses and deferred income	334	352
Total accrued expenses and deferred income	1 180	1 236

26 Financial debts

26.1 Current financial debts

In million CHF	2010	2009
Overdrafts	74	22
ALSO program for sale of receivables		80
Accounts payable to equity holders	59	61
Current portion of non-current financial debts:		
of bank loans	10	8
of financial leases	2	3
Total current financial debts	145	174

26.2 Non-current financial debts

In million CHF	2010	2009
4.64% bank loans 2008–2013, nominal value EUR 100 million	125	148
Other bank loans and private placements	–	80
Finance leases	5	11
Other non-current financial debts	2	6
Total non-current financial debts	132	245
Thereof CHF portion	0%	28%

The individual companies complied with all debt covenants.

26.3 Maturity and average interest rate on financial debts

In million CHF	2010		2009	
	Book value	Effective interest rate in %	Book value	Effective interest rate in %
Within one year	145	2.1	174	3.2
Within two to five years	130	4.7	241	5.3
More than five years	2	7.8	4	4.7
Total financial debts	277	3.3	419	4.4

27 Provisions

In million: CHF	Loss jobs	Restructuring cost	Product liabilities and warranties	Self-insurance and general nominated provisions	Others	Total
Current provisions	23	24	72	11	14	144
Non-current provisions	1	2	196	92	55	346
Total provisions	24	26	268	103	69	490

Statement of change

December 31, 2009	24	38	258	99	54	473
Setup	25	19	55	9	25	133
Increase in the present value	–	–	6	6	–	12
Usage	–22	–21	–42	–6	–8	–99
Reversal	–	–2	–2	–1	–1	–6
Reclassification:						
Disposal group ALSO	–	–	–	–	–2	–2
Other	–	–5	–	–	5	–
Additions from business acquisition	–	–	7	–	–	7
Translation exchange differences	–3	–3	–14	–4	–4	–28
December 31, 2010	24	26	268	103	69	490

The provision for loss jobs is created to cover losses contained in the order backlog. Reversal takes place in line with the progress of project execution. Projects are usually completed within 9 to 24 months of order receipt.

Provisions for restructuring cost also include termination payments and are only recognized in the balance sheet if a social plan exists which has been communicated to the affected parties. Reversal takes place in parallel with the payments which, except for the termination payments, are normally incurred within one year.

Provisions for product liability cases are based on actuarial calculations by independent experts for cases that have occurred, or are expected, but are not yet closed. Reversals take place parallel to the payments, which may extend over a period of up to ten years following the occurrence of the damage. The amounts of the provisions for product liability claims are subject to a certain degree of uncertainty with regard to timing as well as with regard to the amount to be paid. Warranty provisions cover the risk for expenses that have not yet occurred but which are expected before expiration of the granted warranty period.

The provision for self-insurance and general nominated provisions mainly covers risks that in individual countries are not, or not sufficiently, covered by local or state insurances. These provisions are based on corresponding actuarial opinions. In addition, these items contain provisions for process risks, levies and guarantees.

Other provisions cover further country-specific risks of individual companies. A material part thereof relates to provisions for tax risks. Reversal of other provisions normally takes place within five years.

28 Equity

28.1 Share capital		
	31.12.2010	31.12.2009
Number of shares	71 776 700	71 776 700
Nominal value in CHF	0.10	0.10
Share capital in CHF	7 177 670.00	7 177 670.00

28.2 Participation capital		
	31.12.2010	31.12.2009
Number of participation certificates	48 609 400	48 609 400
Nominal value in CHF	0.10	0.10
Participation capital in CHF	4 860 940.00	4 860 940.00

28.3 Own shares and participation certificates

In million: CHF	Registered shares		Participation certificates	
	Number	Value	Number	Value
December 31, 2008	2 002 896	140	964 458	59
Cancellation	-674 500	-54	-647 500	-49
Withdrawals for capital participation plan	-108 124	-6	-	-
Exercise of options from the capital participation plan	-137 573	-5	-114 067	-4
Purchase	246 690	17	94 696	7
Sales	-57 964	-4	-176 761	-12
December 31, 2009	1 271 425	86	120 826	5
Withdrawals for capital participation plan	-	-	-104 553	-10
Exercise of options from the capital participation plan	-141 353	-8	-119 975	-4
Purchase	291 252	29	508 533	50
Sales	-94 222	-8	-	-
December 31, 2010	1 327 102	99	404 831	39
Number of reserved shares and participation certificates for				
capital participation plan and Long Term Incentive Plan	1 327 102		404 831	
Already earmarked on December 31, 2010	1 327 102		344 341	

28.4 Further components of equity

The reserves consist mainly of accumulated profits of the Group, which are for the most part freely available (retained earnings). They also contain capital reserves. These mainly contain the payments of equity holders that exceeded the nominal value (share premium of Schindler Holding Ltd.), reduced by the amount greater than the nominal value resulting from the elimination of treasury stock. If the elimination of treasury stock fully depletes the capital reserves, the retained earnings are reduced by the remaining amount. Furthermore, realized profits and losses on the sale of treasury stock, as well as the fair values of financial instruments that were granted within the scope of capital participation plans, are a component of the capital reserves.

Non-controlling interests comprise interests held by third parties in the equity (including net profit for the year) of affiliated companies.

Dividends are charged to equity in the period in which they are determined by the General Meeting.

29 Business combinations

Saudi Elevator Co. Ltd.

Schindler increased its interest in Saudi Elevator Co. Ltd., Jeddah, Saudi Arabia from 20% to 100% and, since February 3, 2010, has complete control over the company. The newly affiliated company is an operating unit of the Elevators & Escalators segment, and is active in the installation of new systems as well as the modernization, maintenance, and repair of existing installations. The purchase strengthens the position of Schindler in the largest market of the Gulf region.

Cash of CHF 87 million was paid for the acquisition of the 80% interest. In the course of the business combination, the previously held interests (20%) were upwardly revalued by CHF 14 million to their fair value of CHF 22 million. The upward revaluation was recognized in operating profit (EBIT) as other income.

That part of the goodwill that represented a market entry premium had to be impaired by CHF 13 million as a result of an impairment test (see note 19 Impairment test). The remaining goodwill of CHF 40 million including foreign currency effects mainly reflects the expected synergy effects of inter-regional activities and the introduction of Group products and processes. It is assumed that the goodwill does not represent a deductible expense for income tax purposes.

The gross amount of the trade accounts receivable was CHF 34 million, on which an allowance for bad debts of CHF 10 million was formed. Further receivables, which are mainly recognized in non-current assets, amounted to CHF 13 million. The fair value of all acquired receivables was therefore CHF 37 million.

The newly purchased company contributed CHF 46 million to the consolidated operating revenue. If the purchase of this company had already been completed on January 1, 2010, the Group would have gained additional operating revenue of CHF 4 million (unaudited). The contribution to net profit before upward revaluation of the previously held interests by CHF 14 million and the impairment of goodwill of CHF 13 million amounts to CHF –1 million. The non-consolidated contribution of CHF 1 million for January 2010 has been insignificant (unaudited).

The transaction costs were substantially less than CHF 1 million and were recognized in operating expenses.

Reliable Elevator

As at September, 2010, Schindler acquired the business activities of Reliable Elevator, California, USA. Cash of CHF 20 million was paid for the acquisition.

The goodwill mainly represents the expected synergy effects of market development and the introduction of Group products and processes. It is assumed that the goodwill does not represent a deductible expense for income tax purposes.

Since the date of the acquisition, the operating revenue of the acquired business activities was CHF 5 million. If the transaction had already been completed on January 1, 2010, this would have resulted in additional operating revenue of CHF 10 million (unaudited). The contribution to net profit, and the unconsolidated net profit for the time before the acquisition, together amount to less than CHF 1 million (unaudited).

The transaction costs were substantially less than CHF 1 million and were recognized in operating cost.

Assets and liabilities from business acquisition

The following assets and liabilities were consolidated at their fair values as at the date of the acquisition (definitive values):

In million: CHF	Fair value at acquisition date		
	Saudi Elevator Co. Ltd.	Reliable Elevator	Total
Cash and cash equivalents / marketable securities	1	–	1
Accounts receivable / prepaid expenses and accrued income	24	–	24
Net assets of construction contracts / inventories	12	–	12
Property, plant, and equipment	13	1	14
Intangible assets	54	10	64
Other non-current assets	17	–	17
Current bank borrowings	–18	–	–18
Other current liabilities	–30	–	–30
Non-current liabilities	–21	–	–21
Total net assets	52	11	63
Goodwill	57	9	66
Acquisition costs	109	20	129
Fair value of previously held interests	–22	–	–22
Cash and cash equivalents acquired	–1	–	–1
Net cash outflow	86	20	106

30 Off-balance sheet transactions

30.1 Contingent liabilities

In million CHF	2010	2009
Total value of guarantees, pledges, and guarantee obligations in favor of third parties	12	17

As an internationally active company, Schindler is exposed to a multitude of legal risks. These relate particularly to risks associated with product liability, patent law, tax law, and competition law. Some companies are involved in legal proceedings. The results of currently pending or future proceedings cannot be adequately forecast, which means that decisions of courts or other authorities can cause expenses that are not covered fully, or at all, by insurances, and can therefore have significant consequences for the business and for future results. Wherever a reliable estimate of the financial consequences of a past event is possible, and can be confirmed by independent experts, a corresponding provision is made.

Claims for liability have been made against some companies by third parties based, for example, on product liability and labor law. Where these claims are not, or are no longer, covered by state or private insurance schemes, the contingent liability passes to the company. For this purpose, provisions that are appropriate on the basis of the information presently available have been made in the consolidated financial statements. However, a definitive assessment of the situation, and of potential additional costs, is not possible at the present time.

The Schindler companies that were affected by the decision of the European Commission of February 21, 2007, regarding fines under competition law have filed an action for annulment with the General Court of the European Union. This appeal is legally pending. The fine was paid in 2007. A decision by the court is expected during 2011.

The said decision of the EU competition authorities has resulted in two claims for damages at Belgian courts. The Schindler companies concerned consider the claims to be without merit. Consequently, no provisions have been made.

Subsequent to a decision by the Higher Regional Court in Vienna of December 14, 2007, imposing monetary fines, since February 2010 several claims for damages have been lodged with the Commercial Court in Vienna against various elevator companies, including Austrian subsidiaries of Schindler. The total claims for damages against all of the defendants together amount to around EUR 146.3 million, plus interest. The Schindler companies consider the claims to be without merit. Consequently, no provisions have been made.

30.2 Other unrecognized obligations

In million CHF	2010	2009
Irrevocable payment commitments resulting from		
contracts not to be recognized in the balance sheet	51	94

30.3 Maturity of rental and lease payments 2010

In million CHF	Rental contracts	Operating leases	Finance leases
Within one year	19	63	2
Within two to five years	34	118	4
More than five years	13	19	2
Total payments	66	200	8
Less interests			-1
Total finance lease financial debts 2010			7

30.4 Maturity of rental and lease payments 2009

In million CHF	Rental contracts	Operating leases	Finance leases
Within one year	26	80	4
Within two to five years	62	128	12
More than five years	23	56	-
Total payments	111	264	16
Less interests			-2
Total finance lease financial debts 2009			14

31 Financial risk management

As a globally active company, Schindler is exposed to various general and industry-specific risks. A comprehensive analysis of potential risks, and an assessment of their manageability, is therefore an absolute prerequisite to enable important entrepreneurial decisions to be made.

The most significant financial risks to which the Group is exposed are credit, liquidity, and market risks.

31.1 Principles for risk management

The risk policy is aligned to the pursuit of sustainable growth and increase in corporate value in which Schindler endeavors to avoid risks or control them as far as possible. Since risk management is an integral component of planning and executing the business strategy, the risk policy is defined by the Board of Directors, the Executive Committee of the Board, and the Management Committees.

Schindler applies various risk management and control systems that allow the risk to which the Group is exposed to be anticipated, measured, monitored, and managed. The appropriateness of the risk management, and of the internal control system, is reviewed by the Management Committees, the Audit Committee, and the Audit Expert Group at regular intervals, as well as immediately whenever unexpected risks arise (ad hoc), with modifications being made if necessary. This ensures that the Board of Directors, the Executive Committee of the Board, and the Management Committees are fully and promptly informed of material risks.

31.2 Organization of risk management

The members of the Executive Committee of the Board and of the Management Committees receive a large amount of information at least monthly. One source of information is the comprehensive Management Information System (MIS). The MIS has a cockpit function that provides an overview of the current status of the financial performance, information about risk and capital management aspects, as well as an analysis of the competitive situation and strategic developments. The MIS also contains extensive information about the operating business.

The corporate strategic plan, along with the analyses of the corporate functions Area Controlling and Group Assurance, enable the Group to promptly recognize and evaluate risks and initiate the necessary measures.

Group Treasury uses an analysis and evaluation system to register, monitor, and control financial risks. Control is based on instructions from the Board of Directors, the Executive Committee of the Board, and the Finance Committee. The Finance Committee is composed of various internal experts who are not members of the Board of Directors.

31.3 Credit risks

Credit risk contains the risk of a financial loss that arises through one counterparty being unable or unwilling to fulfill its contractual payment obligations. Credit risk thus contains not only the immediate risk of default but also the risk of an impaired credit rating along with the risk of a concentration of individual risks. The maximum credit risk is composed of the carrying amounts of the financial assets (including derivative financial instruments) and the guarantees.

31.3.1 Cash and cash equivalents, marketable securities, and long-term financial assets

An element of the Group's risk policy is for the majority of liquid assets to be invested in broadly diversified investments with a low risk of default. Cash and cash equivalents are correspondingly invested mainly in term deposits and in first-class, low-risk, liquid securities at financial institutions that fulfill certain minimum requirements regarding their credit rating. Where necessary, for example in countries with low ratings, there are other categories of investments of cash and cash equivalents to the extent considered essential for maintaining the operational business in such countries.

The Schindler Group makes various other investments which are classified either as marketable securities or as long-term financial assets. In the case of marketable securities, these mainly comprise safe investments in the form of bonds and capital-protected units, while the long-term financial assets mainly comprise investment-grade fixed-interest bonds (assets) as well as shares.

The Group is exposed to losses from credit risks if financial institutions and issuers of securities do not fulfill their obligations. To actively manage the credit risk, the Group has also defined limits for the amounts of assets that may be held with any one bank. In addition, the Group regularly reviews the credit ratings of the banks and the assets that are held there. The credit quality is represented by public ratings of Standard & Poor's. The rating code is a key composed of letters that represents the default risk of a debtor (country, company), and thus provides a simple means of assessing credit-worthiness. Each rating code represents an independent, statistically calculable, and verifiable default probability.

- AAA default risk practically zero
- AA safe investment but slight risk of default
- A safe investment provided that no unforeseen circumstances impair the overall economy or the industry
- <A mainly investments for which no public rating exists

2010									
	Rating								Total
	In million CHF	AAA %	In million CHF	AA %	In million CHF	A %	In million CHF	<A %	In million CHF
Cash and cash equivalents	354	15%	913	40%	525	23%	518	22%	2 310
Marketable securities ¹	11	9%	65	56%	26	22%	15	13%	117
Long-term financial assets ¹	–	–	18	7%	52	21%	174	72%	244
Total	365	14%	996	37%	603	23%	707	26%	2 671

¹ Excluding equity instruments

2009									
	Rating								Total
	In million CHF	AAA %	In million CHF	AA %	In million CHF	A %	In million CHF	<A %	In million CHF
Cash and cash equivalents	102	5%	661	35%	674	35%	482	25%	1 919
Marketable securities ¹	91	36%	57	22%	82	32%	24	10%	254
Long-term financial assets ¹	16	10%	2	1%	22	13%	126	76%	166
Total	209	9%	720	31%	778	33%	632	27%	2 339

¹ Excluding equity instruments

31.3.2 Trade accounts receivable

Schindler markets a wide range of products and services. Since the customer base consists of a large number, and a worldwide spread, the danger of cluster risks occurring in association with trade receivables is limited. The payment terms and outstanding receivables are regularly monitored locally by the companies. Security is additionally assured in the form of prepayments and progress payments.

Value adjustments on receivables

In million CHF	2010	2009
January 1	-156	-134
Setup	-20	-42
Usage	21	19
Reversal	-	3
Reclassification:		
Disposal group ALSO	3	-
Translation exchange differences	15	-2
December 31	-137	-156
Expenses for the complete derecognition of trade accounts receivable ¹	21	18
Income from the inclusion of derecognized trade accounts receivable	1	1

¹ No expenses for associated companies occurred in the reporting period (or previous year)

The age structure of the outstanding accounts receivable is as follows:

Aging analysis of receivables 2010

In million: CHF	Total carrying amount 31.12.2010	of which not overdue	of which overdue				
			<30 days	30 to 90 days	91 to 180 days	181 to 360 days	>360 days
Trade accounts receivable gross	1 302	363	347	268	118	89	117
Allowance for doubtful accounts	-137	-3	-4	-6	-10	-25	-89
Associated companies and other related parties	9	3	2	3	1	-	-
Other receivables	106	84	10	6	1	3	2
Total receivables	1 280	447	355	271	110	67	30

Aging analysis of receivables 2009

In million: CHF	Total carrying amount 31.12.2009	of which not overdue	of which overdue				
			<30 days	30 to 90 days	91 to 180 days	181 to 360 days	>360 days
Trade accounts receivable gross	1 683	696	379	244	133	100	131
Allowance for doubtful accounts	-156	-6	-16	-8	-12	-29	-85
Associated companies and other related parties	17	8	4	2	3	-	-
Other receivables	163	153	5	2	-	1	2
Total receivables	1 707	851	372	240	124	72	48

For the trade accounts receivable that are neither impaired nor overdue for payment, as of balance sheet date, there are no indications that the customers will not meet their payment obligations.

31.4 Liquidity risks

Liquidity risk describes the risk that Schindler cannot fully meet its financial obligations.

The centrally managed liquidity risk management ensures that the Group is always in a position to fulfill its payment obligations promptly. Having a solid financial structure is a significant contribution to assuring liquidity. In addition, the cash flows are constantly monitored by means of a detailed liquidity overview. This summarizes the lifetimes of financial investments and financial assets as well as expected cash flows from business activity.

The Group aims to have available a substantial liquidity reserve in the form of cash and cash equivalents, and thus to ensure solvency and financial flexibility at all times. The creditworthiness of the Group also allows it to make efficient use of the international financial markets for financing purposes should this be necessary.

As of December 31, 2010, and 2009 respectively, the financial liabilities of the Group displayed the maturities shown below. The information is based on the contractually agreed interest and amortization payments.

Financial liabilities 2010: carrying amounts and cash outflows¹

In million CHF	Carrying amounts	Cash outflows			
	31. 12. 2010	Total	up to 1 year	2 to 5 years	more than 5 years
Trade accounts payable	-546	-546	-546	-	-
Liabilities to banks / equity holders	-270	-290	-151	-137	-2
Finance lease liabilities	-7	-8	-2	-4	-2
Forward exchange contracts:					
cash inflows		2 490	2 382	108	-
cash outflows		-2 472	-2 364	-108	-
Net	18	18	18	-	-
Other financial liabilities	-666	-666	-666	-	-
Total	-1 471	-1 492	-1 347	-141	-4

¹ Excluding disposal group ALSO

Financial liabilities 2009: carrying amounts and cash outflows

In million CHF	Carrying	Cash outflows			
	amounts 31.12.2009	Total	up to 1 year	2 to 5 years	more than 5 years
Trade accounts payable	-808	-808	-808	-	-
Liabilities to banks / equity holders	-405	-451	-175	-272	-4
Finance lease liabilities	-14	-16	-4	-12	-
Forward exchange contracts					
cash inflows		1 786	1 721	65	-
cash outflows		-1 778	-1 713	-65	-
Net	8	8	8	-	-
Other financial liabilities	-786	-786	-786	-	-
Total	-2 005	-2 053	-1 765	-284	-4

The cash outflows shown above are subject to the following conditions and exceptions:

- All financial instruments are included that were recognized on December 31, 2010, and 2009 respectively, and for which payments were already contractually agreed. Plan figures for future new liabilities are not included.
- Foreign currency amounts are translated at balance sheet rates.
- Variable interest payments for financial instruments are based on the last interest rates fixed on December 31, 2010, and 2009 respectively.
- Repayable financial liabilities are always assigned to the earliest maturity date.
- Derivative financial instruments comprise derivatives with negative as well as positive replacement values. This takes account of the fact that all derivative financial instruments, and not only those with a negative replacement value, can have influence on individual timeframes.

31.5 Market risks

In view of its international business relationships, financial activities, and investments, within the scope of its normal business activities the Group is exposed to market risks that arise from interest rates and foreign currency exchange rates, as well as to a limited extent from share prices of listed securities. These risks can have a material effect on the capital, financial, income, or cash flow situation of the Group. Moreover, these risks can be augmented or succeeded by further risks which are regarded as immaterial, or are not yet known.

The Group's assets and liabilities associated with pension plans are not included in the following quantitative and qualitative information.

31.5.1 Risk measurement and management

For Schindler, the handling of market risks is a central task. Opportunities that arise from the sale of goods and services in the international market must be captured. At the same time, the associated risks must be minimized by proactive calculation. For this purpose they are constantly evaluated, measured, and monitored. Economic analyses, market information, and industry information flow continuously into the risk management process.

Group-wide management of the market risks is one of the main responsibilities of Group Treasury and is monitored at the level of the Executive Committee of the Board as well as the Finance Committee. If necessary, the risks are managed by the use of derivative financial instruments such as foreign currency contracts or interest rate swaps.

To assess the effects of different conditions in the market, sensitivity analyses are used. They allow the Group-wide evaluation of the risk items. The analyses approximately quantify the risk that can arise under given assumptions when individual parameters are changed in isolation by a defined amount. The potential economic consequences are based on the occurrence of the (un)favorable market changes assumed in the sensitivity analysis. As a result of the market development that has occurred, effects on the statement of comprehensive income (comprising the profit and loss statement and items of other comprehensive income) may differ substantially from the foregoing values.

31.5.2 Interest rate risks

Interest rate risks result from changes in interest rates which could negatively affect the capital, financial, income, or cash flow situation of the Group. Fluctuations in interest rates cause changes in the interest income and interest cost of interest-bearing assets and liabilities.

The main currencies in which Schindler is exposed to interest risks are the Swiss franc, the euro, the US dollar, and the Brazilian real. Group Treasury monitors the non-current financial debts Group-wide with the objective of minimizing the effects of interest fluctuations in these currencies.

Not only Group-internal finance companies have the possibility to invest in interest-bearing financial assets, but also – to a limited extent – the operating companies.

The Executive Committee of the Board and the Finance Committee stipulate the desired mix of fixed and variable interest-bearing financial liabilities. According to current internal rules, the operating companies are not allowed to take up long-term fixed-interest financial liabilities. Local, short-term interest rate risks are normally not hedged by the operating companies.

Taking into account the existing and planned debt structure, Group Treasury uses interest derivatives if necessary to adjust the interest structure of the financial liabilities to the structure stipulated by management. Depending on whether the Group has a financial overhang in fixed, or in variable, interest-bearing instruments, interest risks can result from a rise in market interest rates as well as a fall.

Risks from changes in interest rates are modeled by means of sensitivity analyses. These sensitivity analyses demonstrate the effects of changes in market interest rates on interest expense and interest income.

If the level of market interest rates on December 31, 2010, had been 100 base points higher (lower), net financial income would have been CHF 23 million higher (lower) (previous year: CHF 21 million).

31.5.3 Exchange rate risks

Through its worldwide activities, Schindler is exposed to currency risks. These risks – which can be divided into transaction and translation risks – can influence the capital, financial, income, or cash flow situation, presented in Swiss francs.

The bulk of expenses and income from operating activities arise in local currency. However, expenses and income that arise in foreign currencies entail transaction risks. To manage these risks, Group-wide guidelines require each company to monitor its transaction-related foreign currency risks and to calculate its respective net exposure in the various currencies. All operating units are required to hedge their transaction risks to the extent allowed by law. The hedging is usually undertaken by Group Treasury or, in specially approved cases, directly with external counterparties. Group Treasury brings the various transaction risks in the same currency together and creates natural hedging relationships between individual currencies. This netting facility is optimized through the Group-internal billing currencies being essentially limited to the euro and the US dollar.

As far as possible, those remaining transaction risks that could not be mutually hedged within the Group are hedged by Group Treasury with currency derivatives from counterparties with good international risk ratings. Schindler thereby continuously reduces the transaction-related foreign currency risks to a minimal amount, so that there is no material exchange rate risk to the Group. Management receives monthly information on the risk exposure with the Treasury Report.

Translation risks arise in connection with the translation of the statements of comprehensive income and balance sheets of affiliated companies in the consolidated financial statements. They are only hedged in exceptional cases.

The operating companies are not allowed to obtain or invest cash in foreign currencies. Group-internal financing, or investments by Group companies, take place in the respective local currency.

The following table shows the unhedged net exposures in CHF of the Group in its Swiss franc, euro, and US dollar positions at December 31, 2010, and December 31, 2009, respectively. The unhedged net positions at the end of the year are also representative of the main risks during the year.

In million CHF	CHF	EUR	USD
31. 12. 2010	–	1	13
31. 12. 2009	1	–	12

In the following sensitivity analysis, the foreign currency risk of the operating companies and finance companies is calculated (relates to the transaction risks; translation risks are not considered). The forward contracts of the finance companies have associated currency risks and are included in the calculations.

If, on December 31, the Swiss franc had been 5% stronger/weaker relative to the euro and the US dollar, and all other parameters had remained unchanged, the effect on the comprehensive income would have been as follows:

In million CHF	CHF +5%		CHF –5%	
	CHF/EUR	CHF/USD	CHF/EUR	CHF/USD
Financial result 2010	–7	–2	7	2
Other comprehensive income 2010	8	3	–8	–3
Financial result 2009	10	1	–10	–1
Other comprehensive income 2009	–	–	–	–

The current situation regarding foreign currency risks is largely balanced, since outstanding contracts at December 31, 2010, were neutralized with counterpositions. The Schindler Group is nonetheless still subject to transaction risks from its future operating activities, or if neutralizing counterpositions are reopened.

31.5.4 Share price risks / risks of equity instruments

Investments in equity instruments are undertaken on a case-by-case basis on the instructions of the Executive Committee of the Board, the Finance Committee, or Group Treasury. Group Treasury monitors the investment strategy and the price development daily.

Investments in equity instruments are undertaken exclusively by Group-internal finance companies; the operating companies are generally forbidden to undertake such transactions.

Schindler has undertaken investments of CHF 90 million in equity instruments. The equity instruments include derivatives, shares, units in commodity funds, and alternative investments. The associated price risks result from price changes, which can have negative effects on the capital, financial, income, or cash flow situation of the Group.

If the price level of the various equity instruments at December 31, 2010, had been 10% higher (lower), net financial income would have been CHF 8 million higher (lower) (previous year: immaterial). Other comprehensive income would have been affected by +/- CHF 1 million.

31.6 Capital management

The main objective of Group capital management is to ensure a strong credit rating and robust key performance figures in support of the operational business activities and shareholder value. To this end, the capital structure is adapted to the ongoing requirements. Possible measures are changes to the dividend payment, repayment of capital to the equity holders in the form of a repurchase program, or the issue of new shares.

A control parameter for capital management is the gearing ratio. The ratio of net liabilities to total capital is constantly monitored.

In million CHF	2010	2009
Financial debts	277	419
Liabilities	722	1 013
Cash and cash equivalents	-2 310	-1 919
Net liabilities/assets	-1 311	-487
Total equity	2 819	2 521
Total capital	1 508	2 034
Gearing ratio (net liabilities as percentage of total capital)	<0%	<0%

With the exception of ALSO, no affiliated companies were subject to any externally stipulated minimum capital requirements.

32 Financial instruments

32.1 Financial instruments 2010

In million CHF	Financial assets			Financial liabilities		Total	Total fair values
	at fair value through profit or loss held for trading	Loans and receivables	available for sale	at fair value through profit or loss held for trading	Other financial liabilities		
Cash and cash equivalents		2 310				2 310	2 310
Marketable securities	60	32	33			125	125
Accounts receivable	1	1 279				1 280	1 280
Prepaid expenses and accrued income	77	54				131	131
Long-term financial assets	69	169	91			329	329
Financial debts					277	277	277
Accounts payable					546	546	546
Accrued expenses and deferred income				59	666	725	725
Total	207	3 844	124	59	1 489		
Interest income/expense	2	37	–		–17	22	
Net income from securities/trading	10		–	–		10	
Change in value adjustments and losses on trade accounts receivable		1				1	
Total net gain/loss in the profit and loss statement	12	38	–	–	–17	33	
Changes recognized in statement of comprehensive income:							
unrealized			3			3	
realized through the profit and loss statement			–			–	
Total	12	38	3	–	–17	36	

32.2 Financial instruments 2009¹

In million CHF	Financial assets			Financial liabilities		Total	Total fair values
	at fair value through profit or loss held for trading	Loans and receivables	available for sale	at fair value through profit or loss held for trading	Other financial liabilities		
Cash and cash equivalents		1 919				1 919	1 919
Marketable securities	152	19	86			257	257
Accounts receivable	–	1 707				1 707	1 707
Prepaid expenses and accrued income	26	75				101	101
Long-term financial assets	–	65	127			192	192
Financial debts					419	419	419
Accounts payable				1	808	809	809
Accrued expenses and deferred income				18	786	804	804
Total	178	3 785	213	19	2 013		
Interest income/expense	1	25	7		–45	–12	
Net income from securities/trading	–37		4	–		–33	
Change in value adjustments and losses on trade accounts receivable		–20				–20	
Total net gain/loss in the profit and loss statement	–36	5	11	–	–45	–65	
Changes recognized in statement of comprehensive income:							
unrealized			–3			–3	
realized through the profit and loss statement			–			–	
Total	–36	5	8	–	–45	–68	

¹ Including ALSO

32.3 Fair value 2010 by levels¹

In million CHF	Level 1	Level 2	Level 3	Total fair values
Financial assets				
at fair value through profit or loss				
Marketable securities	17	43	–	60
Accounts receivable	–	1	–	1
Prepaid expenses and accrued income	–	77	–	77
Long-term financial assets	69	–	–	69
available for sale				
Marketable securities	33	–	–	33
Long-term financial assets	76	–	15	91
Financial liabilities				
at fair value through profit or loss				
Accrued expenses and deferred income	–	59	–	59

¹ There were no transfers of fair values between level 1 and level 2, and no transfers into and out of level 3.

Level 1: Fair values for which quoted prices in active markets are available.

Level 2: Fair values determined on the basis of observable market data. The data must take account of quoted prices in inactive markets or unquoted prices. Furthermore, such fair values can also be derived from prices indirectly.

Level 3: Fair values which are not determined on the basis of observable market data.

32.4 Fair value 2009 by levels¹

In million CHF	Level 1	Level 2	Level 3	Total fair values
Financial assets				
at fair value through profit or loss				
Marketable securities	6	146	–	152
Prepaid expenses and accrued income	–	26	–	26
available for sale				
Marketable securities	86	–	–	86
Long-term financial assets	112	–	15	127
Financial liabilities				
at fair value through profit or loss				
Accounts payable	–	1	–	1
Accrued expenses and deferred income	–	18	–	18

¹ There were no transfers of fair values between level 1 and level 2, and no transfers into and out of level 3.

32.5 Reconciliation of the fair values of financial instruments of level 3

The fair value of the financial instruments of level 3 changed in the reporting year by CHF 2 million on account of higher measurements (previous year: CHF –2 million). These were recognized in other comprehensive income. Since sales amounting to CHF 2 million were also made, the net amount of the fair value is unchanged. Through the sale of the financial instruments, financial income of substantially less than CHF 1 million was realized.

32.6 Open derivative financial instruments

In million: CHF	2010			2009		
	Contract value	Replacement value positive	negative	Contract value	Replacement value positive	negative
Currency instruments						
Forward currency contracts	2 246	77	59	1 760	26	18
Currency options (OTC)	167	1	–	189	–	–
Total currency instruments	2 413	78	59	1 949	26	18
Interest instruments						
Interest rate swaps	4	–	–	20	–	1
Interest rate options	–	–	–	–	–	–
Total interest instruments	4	–	–	20	–	1
Other derivative financial instruments	20	–	–	11	–	–
Total	2 437	78	59	1 980	26	19
Total derivative financial instruments contained in the						
accounts receivable/payable and/or prepaid expenses and						
accrued income/accrued expenses and deferred income						
		78	59		26	19

32.7 Hedging transactions 2010

In million: CHF	Fair value	Nominal amount	Risk	Hedging instrument
Hedged items				
Cash flows	–301	–318	Foreign currency	Forward exchange contract

32.8 Hedging transactions 2009

In million: CHF	Fair value	Nominal amount	Risk	Hedging instrument
Hedged items				
Cash flows	–164	–164	Foreign currency	Forward exchange contract
Fair values	–21	–20	Interest rate	Interest rate swap

33 Encumbered assets (assets pledged or assigned as security for the Group's own liabilities)

In million: CHF	2010	2009
Marketable securities	21	13
Accounts receivable	12	126
Inventories	2	27
Disposal group ALSO	42	–
Property, plant, and equipment	14	15
Long-term financial assets	1	1
Total pledged assets	92	182

34 Segment reporting

The Schindler Group comprises the two operating segments Elevators & Escalators and ALSO. These are the organizational units for which reporting takes place to the management of the Schindler Group (chief operating decision maker).

The Elevators & Escalators segment comprises various operational units which are active in the production and installation of new installations, as well as in the modernization, maintenance, and repair of existing installations.

The ALSO segment, which as at December 31, 2010, is reported as a disposal group, is a company listed on the SIX Swiss Exchange which is active in various European countries and specializes in distribution and logistical services for information technologies and consumer electronics (ICE).

Finance/Eliminations mainly comprises the expenses of Schindler Holding Ltd., the centrally managed financial assets, and the financial liabilities to third parties that have been entered into for Group financing purposes. Also contained in this category are eliminations associated with the ALSO disposal group and – to a comparatively minor extent – the assets and liabilities that cannot be allocated to the segments.

In addition to the segment information, selected information relating to the individual regions of the Elevators & Escalators segment is published. The allocation of operating revenue from the Elevators & Escalators segment to the regions takes place according to the billing location. In addition to operating revenue from third parties, revenue from transactions with other regions is reported separately. These revenues are based on market prices (at arm's length).

The operating profit contains all operating income and expenses which fall directly in the respective segments. These include cross-segment expenses that are charged directly at arm's length. The charges that are transferred are determined according to the services rendered and on the basis of recognized international standards (OECD Transfer Pricing Guidelines).

The assets and liabilities of the Elevators & Escalators segment contain only third-party financial assets and financial liabilities. By contrast, the ALSO segment can contain financial assets and financial liabilities relative to other affiliated companies which are eliminated in the finance/eliminations category.

Without exception, associated companies operate only in the Elevators & Escalators segment. The share in profit is not part of the reported operating profit.

The number of employees is recognized and allocated according to uniform criteria. The number of employees only includes employees who have a direct contractual relationship with Schindler. The employees are allocated geographically to the location where they have an employment contract with a Schindler company and are paid locally by this company, or – in individual cases – allocated to the location where they perform their work.

Since the internal and external reporting are based on the same principles of valuation, the need for reconciliation of the management reporting figures to the financial reporting figures does not arise. The operating profits of the segments can accordingly be reconciled to the profit before taxes of the Group by reference to the figures reported in the consolidated profit and loss statement.

34.1 Segment information 2010

	Group	Finance/ Elimi- nations	ALSO (disposal group)	Segments	Additional information to the E & E segment			
				Elevators & Escalators (E & E)	Europe	North, Central, and South America	Asia, Australia, Africa	Elimi- nations
In million: CHF								
Operating revenue third parties	8 187	-4 214	4 214	8 187	4 250	2 352	1 585	–
Revenue from other regions		–	–	–	261	13	95	-369
Total operating revenue	8 187	-4 214	4 214	8 187	4 511	2 365	1 680	-369
Operating profit	950	-87	57	980				
Additions of property, plant, and equipment, and intangible assets	136	-49	49	136	61	50	25	–
Total depreciation and amortization	132	-7	7	132	59	33	40	–
of which impairment	13	–	–	13	–	–	13	–
Share in profits of associated companies	5	–	–	5				
Assets	7 430	2 153 ¹	740	4 537	2 041	1 328	1 168	–
Investments in associated companies	213	–	–	213	20	–	193	–
Liabilities	4 611	104 ²	542	3 965	2 274	974	717	–
Personnel at year-end (number)			1 479	43 010	20 506	11 706	10 798	–

¹ Including eliminations of CHF 11 million

² Including eliminations of CHF 32 million

34.2 Segment information 2009

In million: CHF	Group	Finance/ Elimi- nations	ALSO (disposal group)	Segments	Additional information to the E & E segment			
				Elevators & Escalators (E & E)	Europe	North, Central, and South America	Asia, Australia, Africa	Elimi- nations
Operating revenue third parties	8 281 ¹	-4 410 ¹	4 410	8 281	4 498	2 406	1 377	-
Revenue from other regions		-	-	-	243	11	51	-305
Total operating revenue	8 281 ¹	-4 410 ¹	4 410	8 281	4 741	2 417	1 428	-305
Operating profit	934 ¹	-68 ¹	40	962				
Additions of property, plant, and equipment, and intangible assets	123 ¹	-14 ¹	14	123	58	29	36	-
Total depreciation and amortization	120 ¹	-29 ¹	30	119	68	29	22	-
of which impairment	1 ¹	-15 ¹	15	1	-	-	1	-
Share in profits of associated companies	-6	-	-	-6				
Assets	7 080	1 525 ²	812	4 743	2 394	1 391	958	-
Investments in associated companies	178	-	-	178	20	-	158	-
Liabilities	4 559	29 ³	617	3 913	2 346	979	588	-
Personnel at year-end (number)			1 475	41 962	20 894	11 751	9 317	-

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

² No eliminations

³ Including eliminations of CHF 80 million

34.3 Geographical information

In million: CHF	2010			2009 ¹		
	Switzerland	Other countries	Group	Switzerland	Other countries	Group
Operating revenue	790	7 397	8 187	771	7 510	8 281
Non-current assets ²	117	1 320	1 437	136	1 377	1 513

¹ Retrospective adjustment resulting from separate reporting of the disposal group ALSO, see note 11

² Without long-term financial assets, deferred taxes, and employee benefits

35 Capital participation plans

35.1 Content

35.1.1 Capital Participation Plan 2000

For the share-based payment of managerial and other employees of the Group, the Capital Participation Plan 2000 was introduced in the year 2000. This comprises a share plan and an option plan. The duration was originally six years and was extended for a further six years in 2006. The specific features of the plan, and who should benefit, are decided each year by the Board of Directors. The present Capital Participation Plan 2000 currently applies to about 570 employees of the Group.

The shares and participation certificates (PCs) that are granted under this plan pass on the date they are granted into the ownership of the employees, and carry all associated rights, but are subject to the restriction that for a period of three years they may not be sold.

After three years, the allocated options pass into the unrestricted ownership of the recipients, provided that they remain in the company for this period. The subsequent exercise period extends for six years (retrospectively changed in reporting year 2009 as from allocation year 2006, formerly three years).

35.1.2 Long Term Incentive Plan

In 2008, the Long Term Incentive Plan was introduced to provide long-term performance incentives for the members of the Management Committee Elevators & Escalators and other managers. The Long Term Incentive Plan consists of a Performance Share Plan and an Options Plan.

Under the Performance Share Plan, the Board of Directors at its own discretion awards the beneficiary a certain number of Performance Share Units. Each Performance Share Unit gives the beneficiary the right to a still-to-be-determined number of shares or participation certificates of Schindler Holding Ltd. The number of shares or PCs depends on the attainment of certain growth and profitability figures (Key Performance Figures) which are defined each year by the Board of Directors. The allocation of the shares or PCs takes place on completion of the three-year performance period. Before allocating the shares or PCs, the extent of attainment of the Key Performance Figures and the resulting multiplier (conversion rate) are calculated. The conversion rate can have a value between 0 and 3. The number of shares/PCs to be allocated is calculated by multiplying the Performance Share Units by the conversion rate. The shares/PCs are then transferred into ownership of the beneficiary, who may freely dispose of them as from this date.

Under the Options Plan, the Board of Directors or Compensation Committee respectively, at its own discretion, grants to the beneficiaries a certain number of options on shares or PCs of Schindler Holding Ltd. The allocation for the reporting year takes place in April of the reporting year. After three years, the granted options pass into the unrestricted ownership of the beneficiary, provided that the beneficiary remains in the company for this period. The subsequent exercise period extends for six years (retrospectively changed in reporting year 2009 for the allocation year 2008, formerly three years).

35.1.3 Provision of the shares and participation certificates

For settlement of the outstanding options and Performance Share Units, the Group normally holds the necessary number of shares or PCs in treasury until the options are exercised or expire. No additional shares or PCs are issued. All options allow only the purchase of shares or PCs and cannot result in the direct receipt of cash or cash equivalents. Similar conditions apply to the Performance Share Units.

35.2 Share plan of Schindler Holding Ltd.

For the Capital Participation Plan 2000 relating to the result for 2009, 104 553 participation certificates (previous year: 108 124 registered shares) were removed from treasury stock at the time when they were awarded (April 2010). The expense based on the year-end share/PC price and the approximate number of shares/PCs is charged to personnel cost for the corresponding period. When the allocations become definite (at the end of March in the following year), a possible difference in the number and/or in the fair value at the end of March is also debited as expense, or credited as income respectively, to personnel cost.

35.3 Performance Share Plan

Within the framework of the Long Term Incentive Plan, in the reporting year, Performance Share Units were granted under the Performance Share Plan. The resulting personnel cost is charged over the performance period of three years. The personnel cost to be recognized is based on the price of the share or participation certificate at the date of granting less the present value of the expected dividends over the performance period.

This amount is multiplied by the number of shares or participation certificates that is expected to be allocated to the recipients of the Performance Share Units.

The estimated number of shares or PCs results from the conversion rate multiplied by the number of Performance Share Units that are allocated. The conversion rate to be used is reviewed annually.

35.4 Option conditions on shares and participation certificates Schindler Holding Ltd.

35.4.1 Capital Participation Plan 2000

All values after 10:1 share/participation certificate splits on March 27, 2006

Year of issue	2010	2009	2008	2007	2006	2005	2004
Options granted		464 175	357 092	160 711	138 376	263 060	279 670
Exercised/expired in the previous years		-1 741	-13 335	-11 410	-48 295	-151 054	-233 296
Outstanding as at January 1, 2010		462 434	343 757	149 301	90 081	112 006	46 374
Options granted	207 896	–	–	–	–	–	–
Options exercised	-2 161	-12 200	-10 718	-56 938	-44 284	-74 980	-42 834
Options redeemed	–	-420	-527	–	–	–	–
Expired	–	–	–	–	–	–	-3 540
Balance on December 31, 2010	205 735	449 814	332 512	92 363	45 797	37 026	–
Exercisable	–	–	–	92 363	45 797	37 026	–
Entitles to purchase of	Participation certificates	Shares	Shares	Shares	Shares	Participation certificates	Participation certificates
Exercise price	53.60	56.40	80.90	56.20	48.80	32.90	28.70
Vesting period ends	30.04.2013	30.04.2012	30.04.2011	30.04.2010	30.04.2009	30.04.2008	30.04.2007
Exercise period ends	30.04.2019	30.04.2018	30.04.2017	30.04.2016	30.04.2015	30.04.2011	30.04.2010
Assignment ratio options : shares/ participation certificates	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Weighted stock exchange price on exercise in 2009	–	72.90	–	65.05	69.10	64.65	67.10
Weighted stock exchange price on exercise in 2010	107.90	101.55	102.25	99.35	91.05	92.50	87.55

35.4.2 Long Term Incentive Plan

Year of issue	2010	2009	2008
Options granted	–	314 783	155 311
Exercised/expired	–	–	–
Outstanding as at January 1, 2010	–	314 783	155 311
Options granted	107 739	–	–
Options exercised	–	–8 441	–8 772
Options redeemed	–6 159	–2 407	–
Balance on December 31, 2010	101 580	303 935	146 539
Exercisable	–	–	–
Entitles to purchase of	Participation	Shares	Shares
	certificates		
Exercise price	85.10	56.40	78.90
Vesting period ends	30.04.2013	30.04.2012	30.04.2011
Exercise period ends	30.04.2019	30.04.2018	30.04.2017
Assignment ratio options : shares/			
participation certificates	1:1	1:1	1:1
Weighted stock exchange price on exercise in 2010	–	115.25	115.65

35.5 Option conditions on shares ALSO Holding AG

All values after 10:1 share split on March 23, 2006

Year of issue	Assignment ratio	Right to	Exercise period	Exercise price then applicable in CHF	Balance on 31.12.2010 Number
2005	1:1	Shares	May 1, 2008 until April 30, 2011	33.08	–
2006	1:1	Shares	May 1, 2009 until April 30, 2015	35.68	1 975
2007	1:1	Shares	May 1, 2010 until April 30, 2016	43.96	2 345
2008	1:1	Shares	May 1, 2011 until April 30, 2017	67.20	1 602
2009			no options granted		
2010	1:1	Shares	May 1, 2013 until April 30, 2019	45.50	3 407

35.6 Valuation of the options

The options are valued by the Hull-White model, which allows consideration to be given to the reduction in fair value resulting from specific characteristics of employee options. The fair value of the options is charged to personnel cost over three years (vesting period).

The volatility was calculated on the basis of the historical volatility of the participation certificate / share price over a time horizon of one year prior to the date of valuation.

35.6.1 Schindler Holding Ltd.

	2010	2009
Price in CHF (participation certificate / share)	92.80	52.00
Exercise price in CHF (Capital Participation Plan 2000)	53.60	56.40
Exercise price in CHF (Long Term Incentive Plan)	85.10	56.40
Volatility	37.3%	44.4%
Risk-free interest rate	1.8%	2.0%
Dividend rate	2.2%	3.8%
Exit rate	5.0%	5.0%
Exercise multiple	2	2
Duration	9 years	9 years
Vesting period	3 years	3 years
Fair value in CHF (Capital Participation Plan 2000)	45.96	17.14
Fair value in CHF (Long Term Incentive Plan)	33.71	17.14

35.6.2 ALSO Holding AG

	2010	2009 ¹
Price in CHF (registered share)	44.95	—
Exercise price in CHF	45.50	—
Volatility	26.8%	—
Risk-free interest rate	1.8%	—
Dividend rate	1.6%	—
Exit rate	5.0%	—
Exercise multiple	2	—
Duration	9 years	—
Vesting period	3 years	—
Fair value in CHF	12.03	—

¹ No options granted

35.7 Allocation to Board of Directors and Management Committees

Year of definite allocation	2010	2009
Participation certificates Schindler Holding Ltd.	5 544	8 766
Performance Share Units	32 327	46 924
Options on participation certificates (Capital Participation Plan 2000)	8 716	30 099
Options on participation certificates (Long Term Incentive Plan)	81 518	242 059
Shares ALSO Holding AG	3 100	2 967
Options on shares ALSO Holding AG	3 407	–

36 Related parties

Schindler Holding Ltd., Hergiswil, Switzerland, is the ultimate holding company and is not controlled by any other company.

On December 31, 2010, the Schindler and Bonnard families, together with parties related to these families, held within a shareholders' agreement 50 999 418 registered shares (previous year: 51 026 502) of Schindler Holding Ltd., corresponding to 71.1% (previous year: 71.1%) of the voting rights of the share capital entered in the Commercial Register.

All business transactions with related parties were conducted at arm's length at normal market conditions. Neither with the major shareholders nor with other related parties have unusual transactions taken place.

The transactions with associated companies and other related parties consist of the following:

Associated companies

In million CHF	2010	2009
Invoicing	42	68
Material and operating expenses	13	6
Receivables and loans	14	21
Liabilities	7	12

Other related parties

In million CHF	2010	2009
Liabilities	59	61

37 Compensation of key management

The members of the Board of Directors of Schindler Holding Ltd. collectively receive for their activities as Board members total fees and expenses of CHF 2.1 million (previous year: CHF 2.1 million).

In addition, the executive members of the Board of Directors and the members of the Management Committees receive a fixed salary plus performance-related compensation customary for the industry (see also Compensation Report, pages 137 to 152).

In million CHF	2010	2009
Salary payments (incl. cash bonuses and flat-rate expenses), fees	29	28
Contributions to pension plans	4	3
Long-service awards and other contributions	–	–
Equity-based payments	6	5
Total	39	36

The legally required disclosure of compensation and participation plans is contained in the annual financial statements of Schindler Holding Ltd., pages 98 to 105.

38 Risk assessment

The Board of Directors of Schindler Holding Ltd. assesses the corporate risks within the framework of a systematic risk identification and analysis. Based on this assessment, measures for risk management are defined and constantly monitored. The company has a risk management system which is designed for the prompt identification and analysis of risks as well as the initiation of corresponding measures. The organization, principles, and reporting of risk management are described in detail under Corporate Governance, paragraph 3.6, pages 130 and 131.

39 Proposal of the Board of Directors

The Board of Directors proposes to the General Meeting an ordinary dividend for the financial year 2010 of CHF 2.00 (previous year: CHF 2.00) and an additional dividend of CHF 1.00 per registered share and participation certificate. This represents a total dividend payment of CHF 361 million (previous year: CHF 241 million).

40 Release of the consolidated financial statements for publication

The consolidated financial statements were released for publication by the Board of Directors of Schindler Holding Ltd. on February 11, 2011, and will be presented for approval by the General Meeting of Shareholders of March 15, 2011.

41 Events after balance sheet date

The transaction was completed at the beginning of February 2011 by means of an increase in share capital of ALSO Holding AG against a contribution in kind of the Actebis quotas. The increase in share capital was approved at the extraordinary general meeting of shareholders of ALSO Holding AG on February 8, 2011, and became legally binding with the entry in the Commercial Register of February 9, 2011. The interest of Schindler Holding Ltd. in ALSO-Actebis Holding AG is 30%, while the Droege Group holds 51%. Schindler therefore no longer has control over the ALSO Group, which consequently leaves the scope of the consolidation in 2011. The transaction will result in a gain on upward revaluation in 2011.

Report of the statutory auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Schindler Holding Ltd., which comprise the profit and loss statement, statement of comprehensive income, balance sheet, cash flow statement, statement of change in equity, and notes (pages 4 to 85) for the year ended December 31, 2010.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2010, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Article 728 CO and Article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with Article 728a Paragraph 1 Item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Berne, February 11, 2011

ERNST & YOUNG AG

Chris Schibler
Licensed audit expert
(Auditor in charge)

Manuel Trösch
Licensed audit expert

Financial Statements Schindler Holding Ltd.

Profit and loss statement

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4 5 6
7 **8** 9
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Financial Statements
Schindler Holding Ltd.

Revenue			
In 1000 CHF	Notes	2010	2009
Income from Group companies	1	765 861	552 762
Extraordinary income		650	5 893
Income from financial operations	2	9 029	20 105
Total revenue		775 540	578 760

Expenses			
In 1000 CHF	Notes	2010	2009
Financial expenses	3	9 838	11 823
Write-down, value adjustments, and changes to provisions	4	72 861	54 017
Administration expenses and taxes		23 214	22 233
Total expenses		105 913	88 073
Net profit for the year		669 627	490 687

Balance sheet before appropriation of profits

Assets

In 1 000 CHF	Notes	31. 12. 2010	%	31. 12. 2009	%
Current assets					
Cash and cash equivalents	5	1 291 489		931 749	
Marketable securities	5	135 802		85 405	
Accounts receivable from Group companies		54 268		116 367	
Accounts receivable from third parties		523		383	
Prepaid expenses and accrued income		451		1 108	
Total current assets		1 482 533	47.5	1 135 012	41.4
Non-current assets					
Investments in Group companies	6	1 600 000		1 600 000	
Loans to Group companies		30 000		–	
Long-term financial assets		7 176		3 576	
Total non-current assets		1 637 176	52.5	1 603 576	58.6
Total assets		3 119 709	100.0	2 738 588	100.0

Liabilities and equity

In 1 000 CHF	Notes	31. 12. 2010	%	31. 12. 2009	%
Liabilities					
Accounts payable to Group companies	7	364 896		427 696	
Accounts payable to third parties		5 954		4 993	
Provisions	8	118 851		108 284	
Accrued expenses and deferred income		13 182		12 148	
Total liabilities		502 883	16.1	553 121	20.2
Equity					
Share capital	9, 10	7 178		7 178	
Participation capital	9, 10	4 861		4 861	
Statutory reserves	10	317 121		317 121	
Reserves for treasury stock	10, 13	137 900		91 012	
Other reserves	10	1 469 233		1 256 121	
Brought forward from previous year	10	10 906		18 487	
Net profit for the year	10	669 627		490 687	
Total equity		2 616 826	83.9	2 185 467	79.8
Total liabilities and equity		3 119 709	100.0	2 738 588	100.0

Notes to the financial statements

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4	5	6
7	8	9
	0	

Financial Statements
Schindler Holding Ltd.

Principles of valuation

The financial statements as at December 31, 2010, comply with Swiss corporation law. Regarding the inclusion of Schindler Holding Ltd. in the consolidated financial statements, the accounting and reporting principles described in the notes to the consolidated financial statements apply.

1 Income from Group companies

Income from Group companies, totaling CHF 765.9 million (previous year: CHF 552.8 million), includes the ordinary dividends of the Group companies as well as the contractually agreed payments for services rendered by Schindler Holding Ltd.

2 Income from financial operations

Income from financial operations, consisting of interest on investments in third parties and Group companies, together with income received from other financial investments, amounts to CHF 9.0 million (previous year: CHF 20.1 million). Relative to the previous year, interest income as well as gains on securities were lower.

3 Financial expenses

The financial expenses of CHF 9.8 million (previous year: CHF 11.8 million) mainly comprise losses on foreign currency exchange rates and interest derivatives. There were also interest payments to Group companies and third parties on current account loans. The previous year's financial expenses contained the pro rata interest expense for the debenture that was repaid on June 2, 2009.

4 Write-downs, value adjustments, and changes to provisions

In the reporting year, write-downs amounting to CHF 50.7 million were charged on investments and loans. Also contained in this item is a provision of CHF 22.2 million that was created for obligations under equity-based payments. The previous year's total value for this expense item (CHF 54.0 million) included a provision of CHF 49.0 million in association with a guarantee that was granted.

5 Cash and cash equivalents and marketable securities

Cash and cash equivalents closed at CHF 1 291.5 million (previous year: CHF 931.7 million). The cash inflow is entirely derived from dividend payments by Group companies. Notable cash outflows related to increases in investments in affiliated companies, dividend payments, grants of loans to affiliated companies, and purchases of treasury stock.

The inventory of marketable securities amounting to CHF 135.8 million (previous year: CHF 85.4 million) consists mainly of treasury stock. The treasury stock of shares and participation certificates, the respective movements, and information about repurchases are shown in note 13.

All treasury stock is valued at the lowest of cost, fair value, or the exercise price of the capital participation plans, with provisions being made should the latter be lowest.

6 Investments in Group companies

At the end of the reporting year, the balance sheet value of investments in Group companies was unchanged at CHF 1 600.0 million. The reported value of investments in Group companies results from capital increases and acquisitions of additional interests amounting to CHF 41.8 million – relating mainly to the increased interest in Hyundai – as well as write-downs (CHF 41.7 million) and sales of interests (CHF 0.1 million).

The companies in which Schindler Holding Ltd. has a direct or indirect interest are listed on pages 108 to 111.

7 Accounts payable to Group companies

This item of the balance sheet includes current account credit balances of shareholders of Schindler Holding Ltd. of CHF 59.1 million (previous year: CHF 60.8 million). These credit balances bear interest at normal market conditions.

The total amount of the accounts payable to Group companies has changed relative to the previous year, mainly as a result of interim dividends which are only recognized in the respective following year.

8 Provisions

The existing provisions to cover financial risks amount to CHF 118.9 million (previous year: CHF 108.3 million). They consist mainly of provisions for guarantees, bad debts, and currency risks, as well as provisions to cover obligations arising from equity-based payments. In addition, there is an unchanged provision of CHF 49.0 million in association with a guarantee that was granted.

9 Share capital / participation capital

9.1 Share capital

		Nominal value	In CHF Share capital
December 31, 2007	73 568 200	0.10	7 356 820
Legally binding reduction (as of June 4, 2008)	-1 117 000		-111 700
December 31, 2008	72 451 200	0.10	7 245 120
Legally binding reduction (as of May 25, 2009)	-674 500		-67 450
December 31, 2009	71 776 700	0.10	7 177 670
December 31, 2010	71 776 700	0.10	7 177 670

9.2 Participation capital

		Nominal value	In CHF Participation capital
December 31, 2007	50 936 400	0.10	5 093 640
Legally binding reduction (as of June 4, 2008)	-1 679 500		-167 950
December 31, 2008	49 256 900	0.10	4 925 690
Legally binding reduction (as of May 25, 2009)	-647 500		-64 750
December 31, 2009	48 609 400	0.10	4 860 940
December 31, 2010	48 609 400	0.10	4 860 940

10 Equity

In the last three years, the individual components of equity developed as follows:

In 1 000 CHF	Share capital	Participation capital	Statutory reserves	Reserves for treasury stock	Other reserves	Profits as per balance sheet	Total equity
December 31, 2007	7 357	5 094	317 121	227 838	519 945	885 548	1 962 903
Dividend						–191 981	–191 981
Appropriation to other reserves					675 000	–675 000	–
Change in reserves for treasury stock				175 348	–175 348		–
Legally binding reduction (as of June 4, 2008)	–112	–168		–203 907	280		–203 907
Net profit 2008						427 582	427 582
December 31, 2008	7 245	4 926	317 121	199 279	1 019 877	446 149	1 994 597
Dividend						–237 662	–237 662
Appropriation to other reserves					190 000	–190 000	–
Change in reserves for treasury stock				–4 830	4 830		–
Legally binding reduction (as of May 25, 2009)	–67	–65		–103 437	40 689		–62 880
Merger gain ¹					725		725
Net profit 2009						490 687	490 687
December 31, 2009	7 178	4 861	317 121	91 012	1 256 121	509 174	2 185 467
Dividend						–238 268	–238 268
Appropriation to other reserves					260 000	–260 000	–
Change in reserves for treasury stock				46 888	–46 888		
Net profit 2010						669 627	669 627
December 31, 2010	7 178	4 861	317 121	137 900	1 469 233	680 533	2 616 826
Of which share premiums (unchanged)			311 321				

¹ From the merger with Schindler Technik AG, Pratteln (Switzerland)

11 Contingent liabilities

The contingent liabilities of Schindler Holding Ltd. amount to a total of CHF 743.4 million (previous year: CHF 719.0 million) and cover conditional obligations for bank guarantees, loans, and supply contracts in favor of Group companies. Utilized credits and incurred obligations are reported in the consolidated balance sheet as accounts payable, or – if necessary – covered by provisions and recognized in the balance sheet.

There are also letters of comfort for unquantified amounts in favor of Group companies. As a result of the group value-added tax system for the Swiss companies introduced on January 1, 2003, there is a joint liability for the tax owed by the value-added tax group in favor of the Swiss Federal Tax Authority.

Contingent liabilities in favor of unconsolidated companies amount to CHF 11.9 million (previous year: CHF 17.5 million).

12 Liabilities to retirement benefit plans

In 1000 CHF	2010	2009
Total liabilities	2 219	1 308

The liabilities to retirement benefit plans consist entirely of current account overdrafts.

13 Treasury stock

13.1 Changes in number and value

In million: CHF	Registered shares		Participation certificates	
	Number	Value	Number	Value
December 31, 2008	2 002 896	140	964 458	59
Cancellation	-674 500	-54	-647 500	-49
Withdrawals for capital participation plan	-108 124	-6	-	-
Exercise of options from the capital participation plan	-137 573	-5	-114 067	-4
Purchase	246 690	17	94 696	7
Sales	-57 964	-4	-176 761	-12
December 31, 2009	1 271 425	86	120 826	5
Withdrawals for capital participation plan	-	-	-104 553	-10
Exercise of options from the capital participation plan	-141 353	-8	-119 975	-4
Purchase	291 252	29	508 533	50
Sales	-94 222	-8	-	-
December 31, 2010	1 327 102	99	404 831	39
Number of reserved shares and participation certificates				
for the capital participation plan	1 327 102		404 831	
Already earmarked as at December 31, 2010	1 327 102		344 341	

13.2 Repurchase program

In December 2009, the Board of Directors of Schindler Holding Ltd. decided that there should be a repurchase program. Under the program, starting January 4, 2010, a maximum of 7 177 670 registered shares and a maximum of 4 860 940 participation certificates, each with a nominal value of CHF 0.10, can be repurchased, which represents 10% of the share capital and participation capital respectively. Should less than 10% of the registered share capital be offered, Schindler Holding Ltd. has the right to repurchase more than 10% of the participation capital. However, the total repurchase must not exceed 10% of the nominal capital. Schindler Holding Ltd. is under no obligation to purchase its own registered shares and participation certificates via the second trading line at all times, but will participate in the market as purchaser depending on market conditions. Schindler Holding Ltd. will terminate the repurchase program as soon as 10% of the nominal capital has been repurchased.

Execution of the repurchase program takes place through the second trading lines for registered shares and participation certificates that were set up for this purpose at SIX Swiss Exchange. These second trading lines are exclusively reserved for Schindler Holding Ltd. as purchaser to purchase its own registered shares and its own participation certificates.

In the reporting year no transactions associated with the repurchase program were executed.

14 Significant shareholders

Regarding the existence of a shareholders' agreement, see note 36 to the Consolidated Financial Statements, page 83.

15 Compensation

Of the disclosed compensation, Schindler Holding Ltd. paid the fees to the members of the Board of Directors directly. The remaining items of compensation were borne by Group companies with corresponding Group management functions and charged to the other Group companies and Schindler Holding Ltd. within the framework of a Group-wide intercompany charging concept.

In the reporting year, no securities or guarantees were granted to members of the Board of Directors or of the Management Committees. The company has not waived any liabilities due from members of the Board of Directors or of the Management Committees.

In the reporting year, no members of the Board of Directors or Management Committees received fees or other compensation for additional work for Schindler Holding Ltd. or any other Group company.

The composition of the fixed and variable compensation of the members of the Board of Directors and of the Management Committee Elevators & Escalators is explained in detail in the Compensation Report on pages 137 to 152. In view of the extent of the information, the compensation and participations of members of the ALSO Management Committee are not disclosed in this report since they are available in the ALSO annual report as well as in the permanent information source at www.also.com.

15.1 Members of the Board of Directors of Schindler Holding Ltd.

15.1.1 Total compensation 2010 – Board of Directors

in 1 000 CHF	Fixed compensation	Variable compensation				Expenses for post- employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁵	Performance share units ⁶	Options	Fringe benefits	
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 306	214	–	90 ⁷	–	7 418 ⁹
Luc Bonnard, Vice Chairman ^{1,2}	1 523	1 868	214	–	90 ⁷	–	4 107 ¹⁰
Prof. Dr. Peter Athanas ^{1,2,3}	498	870	214	–	90 ⁷	–	1 812
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁸	–	2 526
Prof. Dr. Pius Baschera ⁴	185	–	–	–	–	–	196
Dr. Hubertus von Grünberg ⁴	185	–	–	–	–	–	193
Lord Charles Powell ⁴	185	–	–	–	–	–	193
Dr. Alexander Schaub ^{4,5}	350	–	–	–	–	–	350
Rolf Schweiger ⁴	185	–	–	–	–	–	193
Dr. Jenö C. A. Staehelin ^{4,11}	39	–	–	–	–	–	39
Dr. Klaus W. Wellershoff ⁴	185	–	–	–	–	–	196
Total compensation	7 405	6 624	642	400	670	–	17 223

¹ Member of the Executive Committee of the Board

² Executive member

³ Member of the Board of Directors since August 2, 2010

⁴ Non-executive member

⁵ Including compensation as Chairman of the Audit Committee

⁶ For the purpose of inclusion in the total compensation, the participation certificates of Schindler Holding Ltd. were valued at the stock exchange price as at the end of December 2010 of CHF 110.60. The performance share units were included in the total compensation at CHF 69.60 (average share price in December 2009, less a discount of 10%).

⁷ According to the decision of the Board of Directors of December 2010, the options allocated under the Capital Participation Plan 2000 are included at a value of CHF 19.90 per option.

⁸ The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 27.60 per option.

⁹ After voluntarily waiving a total of CHF 1 129 000 of the contractually agreed compensation.

¹⁰ After voluntarily waiving CHF 628 000

¹¹ Until General Meeting of Shareholders 2010

The total compensation includes the following Board of Directors' fees (including flat-rate expense reimbursement): Chairman CHF 370 000 (previous year: CHF 370 000), Vice Chairman CHF 278 000 (previous year: CHF 278 000), other members CHF 185 000 (previous year: CHF 185 000).

15.1.2 Number of shares / participation certificates, performance share units and options allocated 2010 – Board of Directors

	Participation certificates ²	Performance share units	Options
Alfred N. Schindler, Chairman ¹	1 939	–	4 523 ³
Luc Bonnard, Vice Chairman ¹	1 939	–	4 523 ³
Prof. Dr. Peter Athanas ¹	1 939	–	4 523 ³
Prof. Dr. Karl Hofstetter ¹	–	5 747	14 492 ⁴

¹ Executive member

² This number is based on the allocation value of CHF 69.60

³ Options from the Capital Participation Plan 2000 (participation certificates)

⁴ Options from the Long Term Incentive Plan (participation certificates)

In the reporting year 2010, the variable part of the compensation for the executive members of the Board of Directors was on average 53% (previous year: 51%) of the total compensation: 42% cash (previous year: 41%), 7% in the form of participation certificates/performance share units (previous year: 6%) and 4% in the form of options (previous year: 4%).

15.1.3 Total compensation 2009 – Board of Directors

in 1000 CHF	Fixed compensation	Variable compensation			Expenses for post-employment benefits		Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁵	Performance share units ⁵	Options	Fringe benefits	
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 297	221	–	90 ⁶	–	7 418 ⁸
Luc Bonnard, Vice Chairman ^{1,2}	1 500	1 877	221	–	90 ⁶	–	4 107 ⁹
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁷	–	2 522
Prof. Dr. Pius Baschera ³	185	–	–	–	–	–	196
Dr. Hubertus von Grünberg ³	185	–	–	–	–	–	193
Lord Charles Powell ³	185	–	–	–	–	–	193
Dr. Alexander Schaub ^{3,4}	350	–	–	–	–	–	350
Rolf Schweiger ^{3,11}	146	–	–	–	–	–	154
Dr. Jenö C. A. Staehelin ³	185	–	–	–	–	–	185
Robert Studer ^{3,10}	39	–	–	–	–	–	41
Dr. Klaus W. Wellershoff ^{3,11}	146	–	–	–	–	–	154
Total compensation	6 991	5 754	442	400	580	–	15 513

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Including compensation as Chairman of the Audit Committee

⁵ For the purpose of inclusion in the total compensation, the performance share units of Schindler Holding Ltd. are valued at the stock exchange price as at the end of December 2009 of CHF 79.65. The performance share units were included in the total compensation at CHF 46.20 (average share price 10 trading days before January 20, 2009, less a discount of 10%).

⁶ The options allocated under the Capital Participation Plan 2000 are valued according to the Black-Scholes formula at CHF 20.65 per option.

⁷ The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

⁸ After voluntarily waiving a total of CHF 978 000.

⁹ After voluntarily waiving CHF 523 000

¹⁰ Compensation up to March 16, 2009 (AGM 2009)

¹¹ Compensation from March 16, 2009 (AGM 2009)

15.1.4 Number of participation certificates, performance share units, and options allocated 2009 – Board of Directors

	Participation certificates ²	Performance share units	Options
Alfred N. Schindler, Chairman ¹	2 772	–	4 358 ³
Luc Bonnard, Vice Chairman ¹	2 772	–	4 358 ³
Prof. Dr. Karl Hofstetter ¹	–	8 658	44 593 ⁴

¹ Executive member

² This number is based on the allocation value of CHF 48.70

³ Options from the Capital Participation Plan 2000 (participation certificates)

⁴ Options from the Long Term Incentive Plan (registered shares)

15.2 Members of the Management Committee Elevators & Escalators

15.2.1 Total compensation 2010 – Management Committee Elevators & Escalators

	Fixed compensation	Variable compensation				Expenses for post- employment benefits	
In 1000 CHF	Cash (gross)	Cash bonus (gross)	Performance share units ¹	Options ²	Fringe benefits		Total
Total Management Committee Elevators & Escalators ³	4 680	5 053	1 850	1 850	693	2 006	16 132
Highest single compensation: Jürgen Tinggren	860	1 450	500	500	–	332	3 642

¹ The performance share units were included in the total compensation at CHF 69.60 (average participation certificate price in December 2009, less a discount of 10%).

² The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 27.60 per option.

³ The compensation of the executive members of the Board of Directors is reported only under the compensation of the members of the Board of Directors and not under the Management Committee.

15.2.2 Number of performance share units and options on registered shares allocated 2010 – Management Committee Elevators & Escalators

	Performance share units	Options
Total Management Committee Elevators & Escalators	26 580	67 026
Jürgen Tinggren	7 184	18 115

In the reporting year 2010, the variable component of the compensation for the members of the Management Committee Elevators & Escalators was on average 54% (previous year: 55%) of the total compensation: 31% cash (previous year: 33%), 11.5% in the form of performance share units (previous year: 11%), and 11.5% in the form of options (previous year: 11%). The calculation was based on a conversion rate of 1.

15.2.3 Total compensation 2009 – Management Committee Elevators & Escalators

	Fixed compensation	Cash bonus (gross)	Performance share units ¹	Variable compensation	Fringe benefits	Expenses for post- employment benefits	Total
	Cash (gross)			Options ²			
In 1000 CHF							
Total Management Committee Elevators & Escalators ³	5 047	5 302	1 775	1 775	446	1 817	16 162
Highest single compensation: Jürgen Tinggren	860	1 320	500	500	–	323	3 503

¹ The performance share units were included in the total compensation at CHF 46.20 (average share price ten trading days before January 20, 2009, less a discount of 10%).

² The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

³ The compensation of the executive members of the Board of Directors is reported only under the compensation of the members of the Board of Directors and not under the Management Committee.

15.2.4 Number of performance share units and options on registered shares allocated 2009 – Management Committee Elevators & Escalators

	Performance share units	Options
Total Management Committee Elevators & Escalators	38 421	197 880
Jürgen Tinggren	10 823	55 741

16 Former members of governing bodies

Compensation for services rendered was paid to the following former members of governing bodies:

Alfred Spörri, until March 26, 2008, executive member of the Board of Directors and member of the Executive Committee of the Board: CHF 0.7 million (previous year: CHF 1.2 million).

Roland W. Hess, President of the Management Committee Elevators & Escalators until July 31, 2007: CHF 1.1 million (previous year: CHF 1.1 million).

Michael Füllemann, member of the Management Committee Elevators & Escalators until December 31, 2009: CHF 1.5 million.

17 Related parties

In the reporting year, Schindler Holding Ltd. paid pensions amounting to CHF 259 200 to three widows of former executive members of the Board of Directors. The actuarially determined present value of these regular payments is recalculated annually, and as at December 31, 2010, amounted to CHF 1.4 million. This amount is reported by Schindler Holding Ltd. as a provision.

18 Loans

18.1 Present and former members of governing bodies

No loans were granted by Schindler Holding Ltd. or any other Group company to any present or former members of the governing bodies, and no such loans were outstanding as at December 31, 2010.

The Chairman of the Board of Directors has been granted borrowing rights. As of December 31, 2010, the unutilized credit limit was CHF 25 million, which was secured by shares of Schindler Holding Ltd. owned by the Chairman with a value of more than CHF 200 million.

18.2 Related parties

Schindler Holding Ltd. has not made any loans to related parties of present or former members of governing bodies.

19 Participations, option rights, and conversion rights

The participations and option rights of the members of the Board of Directors of Schindler Holding Ltd. and of the Management Committee Elevators & Escalators, and of their related parties are as follows (there are no outstanding conversion rights):

19.1 Participations, option rights, and conversion rights 2010 – Board of Directors

		Number of		Number of vested options
			on participation	on registered
			certificates allo-	shares allocated
	Registered	Participation	cated under the	under the op-
as at 31.12.2010	shares	certificates	options plan 2005	tions plan 2006
Alfred N. Schindler, Chairman ^{1,2}	4	27 312	–	–
Luc Bonnard, Vice Chairman ^{1,2}	4	2 772	–	–
Prof. Dr. Peter Athanas ^{1,2}	3 000	–	–	–
Prof. Dr. Karl Hofstetter ²	9 598	–	–	3 573
Prof. Dr. Pius Baschera ³	3 000	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–
Lord Charles Powell ³	5 000	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–
Rolf Schweiger ³	3 375	–	–	–
Dr. Klaus W. Wellershoff ³	3 000	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, and parties related to these persons hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2010, these comprised 50 999 418 registered shares, corresponding to 71.1% of the voting rights of the share capital entered in the Commercial Register.

19.2 Participations, option rights, and conversion rights 2009 – Board of Directors

		Number of		Number of vested options
			on participation	on participation
			certificates allo-	certificates allo-
	Registered	Participation	cated under the	cated under the
as at 31.12.2009	shares	certificates	options plan 2004	options plan 2005
Alfred N. Schindler, Chairman ^{1,2}	4	24 540	–	–
Luc Bonnard, Vice Chairman ^{1,2}	4	–	–	–
Prof. Dr. Karl Hofstetter ²	47 623	–	7 560	6 220
Prof. Dr. Pius Baschera ³	3 000	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–
Lord Charles Powell ³	5 000	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–
Rolf Schweiger ³	3 375	–	–	–
Dr. Jenö C. A. Staehelin ³	4	–	–	–
Dr. Klaus W. Wellershoff ³	3 000	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, Dr. Jenö C. A. Staehelin, and parties related to these persons hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2009, these comprised 51 026 502 registered shares, corresponding to 71.1% of the voting rights of the share capital entered in the Commercial Register.

19.3 Participations, option rights, and conversion rights 2010 Management Committee Elevators & Escalators

	Number of		Number of vested options		
	Registered shares	Participation certificates	on participation certificates allocated under the options plan 2005	on registered shares allocated under the options plan 2006	on registered shares allocated under the options plan 2007
as at 31.12.2010					
Jürgen Tinggren, President	20 097	8 410	–	2 901	2 081
Miguel A. Rodríguez, Deputy President	19 841	–	6 220	2 565	1 915
Erich Ammann	4 794	–	–	–	–
Dr. Rudolf W. Fischer	12 129	–	–	–	–
Didier Gaudoux	–	–	–	–	–
Albert Haffert	4 368	–	–	1 662	1 728
Silvio Napoli	1 811	725	460	325	992
Thomas Oetterli	1 924	450	–	350	705
Jakob Züger	12 828	4 030	–	–	–

19.4 Participations, option rights, and conversion rights 2009 Management Committee Elevators & Escalators

	Number of		Number of vested options		
	Registered shares	Participation certificates	on participation certificates allocated under the options plan 2004	on participation certificates allocated under the options plan 2005	on registered shares allocated under the options plan 2006
as at 31.12.2009					
Jürgen Tinggren, President	20 097	8 410	–	4 680	2 901
Miguel A. Rodríguez, Deputy President	19 841	10 120	–	6 220	2 565
Erich Ammann	7 879	4 450	–	5 530	2 883
Dr. Rudolf W. Fischer	24 413	–	–	–	2 733
Michael Füllemann	715	–	–	–	–
Dr. Christoph Lindenmeyer	11 300	3 340	–	4 150	2 179
Silvio Napoli	1 811	725	3	460	325
Jakob Züger	13 828	5 030	–	3 320	1 507

Regarding option conditions, see note 35 to the Consolidated Financial Statements, pages 78 to 83.

20 Risk assessment

The Board of Directors of Schindler Holding Ltd. assesses the corporate risks within the framework of a systematic risk identification and analysis. Based on this assessment, measures for risk management in the company are defined and constantly monitored. The company has a risk management system which is designed for the prompt identification and analysis of risks as well as the initiation of corresponding measures. The organization, principles, and reporting of risk management are described in detail under Corporate Governance, paragraph 3.6, pages 130 and 131.

Appropriation of profits

1 2 3
4 5 6
7 **8** 9
0

Financial Statements
Schindler Holding Ltd.

Proposals to the General Meeting			
in 1000 CHF			
		31. 12. 2010	31. 12. 2009
Total available profit			
Net profit for the year		669 627	490 687
Brought forward from previous year		10 906	18 487
Total profits as per balance sheet		680 533	509 174
Appropriation of net profit			
Ordinary gross dividend:			
per registered share	CHF 2.00 (previous year: CHF 2.00)	143 553¹	141 239 ²
per participation certificate	CHF 2.00 (previous year: CHF 2.00)	97 219¹	97 029 ²
Additional gross dividend:			
per registered share	CHF 1.00	71 777¹	
per participation certificate	CHF 1.00	48 609¹	
Total dividend		361 158	238 268
Appropriation to other reserves		310 000	260 000
Total appropriation of net profit		671 158	498 268
Balance carried forward to new account		9 375	10 906

¹ The total dividend amount covers all outstanding registered shares and participation certificates. This may, as in the previous year, reduce the reported total dividend payment accordingly.

² Payment excludes dividends on treasury stock (see also note 13).

Main Group companies

Status December 31, 2010

Financial Statements
Schindler Holding Ltd.

			Participation in %	Nominal capital (in thousands of local currency)		
Country	Head office	Name of company				
Europe						
Austria	Vienna	Haushahn Aufzüge GmbH	100	290	EUR	●
		Schinac Verwaltungs AG	100	70	EUR	○
		Schindler Aufzüge und Fahrtreppen GmbH	100	2 000	EUR	●
		Schindler Fahrtreppen International GmbH	100	2 000	EUR	●
		Schindler Liegenschaftsverwaltungs GmbH	100	4 362	EUR	○
	Wolfurt	Doppelmayr Aufzüge AG	100	730	EUR	●
Belgium	Brussels	S.A. Schindler N.V.	100	75 570	EUR	●
Bosnia and Herzegovina	Sarajevo	Schindler BH d.o.o.	100	685	KM	●
Bulgaria	Sofia	Schindler Bulgaria EOOD	100	200	BGN	●
Croatia	Zagreb	Schindler Hrvatska d.o.o.	100	9 100	HRK	●
Czech Republic	Prague	Schindler CZ a.s.	100	101 000	CZK	●
Denmark	Herlev	Schindler Elevatorer A/S	100	1 000	DKK	●
Estonia	Tallinn	ALSO Eesti AS ¹	100	3 000	EEK	○
Finland	Helsinki	Schindler Oy	100	100	EUR	●
	Tampere	ALSO Finland Oy ¹	100	841	EUR	○
		ALSO Nordic Holding Oy ¹	100	10 000	EUR	○
France	Illzach	Elevator Car System S.A.S.	100	2 416	EUR	●
	Vélizy-Villacoublay	Schindler S.A.	99.9	7 538	EUR	●
Germany	Berlin	Schindler Aufzüge und Fahrtreppen GmbH	100	9 715	EUR	●
		Schindler Deutschland GmbH	100	51 129	EUR	○
		Straubing	ALSO Deutschland GmbH ¹	100	103	EUR
	Stuttgart	C. Haushahn GmbH & Co.	100	8 997	EUR	●
Great Britain	Sunbury on Thames	Schindler Ltd.	100	0.1	GBP	●
		Schinvest Ltd.	100	2 005	GBP	○
Greece	Athens	Schindler Hellas S.A.	100	2 833	EUR	●
Hungary	Budapest	Schindler Hungária Lift és Mozgólépcső KFT	100	460 000	HUF	●
Iceland	Reykjavík	HÉDINN Schindler Lyftur hf.	51	10 000	ISK	●
Ireland	Dublin	Schindler Ltd.	100	25	EUR	●
Italy	Concorezzo	Schindler S.p.A.	100	8 400	EUR	●
Jersey	St. Helier	Schinvest (Jersey) Ltd.	100	95	GBP	○
Latvia	Marupe	ALSO Latvia SIA ¹	100	842	LVL	○
	Riga	A.S. Latvijas Lifts Schindler	100	123	LVL	●
Liechtenstein	Vaduz	Reassur AG	100	20 000	CHF	○

● Production

● Sales, installation, maintenance

○ Other services

¹ Participations of ALSO Holding AG

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)		
Lithuania	Kaunas	UAB ALSO Lietuva ¹	100	6 500	LTL	○
	Vilnius	UAB Schindler Liftas	100	1 365	LTL	●
Luxembourg	Luxembourg	Schindler S.à r.l.	100	175	EUR	●
Malta	Msida	Schindler Ltd.	70	50	MTL	●
Monaco	Fontvieille	Schindler Monaco	98	150	EUR	●
Netherlands	The Hague	Schindler Liften B.V.	100	567	EUR	●
Norway	Bergen	Schindler Stahl Heiser A/S	100	550	NOK	●
	Sandefjord	ALSO Norway AS ¹	100	11 063	NOK	○
	Vennesla	Reber-Schindler Heis A/S	100	8 000	NOK	●
Poland	Warsaw	Schindler Polska sp.z o.o.	100	5 000	PLN	●
Portugal	Carnaxide	Schindler S.A.	100	4 000	EUR	●
Romania	Bucharest	Schindler Romania S.R.L.	100	125	RON	●
Russia	Moscow	ZAO Schindler	100	21	RUR	●
Serbia	Belgrade	Schindler d.o.o. Beograd	100	600	EUR	●
Slovakia	Bratislava	Schindler Výťahy a Eskalátory a.s.	100	963	EUR	●
	Dunajská	Schindler Eskalátory s.r.o.	100	1 236	EUR	●
Slovenia	Ljubljana	Schindler Slovenija d.o.o.	100	305	EUR	●
Spain	Madrid	Schindler S.A.	99.7	27 801	EUR	● ● ○
	Saragossa	Schindler Ibérica Management, S.A.	100	4 420	EUR	○
Sweden	Stockholm	Schindler Hiss AB	100	9 440	SEK	●
Switzerland	Ebikon	EbiSquare AG	74	500	CHF	○
		Schindler Aufzüge AG	100	25 000	CHF	● ●
		Schindler Consulting AG	100	250	CHF	○
		Schindler Informatik AG	100	1 000	CHF	○
		Schindler Management AG	100	1 000	CHF	○
		Schindler Repro AG	52	150	CHF	○
	Emmen	ALSO Schweiz AG ¹	100	100	CHF	○
		ALSO IT AG ¹	100	500	CHF	○
	Hergiswil	ALSO Holding AG	64	6 039	CHF	○
		Inventio AG	100	11 000	CHF	○
		Schindler Pars International Ltd.	100	5 000	CHF	○
	Locarno	Schindler Elettronica S.A.	100	2 000	CHF	●
	Wettswil	AS Aufzüge AG	100	7 000	CHF	●
Turkey	Istanbul	Schindler Turkeli Asansor Sanayi A.S.	100	14 459	TRY	●
Ukraine	Kiev	Schindler Ukraine	100	21	UAH	●

● Production

● Sales, installation, maintenance

○ Other services

¹ Participations of ALSO Holding AG

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)		
North, Central, and South America						
Argentina	Buenos Aires	Ascensores Schindler S.A.	90	1 372	ARS	●
Brazil	São Paulo	Elevadores Atlas Schindler S.A.	100	195 479	BRL	● ●
British Virgin Islands	Tortola	Jardine Schindler Holdings Ltd.	50	100	USD	○
Canada	Scarborough	Schindler Elevator Corporation	100	25 000	CAD	●
Chile	Santiago de Chile	Ascensores Schindler (Chile) S.A.	100	59 200	CLP	●
Colombia	Bogotá	Ascensores Schindler de Colombia S.A.	100	671 718	COP	●
Costa Rica	San José	Elevadores Schindler S.A.	60	200 000	CRC	●
Mexico	Mexico City	Elevadores Schindler S.A. de C.V.	100	32 073	MXP	●
Peru	Lima	Ascensores Schindler del Perú S.A.	100	2 371	PEN	●
Uruguay	Montevideo	Ascensores Schindler S.A.	100	563	UYU	●
USA	Gantano	Schindler Corp. of Puerto Rico	100	4 039	USD	●
	Morristown	Schindler Elevator Corporation	100	506 915	USD	● ●
	Mountainside	Slade Industries, Inc.	100	5 855	USD	●
	Niles	Adams Elevator Equipment Company	100	6 625	USD	● ●
	Wilmington	Schindler Enterprises, Inc.	100	523 434	USD	○
Venezuela	Caracas	Ascensores Schindler de Venezuela S.A.	100	40 000	VEB	●
Africa						
Botswana	Gaborone	Schindler Lifts (Botswana) (PTY) Ltd.	100	0,120	BWP	●
Egypt	Cairo	Schindler Ltd.	100	24 250	EGP	●
		Schindler for importation Services LTD	100	50	EGP	○
Ghana	Accra	Elesca Engineering Ltd.	20	28 000	GHC	●
Kenya	Nairobi	Schindler Ltd.	100	5	KES	●
Morocco	Casablanca	Schindler Maroc S.A.	100	10 000	MAD	●
Namibia	Windhoek	Schindler Lifts (Namibia) (PTY) Ltd.	100	0,001	NAD	●
South Africa	Johannesburg	Schindler Lifts SA Investments Holding (PTY) Ltd.	100	4 250	ZAR	●
		Schindler Lifts (SA) (PTY) Ltd.	90	0,09	ZAR	●
Zimbabwe	Harare	Schindler Lifts (Zimbabwe) (PVT) Ltd.	100	2	USD	●

- Production
- Sales, installation, maintenance
- Other services

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)	
Asia/Australia					
Australia	Sydney	Schindler Lifts Australia Pty. Ltd.	100	8 500 AUD	●
Bahrain	Manama	Jalal Schindler Lifts & Escalators Co. W.L.L.	49	20 BHD	●
Brunei	Bandar Seri Begawan	Schindler Liftec Sdn. Bhd. ¹	50	500 BND	●
Cambodia	Phnom Penh	Jardine Schindler (Cambodia) Ltd. ¹	100	21 USD	●
China	Hong Kong SAR	Holake Hong Kong Lifts Limited ¹	100	500 HKD	●
		Schindler Lifts (Hong Kong) Ltd. ¹	100	25 000 HKD	●
	Macau SAR	Jardine Schindler Lifts (Macao) Ltd. ¹	100	25 MOP	●
	Shanghai	Schindler (China) Elevator Co. Ltd.	100	564 602 CNY	● ●
		Shanghai Schindler Trading Co. Ltd.	100	1 200 CNY	○
		Schindler Management AP (Shanghai) Co. Ltd.	100	68 778 CNY	○
	Suzhou	Schindler Electronics (Suzhou) Co. Ltd.	100	71 426 CNY	●
		Suzhou Esca Step Co. Ltd.	100	38 914 CNY	●
Suzhou Schindler Elevator Co. Ltd.		100	155 373 CNY	● ●	
India	Mumbai	Schindler India PVT Ltd.	100	1 191 879 INR	●
Indonesia	Jakarta	PT Berca Schindler Lifts ¹	50	6 745 000 IDR	●
Israel	Petah Tikva	Schindler Nechushtan Elevators Ltd.	100	7 045 ILS	●
Japan	Kagoshima	Mercury Ascensore Ltd.	100	25 000 JPY	●
	Tokyo	Schindler Elevator K.K.	99.9	500 000 JPY	●
Lebanon	Antelias/Beirut	Schindler Lebanon S.A.L.	100	600 000 LBP	●
Malaysia	Kuala Lumpur	Antah Schindler Sdn. Bhd. ¹	70	14 500 MYR	●
Myanmar	Yangon	Myanmar Jardine Schindler Ltd. ¹	100	300 MMK	●
New Zealand	Auckland	Schindler Lifts NZ Ltd.	100	1 000 NZD	●
Philippines	Manila	Jardine Schindler Elevator Corp. ¹	100	277 000 PHP	●
Qatar	Doha	Al Doha Schindler Elevators & Escalators WLL	49	200 QAR	●
Saudi Arabia	Jeddah	Schindler Elevator Co. Ltd.	100	30 000 SAR	● ●
Singapore	Singapore	Schindler Lifts (Singapore) Pte. Ltd. ¹	100	27 514 SGD	●
South Korea	Kyungki-do	Hyundai Elevators	35.6	35 662 565 KRW	● ●
	Seoul	Schindler Elevator Company Ltd.	100	5 902 000 KRW	● ●
Taiwan	Taipei	Jardine Schindler Lifts Ltd. ¹	100	100 000 TWD	●
Thailand	Bangkok	Jardine Schindler (Thai) Ltd. ¹	100	90 268 THB	●
United Arab Emirates	Dubai	Schindler Pars International Ltd. (Dubai and Abu Dhabi branches)	100	– –	●
Vietnam	Ho Chi Minh City	Schindler Vietnam Ltd. ¹	100	20 818 485 VND	● ●

● Production

● Sales, installation, maintenance

○ Other services

¹ Participations of Jardine Schindler Holdings Ltd., BVI

Report of the statutory auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Schindler Holding Ltd., which comprise the profit and loss statement, balance sheet, and notes (pages 89 to 111) for the year ended December 31, 2010.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2010, comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Article 728 Code of Obligations [CO] and Article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with Article 728a Paragraph 1 Item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Berne, February 11, 2011

ERNST & YOUNG AG

Chris Schibler
Licensed audit expert
(Auditor in charge)

Manuel Trösch
Licensed audit expert

Corporate Governance

The Corporate Governance report contains the information required by the Directive Relating to Information on Corporate Governance of the SIX Swiss Exchange that was valid on December 31, 2010, and follows the Directive's structure. The Corporate Governance report also contains the legally required disclosure of compensation and participation rights of the highest corporate level.

1 Structure of the Group and shareholders

1.1 Group structure

Board of Directors of Schindler Holding Ltd.

as at 31.12.2010

Alfred N. Schindler	Chairman, executive member ¹
Luc Bonnard	Vice Chairman, executive member ¹
Prof. Dr. Peter Athanas	Executive member ¹
Prof. Dr. Karl Hofstetter	Executive member
Prof. Dr. Pius Baschera	Non-executive member
Dr. Hubertus von Grünberg	Non-executive member
Lord Charles Powell	Non-executive member
Dr. Alexander Schaub	Non-executive member
Rolf Schweiger	Non-executive member
Dr. Klaus W. Wellershoff	Non-executive member

¹ Member of the Executive Committee of the Board

Management Committees

as at 31.12.2010

Elevators & Escalators

Jürgen Tinggren	President
Miguel A. Rodríguez	Deputy President, Global Business, India and Gulf
Erich Ammann	Chief Financial Officer (CFO)
Dr. Rudolf W. Fischer	Corporate Human Resources
Didier Gaudoux	Europe South
Albert Haffert	Field Quality & Excellence
Silvio Napoli	Asia/Pacific
Thomas Oetterli	Europe North
Jakob Züger	North, Central, and South America

ALSO

Thomas C. Weissmann	President, Chairman and executive member of the Board of Directors of ALSO Holding AG
Laisvunas Butkus	Managing Director Baltic States
Michael Dressen	Managing Director ALSO Deutschland GmbH
Lucas Kuttler	Chief Operating Officer
Marc Schnyder	Managing Director ALSO Schweiz AG
Maija Strandberg	Managing Director Finland
Urs Windler	Chief Financial Officer

The operational structure of the Group corresponds to the segment reporting presented on page 76 of the Financial Statements.

Main Group companies are listed on pages 108 to 111 of the Financial Statements.

ALSO Holding AG, Hergiswil, Switzerland, 64% of whose shares were held by Schindler Holding Ltd. at the end of 2010, has been listed on the SIX Swiss Exchange (securities number 2 459 027) since 1986. ALSO Holding AG publishes its own annual report, which also fulfills the requirements of the International Financial Reporting Standards (IFRS). As at December 31, 2010, the market capitalization of ALSO was CHF 332 million. In view of the extent of the required information, this report does not contain ALSO's report on Corporate Governance, or disclosure of its compensation (Swiss Code of Obligations Art. 663b^{bis}) and participations (Swiss Code of Obligations Art. 663c), for which reference should be made to the ALSO annual report and the permanent source of information at www.also.com.

1.2 Significant shareholders

As at the end of 2010, the Schindler and Bonnard families, together with parties related to these families, held within the scope of a shareholders' agreement 50 999 418 registered shares of Schindler Holding Ltd., corresponding to 71.1% of the voting rights of the share capital registered in the Commercial Register. There are no further shareholders who have registered a holding of more than 3% of the voting rights of Schindler Holding Ltd. according to SESTA Art. 20. The registrations according to SESTA Art. 20 that were published during the reporting year can be inspected at www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html.

1.3 Cross-shareholdings

Schindler Holding Ltd. has no cross-shareholding of more than 5% in any company outside the Schindler Group.

1.4 Events after balance sheet date

The transaction was completed at the beginning of February 2011 by means of an increase in share capital of ALSO Holding AG against a contribution in kind of the Actebis quotas. The increase in share capital was approved at the extraordinary general meeting of shareholders of ALSO Holding AG on February 8, 2011, and became legally binding with the entry in the Commercial Register of February 9, 2011. The interest of Schindler Holding Ltd. in ALSO-Actebis Holding AG is 30%, while the Droege Group holds 51%. Schindler therefore no longer has control over the ALSO Group, which consequently leaves the scope of the consolidation in 2011.

2 Capital structure

2.1 Capital

As at December 31, 2010, the ordinary share capital of Schindler Holding Ltd. was CHF 7 177 670 and the participation capital CHF 4 860 940.

2.2 Authorized and conditional capital

As at December 31, 2010, Schindler Holding Ltd. had no authorized or conditional capital.

2.3 Changes in capital in the last three years

Information about changes in the capital of Schindler Holding Ltd. in the last three reporting years is presented on pages 93 and 94 of the Financial Statements.

2.4 Shares and participation certificates

As at December 31, 2010, the share capital was CHF 7 177 670. This is divided into 71 776 700 fully paid-in bearer registered shares, each with a nominal value of CHF 0.10. Subject to Article 13 of the Articles of Association, each share carries the right to one vote, as well as the right to a share in the profits contained in the balance sheet, and in the proceeds of liquidation, corresponding to its nominal value.

As at December 31, 2010, the participation capital was CHF 4 860 940, which is divided into 48 609 400 fully paid-in participation certificates, each with a nominal value of CHF 0.10. Each participation certificate carries the right to a share in the profits contained in the balance sheet, and in the proceeds of liquidation, corresponding to its nominal value. It does not, however, carry any voting rights, or any other rights of membership, such as participation at general meetings of shareholders.

2.5 Profit-sharing certificates

Schindler Holding Ltd. has not issued any profit-sharing certificates.

2.6 Limitations on share transferability and nominee registrations

2.6.1 Limitation on share transferability

According to Article 13 of the Articles of Association, the Board of Directors shall refuse registration of an acquirer as a full shareholder in the share register if:

- the acquirer has not acquired the share(s) in his/her own name and on his/her own account, or
- registration would result in the acquirer holding more than 3% of the voting rights.

The voting rights of related shareholders shall be counted together. This does not apply to proxies to representatives of corporate bodies, or deposit agreements with banks.

In accordance with Swiss federal law requiring demonstration of Swiss control of Schindler Holding Ltd., the registration of foreign acquirers can be refused if, as a result of their registration, all foreign shareholders together would hold more than 10% of the voting rights.

- The statutory restrictions on registration do not apply if:
- on June 15, 1992, the acquirer was already recorded in the share register as holding at least 3% of the voting rights, or the acquirer is the spouse, child or other descendant, brother, or sister of such a person, or
 - the voting rights were acquired directly by inheritance, division of estate, or matrimonial property law.

Details and further exceptions are contained in Article 13 of the Articles of Association of Schindler Holding Ltd.

The General Meeting of Shareholders can determine exceptions to the percentage limits by relative majority, a legally binding decision requiring at least half of the shares registered in the Commercial Register to be represented. Applicants have the right to have their application presented at the General Meeting of Shareholders. The General Meeting of Shareholders was not required to rule on any applications for exceptions in the financial year 2010.

2.6.2 Nominee registrations

The Articles of Association do not contain any special regulations regarding the registration of nominees in the share register.

2.7 Convertible bonds and options

2.7.1 Convertible bonds

Schindler Holding Ltd. has no outstanding convertible bonds.

2.7.2 Employee options

All values after 10:1 share/participation certificate split of March 27, 2006

Allocation year		Options allocated (number)	Exercise price in CHF	Blocked period ends	Exercise period ends	Number as at 31. 12. 2010		
						Forfeited	Exercised	Outstanding
2004	A	279 670 ²	28.70	30.04.07	30.04.10	–13 280	–266 390	–
2005	A	263 060 ²	32.90	30.04.08	30.04.11	–7 630	–218 404	37 026
2006	A	138 376 ¹	48.80	30.04.09	30.04.15	–1 990	–90 589	45 797
2007	A	160 711 ¹	56.20	30.04.10	30.04.16	–3 029	–65 319	92 363
2008	A	357 092 ¹	80.90	30.04.11	30.04.17	–13 862	–10 718	332 512
2008	B	155 311 ¹	78.90	30.04.11	30.04.17	–	–8 772	146 539
2009	A	464 175 ¹	56.40	30.04.12	30.04.18	–420	–13 941	449 814
2009	B	314 783 ¹	56.40	30.04.12	30.04.18	–2 407	–8 441	303 935
2010	A	207 896 ²	53.60	30.04.13	30.04.19	–	–2 161	205 735
2010	B	107 739 ²	85.10	30.04.13	30.04.19	–6 159	–	101 580

A Options Capital Participation Plan 2000

B Options Long Term Incentive Plan

¹ One option gives entitlement to purchase one share

² One option gives entitlement to purchase one participation certificate

3 Board of Directors, Executive Committee of the Board, and other committees

3.1 Members of the Board of Directors of Schindler Holding Ltd.

The Board of Directors, which according to the Articles of Association comprises between five and ten members, currently has ten members. Four members are executive members of the Board of Directors, three of these executive members forming the Executive Committee of the Board. The remaining six board members are non-executive members of the Board of Directors.

Members

as at 31.12.2010	Domicile	Nationality	Function	In office since ¹	Term of office expires ¹
Alfred N. Schindler (1949)	Hergiswil, Switzerland	Switzerland	Chairman, executive member ²	1977	2011
Luc Bonnard (1946)	Hergiswil, Switzerland	Switzerland	Vice Chairman, executive member ²	1984	2011
Prof. Dr. Peter Athanas (1954)	Baden, Switzerland	Switzerland	Executive member ²	2010	2013
Prof. Dr. Karl Hofstetter (1956)	Zug, Switzerland	Switzerland	Executive member	2006	2012
Prof. Dr. Pius Baschera (1950)	Zurich, Switzerland	Switzerland, Italy	Non-executive member	2005	2011
Dr. Hubertus von Grünberg (1942)	Hanover, Germany	Germany	Non-executive member	1999	2011
Charles Powell (Lord Powell of Bayswater KCMG) (1941)	London, UK	UK	Non-executive member	2003	2012
Dr. Alexander Schaub (1941)	Brussels, Belgium	Germany	Non-executive member	2007	2013
Rolf Schweiger (1945)	Baar, Switzerland	Switzerland	Non-executive member	2009	2012
Dr. Klaus W. Wellershoff (1964)	Zurich, Switzerland	Germany	Non-executive member	2009	2012

¹ Annual General Meeting of Shareholders in the year shown

² Member of the Executive Committee of the Board

3.2 Other activities and vested interests

Alfred N. Schindler

joined the Board of Directors in July 1977 and has been Chairman of the Board of Directors since 1995. Since 1985 Alfred N. Schindler has been CEO of the Schindler Group and a member of the Executive Committee of the Board. Before joining the Schindler Group he was employed by Neutra Treuhand AG in Berne, later becoming CFO of Notz AG in Biel. In order to focus entirely on Schindler, Alfred N. Schindler resigned from his board memberships of the following companies: Bank Julius Bär, UBS, Jacobs Suchard (all Switzerland), and Deutsche Post AG. He is still a member of the European Advisory Board of the Wharton School. Alfred N. Schindler holds a degree in law from the University of Basel, Switzerland, and an MBA from the Wharton School of Finance of the University of Pennsylvania, USA.

Luc Bonnard

has been a member of the Board of Directors since August 1984, and a member of the Executive Committee of the Board since 1991. Since 1996 he has been Vice Chairman of the Board of Directors. Luc Bonnard joined Schindler in 1972, and from 1983 was a member of the Management Committee with responsibility for northern Europe. From 1986 until 1990 he was head of the Group's elevators and escalators business. Luc Bonnard holds a master's degree in electrical engineering from the Swiss Federal Institute of Technology, Zurich.

Prof. Dr. Peter Athanas

was elected to the Board of Directors in March 2010 and took up his position on August 2, 2010. He is also a member of the Executive Committee of the Board. Between 1984 and 2002, Peter Athanas worked for the globally active Arthur Andersen organization, where he advanced in 1990 to partner, in 1994 to head of tax and legal practice, and in 2001 to CEO Switzerland and member of the global board. From 2002 to 2004 he was chairman of the board of directors, and from 2004 to 2008 CEO, of Ernst & Young Switzerland. During this time he was also a member of the global executive board of Ernst & Young Global, as well as a member of the global management group. Peter Athanas is a member of the management committee of the Institute of Public Finance and Fiscal Law of the University of St. Gallen, a council member of the Foundation for the Promotion of Studies for the Master of Law and Economics of the University of St. Gallen, and a curator of the Werner Siemens Foundation. Between 1992 and 1999 he was a lecturer, and since 1999 is professor, of national and international tax law at the University of St. Gallen. Peter Athanas completed his studies at the University of St. Gallen with a master of law and economics in 1979 and gained his doctorate in economics at the University of St. Gallen in 1988.

Prof. Dr. Karl Hofstetter

was elected to the Board of Directors in March 2006 with executive responsibility as Group General Counsel. Karl Hofstetter has worked for Schindler since 1990. Until the General Meeting of Shareholders of 2006 he was a member of the Management Committee Elevators & Escalators. Karl Hofstetter is a member of the Board of Directors of ALSO Holding AG, Hergiswil, Switzerland, and of Venture Incubator AG, Zug, Switzerland. He is a member of the University Council of the University of Lucerne, Switzerland, of the Commission of Experts on Disclosure of the SIX Swiss Exchange, and of the Arbitration Commission of the Central Swiss Chamber of Commerce. In addition, as from 2010 he is a board member of the Kuoni and Hugentobler Foundation, Switzerland. Karl Hofstetter studied law and economics at the universities of Zurich, Stanford, UCLA, and Harvard. He is a licensed attorney in Zurich and New York, as well as a professor of private and commercial law at the University of Zurich.

Prof. Dr. Pius Baschera

was elected to the Board of Directors in March 2005. He joined Hilti AG, Schaan, Liechtenstein, as head of production controlling in 1979, transferring in 1982 to Hilti Inc., Tulsa, USA, as head of corporate development. In 1985, Pius Baschera became head of Hilti (Switzerland) AG, followed by Hilti Germany GmbH, and in 1989 became responsible for the Europe 1 market region. In 1990, as chief financial officer, he became a member of the executive board of Hilti AG, and from January 1994 until the end of 2006 was its chairman. On January 1, 2007, he became chairman of the board of directors of Hilti AG. He is also a member of the board of directors of F. Hoffmann-La Roche Ltd., Basel, Switzerland, of the advisory board of Vorwerk & Co, Wuppertal, and of Ardex, Witten, both in Germany, as well as chairman of the board of directors of Venture Incubator AG, Zug, Switzerland, and a professor of business administration at the Swiss Federal Institute of Technology, Zurich. On completion of his studies in mechanical engineering and management science at the Swiss Federal Institute of Technology in Zurich, Pius Baschera gained the degree of Dr. sc. techn. ETH.

Dr. Hubertus von Grünberg

has been a member of the Board of Directors since May 1999. On completing his studies, he first worked for Teves GmbH, a subsidiary of ITT, in Frankfurt. In 1989 he became president and CEO of ITT Automotive Inc., Auburn Hills, Michigan, USA, and a senior vice president of ITT Corporation. From 1991 to 1999 he was president of the executive management committee of Continental AG, Hanover, Germany. From June 1999 to March 2009 he was chairman of the supervisory board of Continental AG. He is also a member of the supervisory boards of Allianz Versicherungs AG, Munich, and Deutsche Telekom AG, Bonn, both in Germany. He resigned from his board memberships of MAN AG in March 2007 and of Deutsche Post AG in July 2007, as well as from his position as an advisor to BHF Bank AG. Since May 3, 2007, Dr. Hubertus von Grünberg has been chairman of the board of directors of ABB Ltd., Zurich. He holds a doctorate in physics from the University of Cologne, Germany.

Lord Powell of Bayswater

Charles Powell was elected to the Board of Directors in March 2003. From 1963 to 1982 he was a member of the British Diplomatic Service. From 1983 to 1991 he was private secretary and advisor on foreign affairs and defense to prime ministers Margaret Thatcher and John Major. Since 1992, Lord Powell has been an international businessman. He is chairman of the board of directors of Magna Holdings International Ltd., Bermuda, and serves on the boards of Caterpillar Inc., Peoria, Illinois; Textron Corporation, Providence, USA; LVMH (Louis Vuitton Moët Hennessy), Paris; Mandarin Oriental International Ltd., Bermuda; Hong Kong Land Holdings Ltd., Bermuda; Matheson & Co Ltd., London; Financière Agache, Paris; Singapore Millennium Foundation, Singapore; Falgos Investments, London; Northern Trust Global Services, Chicago/London; and Capital Generation Partners Ltd., London. He is a member of several company advisory boards including Rolls-Royce, Derby; Barrick Gold, Toronto; Thales, UK; GEMS, Hong Kong; and ACE, Bermuda. He is also chairman of the trustees of the Oxford University Business School Foundation, chairman of the UK Asia Task Force, and chairman of the Atlantic Partnership, London, as well as a trustee of the British Museum, London, and of the Aspen Institute, USA. Lord Powell is an independent member of the House of Lords. He gained a master of arts degree with first-class honors in history at Oxford University.

Dr. Alexander Schaub

was elected to the Board of Directors in March 2007. He has been a member of the Audit Committee of the Schindler Group since March 2007, and has been its Chairman since July 2008. In addition, since September 2006 he has been a member of the Audit Expert Group, and since July 2008 its Chairman. Since 2007, Alexander Schaub has also been of counsel with the international law firm Freshfields Bruckhaus Deringer LLP at its Brussels office, as well as a lecturer at the University of St. Gallen. Alexander Schaub began his career at the European Commission in Brussels in 1973 in the office of Ralf Dahrendorf and subsequently worked for Commissioners Guido Brunner, Etienne Davignon, and Willy De Clercq, and for Commission President Gaston Thorn. From 1995 to 2002, he was director general for competition with commission members Karel van Miert and Mario Monti. During this period he oversaw the preparations for major reforms (modernization) of European policy on competition. He subsequently worked as director general internal market and services until he retired in mid-2006. Alexander Schaub studied law and economics at the universities of Freiburg im Breisgau and Bonn, Germany; Lausanne, Switzerland; and the College of Europe, Bruges, Belgium.

Rolf Schweiger

has been a member of the Board of Directors since March 2009. In 1969 Rolf Schweiger was elected to the parliament of the Canton of Zug, of which he remained a member for 22 years, 14 of them as leader of the Liberal Democratic Party section. Since 1999, he has represented the Canton of Zug in the Swiss Council of States. In 2004 he was chairman of the Liberal Democratic Party in Switzerland. Rolf Schweiger is a member of the following committees of the Swiss Council of States: the Finance Committee and chairman of Subcommittee 2 (EDA/EVD); the Economics and Taxes Committee; the Environment, Spatial Planning and Energy Committee (as chairman); and the Law Committee. Rolf Schweiger is active in various political organizations including membership of the governing board of economiesuisse, president of Action for a Sensible Energy Policy in Switzerland (AVES), and president of the Federation of Swiss Food Industries (fial). He is also a member of various boards of directors in the food segment (HOCHDORF Holding AG, Hochdorf, Switzerland), and in the pharmaceuticals segment as chairman of the board of directors of Roche Diagnostics AG, Risch, Switzerland. In addition, Rolf Schweiger is involved in various not-for-profit institutions, including chairmanship of the foundation "Ombudsman of Private Insurance and SUVA," Zurich. Rolf Schweiger studied law at Zurich University where he completed his academic education in 1969, graduating with a licentiate degree. In 1971 he gained his attorney's license in Zug and began his career as an attorney and notary. Since 1976 he has been a partner in the legal firm of Schweiger Attorney and Notary, Zug, Switzerland.

Dr. Klaus W. Wellershoff

was elected to membership of the Board of Directors in March 2009. From June 1995 until spring 2009 Dr. Wellershoff worked for UBS. From 1997 to 1998 he was chief economist of the then Swiss Bank Corporation and until spring 2009 of UBS. From 2003 until fall 2008 he held the function of global head wealth management research as well as chairman of the investment committee of the UBS Global Wealth Management & Business Banking Division. From 2003 he held the position of head of research at UBS Investment Bank Switzerland. Since September 1, 2009, he has been CEO of Wellershoff & Partners Ltd., an international independent management consultancy in Zurich. Dr. Wellershoff is a member of the management committee of the Institute of Economics at the University of St. Gallen, and a council member of the World Demographic Association. On completion of his banking apprenticeship with private bankers Sal. Oppenheim jr. & Cie., Klaus W. Wellershoff studied economics and business administration at the University of St. Gallen. While studying for his doctorate, he was appointed visiting fellow in the department of economics at Harvard University, USA. Klaus W. Wellershoff holds a doctorate in economics from the University of St. Gallen, Switzerland.

3.3 Elections and terms of office

The members of the Board of Directors of Schindler Holding Ltd. are elected by the General Meeting of Shareholders for a term of three years, on completion of which they can be reelected for a further period of the same duration (individual election on first appointment, collective election for renewal). The renewal of the Board of Directors takes place on a staggered basis.

According to the Articles of Association, the Chairman of the Board of Directors is elected by the General Meeting of Shareholders.

Members of the Board of Directors are required to retire as of the date of the Ordinary General Meeting of Shareholders in the year in which they attain the age of 70. In exceptional cases, the Board of Directors may depart from this rule.

3.4 Internal organizational structure

3.4.1 Allocation of tasks within the Board of Directors

The Chairman of the Board of Directors convenes the meetings of the Board of Directors, prepares them, and leads them. He decides from case to case on the inclusion of further persons in the discussions of the Board of Directors. The Chairman of the Board of Directors determines the agenda. Every member of the Board of Directors can request convocation of a meeting of the Board of Directors stating the item to be discussed and giving a brief justification.

The Chairman of the Board of Directors serves as the link to the Board of Directors regarding fulfillment of the responsibilities of the Executive Committee of the Board.

One or more Vice Chairmen is/are elected by the Board of Directors from among its members for a term of three years. A Vice Chairman represents the Chairman.

3.4.2 Committees

The Board of Directors can delegate the preparation and execution of its decisions, the supervision of business, and the clarification or investigation of important events, to committees formed of its own members or to individual members. The Board of Directors has appointed four standing committees: the Executive Committee of the Board, the Nominations Committee, the Compensation Committee, and the Audit Committee. For each committee, the Board of Directors appoints a chairman.

3.4.2.1 Executive Committee of the Board

The Board of Directors appoints from among its members a standing Executive Committee of the Board for a term of three years. The Chairman and Vice Chairman of the Board of Directors are members of the Executive Committee of the Board. Members of the Executive Committee of the Board are not members of the Management Committees.

Members			
as at 31.12.2010			Term of office expires
Alfred N. Schindler	Chairman, executive member of the Board of Directors	Chairman	2011
Luc Bonnard	Vice Chairman, executive member of the Board of Directors	Vice Chairman	2011
Prof. Dr. Peter Athanas	Executive member of the Board of Directors	Member	2013

The Executive Committee of the Board manages and supervises the business of the entire Group and exercises its interests vis-à-vis third parties, in particular vis-à-vis business organizations and associations, as well as vis-à-vis authorities and the public. In addition, the Executive Committee of the Board (at ALSO, subject to legal stipulations and the Articles of Association of ALSO Holding AG) has the following specific tasks:

- Exercising the rights of Schindler Holding Ltd. as equity holders
- Preparing all business to be handled by the Board of Directors, and submitting proposals
- Creating the prerequisites for ultimate direction by the Board of Directors
- Ensuring that the Board of Directors is informed
- In close collaboration with the two Management Committees, formulating and submitting to the Board of Directors the goals and strategies of the Group as a whole, and of its two business segments, and allocating the financial and human resources
- Ensuring the execution of decisions of the Board of Directors and implementation of the Group strategy by the Management Committees
- Evaluating the performance and results of the two Management Committees, Elevators & Escalators and ALSO
- Approving the quarterly financial statements
- Defining the goals and structures of the Finance and Human Resources areas
- Continuous monitoring of the managerial qualifications of the members of the two Management Committees and of further holders of important staff and line functions
- Determining the information and investor relations policies
- Deciding on the publication of ad hoc information and other requirements for disclosure under stock exchange law.

3.4.2.2 Nomination Committee

The Executive Committee of the Board acts as Nomination Committee in selecting candidates for election to the Board of Directors, each member of the Board of Directors having the right to make proposals of their own to the Chairman of the Board. With regard to the composition of the Board of Directors, attention is paid not only to competence, but also to professional and cultural diversity.

The Board of Directors makes the final decision regarding nominations to be proposed to the General Meeting of Shareholders.

The Nomination Committee also supervises on behalf of the Board of Directors the succession planning and nominations for the top management of the Group.

3.4.2.3 Compensation Committee

The Board of Directors appoints a Compensation Committee composed of two independent members of the Board of Directors who are not members of the Executive Committee of the Board.

Members

as at 31.12.2010

Dr. Hubertus von Grünberg	Independent member of the Board of Directors	Chairman
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Member

The responsibilities of the Compensation Committee are described in note 5.2.

3.4.2.4 Audit Committee

The Board of Directors appoints an Audit Committee, whose chairman must be an independent member of the Board of Directors. The Audit Committee has a total of two to three members, who possess the necessary financial, legal, and technical know-how.

Members

as at 31.12.2010

Dr. Alexander Schaub	Independent member of the Board of Directors	Chairman
Luc Bonnard	Vice Chairman, executive member of the Board of Directors	Member

The Audit Committee reports to the Board of Directors. The Chairman of the Audit Committee informs the Board of Directors about the work of the Audit Committee at every meeting of the Board of Directors. A full report is given once per year.

The Audit Committee is particularly responsible for the following:

- Approval of the annual and semiannual financial statements for submission to the Board of Directors
- Review and determination of audit programs
- Review the performance, fees, and independence of the auditing body
- Discussion of all reports issued by the auditing bodies as well as status reports on implementation
- Issuance of recommendations and instructions regarding organization, human resources, and activities in the Audit and Compliance areas within the Schindler Group
- Review of the appropriateness of sanctions that are proposed in consequence of detected misconduct or infringements of internal guidelines
- Enactment of new guidelines, instructions, clarifications, or other instructions in connection with the Code of Conduct.

The Audit Committee maintains contact with the external auditors. It is also assisted by an Audit Expert Group.

Audit Expert Group

as at 31.12.2010

Dr. Alexander Schaub	Independent member of the Board of Directors	Chairman
Alfred Spörri	Not a member of the Board of Directors ¹	Vice Chairman
Peter Bühler	External, not a member of the Board of Directors	Member
Prof. Dr. Oliver Gassmann	External, not a member of the Board of Directors	Member
Prof. Dr. Karl Hofstetter	Executive member of the Board of Directors	Member

¹Executive member of the Board of Directors until March 26, 2008

The Audit Expert Group supports the Audit Committee and the Executive Committee of the Board in fulfilling their supervisory functions.

The Audit Expert Group applies the following supervisory instruments of the Audit Committee:

- Internal audits, for the purpose of verifying compliance with rules and processes in the business and financial area
- Code of Conduct Compliance Audits, for the purpose of verifying and enforcing the Code of Conduct enacted by the Board of Directors in 1997, which is binding for all employees worldwide
- Technical Compliance Audits, for the purpose of verifying compliance with safety-relevant standards and processes in the Elevators & Escalators business
- Information Security Audits, for the purpose of ensuring appropriate and constant protection of vital business data against internal and external hazards.

Application of the supervisory instruments is coordinated by Corporate Group Assurance.

The Audit Expert Group possesses the necessary financial and technical knowledge for it to provide substantial support to the Audit Committee. It holds whole-day meetings four to six times per year. At the meetings, a total of approximately 120 audit reports from the specialist areas listed above are discussed.

3.4.3 Frequency of meetings of the Board of Directors and its committees

The Board of Directors holds five regular whole-day meetings per year, and ad hoc meetings as necessary. In addition, each year in September, a joint two-day meeting of the Board of Directors takes place with members of both Management Committees. In the reporting year, seven meetings were held.

The Executive Committee of the Board normally meets for a whole day every two weeks. In the reporting year, 41 meetings were held.

The other committees meet for half or whole days according to need. In the reporting year, the Audit Committee held two meetings. The Compensation Committee met two times, and the Nomination Committee 15 times. No external consultants attended the meetings.

The agendas of the meetings are set by the respective chairmen. Minutes are taken of all discussions and resolutions at the meetings.

The President of the Management Committee Escalators & Elevators attends all meetings of the Board of Directors. Other members of the Management Committees, or other persons, may be invited to the meetings of the Board of Directors or its committees by the respective chairmen.

3.5 Definition of areas of responsibility

According to law, the Board of Directors exercises ultimate direction and ultimate supervision of the entire Group, i.e. of the Management Committees Elevators & Escalators and ALSO (in the case of ALSO, subject to the legal stipulations and the Articles of Association of ALSO Holding AG). The non-transferable and inalienable responsibilities of the Swiss Code of Obligations, Article 716a, Paragraph 1, are incumbent on the Board of Directors. In addition, the Board of Directors can resolve all matters which are not defined by the laws or Articles of Association as being the responsibility of any other governing body.

It is also incumbent on the Board of Directors to approve, or decide on, the following:

- The objectives and strategies of the Group as a whole, and of its two business segments
- The essential prerequisites for business activity
- The main risks and the catalog of measures for preventing and minimizing potential damage
- The budget, the plans, and the forecasts of Schindler Holding Ltd. and the entire Group
- The consolidated annual and semiannual financial statements of the entire Group
- The annual financial statements of Schindler Holding Ltd. for submission to the General Meeting of Shareholders
- Setting up and changing the essential financing structures of Schindler Holding Ltd.
- The initiation and structuring of repurchase programs
- Guidelines and limits for financial management (cash management, financial investments, foreign currency market operations, and credit matters)
- Material M&A transactions, joint ventures, etc.
- Election of the Vice Chairman of the Board of Directors and of the chairman and members of the Executive Committee of the Board

- Proposing candidates to the General Meeting of Shareholders for election to the Board of Directors
- The fees of the members of the Board of Directors
- The structure and content of the participation programs and their beneficiaries.

In all other matters the Board of Directors has delegated the management of the overall Group to the Executive Committee of the Board and the two Management Committees.

The main responsibilities of the Management Committee Elevators & Escalators are as follows:

- In close collaboration with the Executive Committee of the Board, formulation of the strategic goals for submission to the Board of Directors
- Accomplishment of the strategic and operational goals approved by the Board of Directors
- Definition of the goals for the areas of the operationally active members of the Management Committees and determination of the organizational structure
- Handling of issues of cross-area significance
- Definition of the market strategy and of the communication policy in the marketing area
- Approval of the budgets, plans, and forecasts of the Group companies
- Preparation of budgets, plans, and forecasts for submission to the Executive Committee of the Board or Board of Directors, as the case may be
- Appointment of the responsible persons to the supervisory, directive, and management bodies of the Elevators & Escalators Group companies, and decisions regarding their signing authorities
- Enactment of binding rules for the Elevators & Escalators business segment
- Assurance of Field Quality & Excellence
- Decisions regarding material corrective actions and major restructurings (partial plant closures, expansions, etc.).

3.6 Information and control instruments vis-à-vis the Management Committees

The Board of Directors controls the Management Committees and supervises their work. The Schindler Group has at its disposal a comprehensive electronic management information system (MIS) for both business segments of the Group. The Board of Directors receives a written report each quarter. The Executive Committee of the Board is informed monthly in detail about the financial and operational development of the Elevators & Escalators and ALSO business segments. In the presence of the responsible persons, the reports are discussed in detail at the respective meetings of the Board of Directors and of the Executive Committee of the Board.

Once yearly, a joint two-day meeting of the Board of Directors takes place with the members of both Management Committees.

Schindler defines and evaluates the most important risks of the Elevators & Escalators business segment in a four-phase process based on a detailed risk catalog (information regarding ALSO is contained in the annual report of ALSO Holding AG). These risks are divided into the categories of product, market and business risks, financial, operational and organizational risks, as well as safety, health, and environment risks. In all risk categories, the legal aspects are also evaluated. The four phases of the process are as follows:

- Each Group company creates a risk matrix as part of its budget process.
- The risks are consolidated into a Group matrix and evaluated in detail by an interdisciplinary risk committee comprising the responsible heads of the product groups and Group staff offices. Based on the evaluation, a detailed catalog of measures for the most important risks is presented to the Management Committee.
- The Management Committee evaluates the risk matrix and the proposed catalog of measures and proposes additions.
- The most important risks, along with possible measures to prevent and minimize potential damage, are presented to the Board of Directors for decision.

Internal Audit, the auditing body, and the compliance departments support the Board of Directors in exercising its supervisory and control functions.

3.7 Board of Directors of ALSO Holding AG

as at 31.12.2010

Thomas C. Weissmann	Chairman of the Board of Directors and President of the Management Committee ALSO	Executive member
Prof. Dr. Karl Hofstetter		Non-executive member
Prof. Dr. Rudolf Marty		Non-executive member

Further information is contained in the ALSO Holding AG annual report.

4 Management Committees

4.1 Members of the Management Committee Elevators & Escalators

as at 31.12.2010	Nationality	Function
Jürgen Tinggren (1958)	Sweden	President
Miguel A. Rodríguez (1953)	Spain	Deputy President, Global Business, India and Gulf
Erich Ammann (1957)	Switzerland	Chief Financial Officer (CFO)
Dr. Rudolf W. Fischer (1952)	Switzerland	Corporate Human Resources
Didier Gaudoux (1958)	France	Europe South
Albert Haffert (1953) ¹	Germany	Field Quality & Excellence
Silvio Napoli (1965)	Italy	Asia/Pacific
Thomas Oetterli (1969)	Switzerland	Europe North
Jakob Züger (1952)	Switzerland	North, Central, and South America

¹ Member since 1. 7. 2010



Top from left: Thomas Oetterli, Miguel A. Rodríguez, Rudolf W. Fischer
Center from left: Erich Ammann, Jürgen Tinggren, Didier Gaudoux
Bottom from left: Albert Haffert, Jakob Züger, Silvio Napoli

Jürgen Tinggren

has been President of the Management Committee since August 1, 2007. He joined the Management Committee on April 1, 1997, initially with responsibility for Europe 1. In 1999 he took over responsibility for the Asia/Pacific region. On May 1, 2005, Jürgen Tinggren was appointed Deputy President of the Management Committee and took over responsibility for Technology and Strategic Procurement. From 1985 to 1997 he worked for the Sika Group, ultimately as a member of the management committee with responsibility for North America. Jürgen Tinggren holds a joint MBA from the Stockholm School of Economics and New York University Business School.

Miguel A. Rodríguez

has been a Member of the Management Committee since December 1, 1998, initially with responsibility for Europe South West, and since November 1, 2001, for all of Europe. As of January 1, 2010, Miguel A. Rodríguez became Head of Global Business, which also includes responsibility for the markets of India and the Gulf. From 1991 to 1998 he managed the Schindler subsidiaries in Spain and Portugal. From 1981 to 1991 he was a member of the corporate management of the Armstrong Group, holding the position of general manager at various subsidiaries in Spain. Miguel A. Rodríguez studied at the Advanced School of Industrial Engineering of the University of Bilbao, Spain, where he graduated as an industrial engineer.

Erich Ammann

has been a member of the Management Committee, and Chief Financial Officer of the Schindler Group, since November 1, 2001. From 1997 he was Head of Group Controlling, and from 1992 to 1997 CFO of Schindler USA. Erich Ammann joined the Schindler Group in 1988 as Area Controller for North America. Prior to that, he was treasurer of Intershop Holding, Zurich, Switzerland, and before that an auditor with Schweizerische Treuhandgesellschaft (STG) in Geneva. He obtained a degree in economics and business administration from St. Gallen University of Applied Sciences, Switzerland, and in 1994 gained an executive MBA from the Wharton School, University of Pennsylvania, Philadelphia, USA.

Dr. Rudolf W. Fischer

has been a member of the Management Committee since January 1, 1996 with responsibility for Corporate Human Resources, Training, and Corporate Safety & Health. From 1994 to 1995 he was a partner in Dr. Björn Johansson Associates, an executive search company in Zurich. From 1991 to 1994 he was CEO of Jockey/Vollmöller AG in Uster, and subsequently of Hanro AG in Liestal, both in Switzerland. Previously, for almost nine years, he held various managerial positions in human resources and trade marketing with Jacobs Suchard in Switzerland and Belgium. From 1980 to 1982 he worked for Zürcher Kantonalbank and First National Bank of Boston. He is a member of the board of directors of Vetropack Holding AG, Bülach. Rudolf W. Fischer completed his studies in 1979 with a doctorate in economics at the University of Zurich.

Didier Gaudoux

has been a member of the Management Committee and responsible for the Europe South region since January 1, 2010. From 2002 to 2009, Didier Gaudoux worked for Air Liquide, finally as vice president South Europe. From 2007 to 2009 he was chairman of the works council of the Air Liquide Group. He was formerly CEO of Gas and Services France, Metrology Europe, and Air Liquide Welding. From 2000 to 2001 at the Suez-GTM Group, Didier Gaudoux managed the electricity supply segment in France, GTMH-El. From 1995 to 1999 he worked for Schindler France, finally as CEO of the French subsidiary. Prior to that, he held various positions in the energy supply sector. Didier Gaudoux has a degree in engineering from the Ecole Centrale de Lille, France, and a master of management from the University of Lille. He also gained a degree in international finance at the Dauphine University, Paris.

Albert Haffert

has been a member of the Management Committee since July 1, 2010, and is responsible for the newly created organizational unit Field Quality & Excellence (FQE). From 2002 to 2010 he was CEO of Schindler Germany, and from 2008 onwards additionally responsible for the Nordic and Baltic countries. He was previously active in various positions with Schindler Germany, including Head of the Haushahn Group, a dual-brand company of Schindler in Germany, as Field Operations Manager of the Schindler Organization, and as Manager of the Component Factory in Berlin. Albert Haffert joined the Schindler Group in 1984. He gained a degree in business engineering from the Technical University of Berlin.

Silvio Napoli

has been a member of the Management Committee with responsibility for the Asia/Pacific region since March 1, 2008. For three years prior to that date he was head of the Jardine Schindler Group. From 2003 to 2005 he was General Manager of Schindler Lifts (Hong Kong) Ltd. From 2001 to 2003 he was Director of Corporate Development (M&A) of ALSO Holding AG. Silvio Napoli joined the Schindler Group in 1994 and has held various positions, including Vice President South Asia, President and CEO Schindler India, and Head of Corporate Planning. For three years prior to joining Schindler, Silvio Napoli held various positions with The Dow Chemical Company in Germany. He holds an MBA from Harvard Graduate School of Business Administration and a degree in materials science from the Swiss Federal Institute of Technology (EPFL), Lausanne.

Thomas Oetterli

has been a member of the Management Committee and responsible for the Europe North region since January 1, 2010. For three years prior to that date he was CEO of Schindler Elevator Ltd., Switzerland. From 2003 to 2006 he was CFO of Schindler Germany. Thomas Oetterli joined the Schindler Group in 1994 and has held various positions, including COO and CFO of the C. Haushahn Group, a dual-brand company of Schindler in Germany, Project Leader for the introduction of IFRS in the Schindler Group, and Head of Corporate Consolidation and Reporting. Thomas Oetterli completed his studies in managerial economics at the University of Zurich in 1996.

Jakob Züger

has been a member of the Management Committee since July 1, 2006, with responsibility for North, Central, and South America. He joined Schindler Elevator Ltd. in March 1995. In 2003 he became Chief Executive Officer of Schindler Elevator Ltd., Switzerland. From 1990 to 1995, Jakob Züger was chief executive officer of Saurer Embroidery Systems Ltd., a subsidiary of the Saurer Group. Before that, he worked for several tool and textile machinery manufacturers. Jakob Züger studied at the Swiss Federal Institute of Technology (ETH) in Zurich, where he graduated with a master's degree in mechanical engineering in 1978 and additional studies in management science.

4.2 Management Committee ALSO

as at 31.12.2010	Nationality	Function
Thomas C. Weissmann	Switzerland	President, Chairman and executive member of the Board of Directors of ALSO Holding AG
Laisvunas Butkus	Latvia	Managing Director Baltic States
Michael Dressen	Germany	Managing Director ALSO Deutschland GmbH
Lucas Kuttler	Switzerland	Chief Operating Officer
Marc Schnyder	Switzerland	Managing Director ALSO Schweiz AG
Maija Strandberg	Finland	Managing Director Finland
Urs Windler	Switzerland	Chief Financial Officer

Further information is contained in the annual report of ALSO Holding AG.

4.3 Management contracts

Schindler Holding Ltd. has not entered into any management contracts with third parties outside the Group.

5 Compensation report

5.1 Principles

The success of the Schindler Group depends on the quality and commitment of its employees. The objective of the compensation policy is to attract qualified employees, motivate them, and bind them to the company. Performance-related compensation has the further objective of promoting entrepreneurial thought and action.

The most important principles are:

- Performance-related compensation consistent with the market
- Participation in the company's success
- Fairness and transparency in compensation decisions
- A balance between short- and long-term compensation.

5.2 Responsibility and determination process

The Board of Directors appoints a Compensation Committee composed of two independent members of the Board of Directors who are not members of the Executive Committee of the Board.

Members of the Compensation Committee

as at 31.12.2010

Dr. Hubertus von Grünberg	Independent member of the Board of Directors	Chairman
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Member

The Compensation Committee

- definitively determines the compensation of the Chairman of the Board of Directors,
- approves upon proposal of the Chairman of the Board of Directors all compensation of the other executive members of the Board of Directors,
- approves upon proposal of the Chairman of the Board of Directors the compensation of the President of the Management Committee Elevators & Escalators.

It is also informed of all compensation of members of the Management Committee Elevators & Escalators.

The Compensation Committee exercises its responsibilities in consultation with Corporate Human Resources but without the involvement of external consultants.

The Board of Directors

- approves all compensation of the non-executive members of the Board of Directors, based on proposals submitted by the Chairman of the Board, and
- determines the variable compensation under the Long Term Incentive Plan for the members of the Management Committee Elevators & Escalators (except for the President of the Management Committee), and
- approves the compensation and bonus regulations.

The Chairman of the Board of Directors

- determines the compensation of the members of the Management Committee for Corporate Human Resources and Corporate Finance (except for the variable compensation under the Long Term Incentive Plan), and
- approves the proposals of the President of the Management Committee Elevators & Escalators for the compensation of the remaining members of the Management Committee (except the variable compensation under the Long Term Incentive Plan).

In addition, once yearly the Board of Directors reviews and discusses the compensation of the executive members of the Board of Directors and of the Management Committee Elevators & Escalators which is presented to the Board of Directors by the Compensation Committee.

Overview compensation process Board of Directors

	Compensation	
	Proposal	Determination/approval
Chairman of the Board of Directors	¹	Compensation Committee
Members of the Executive Committee of the Board	¹ Chairman	Compensation Committee
Other executive member	² Chairman	Compensation Committee
Non-executive members	Chairman	Board of Directors

¹ Including compensation under the capital participation plan

² Including compensation under the Long Term Incentive Plan (LTI)

Overview compensation process Management Committee

	Compensation (excl. under LTI)		Long Term Incentive Plan (LTI)	
	Proposal	Determination/approval	Proposal	Determination/approval
President	Chairman	Compensation Committee	Chairman	Compensation Committee
Other members:				
Chief Financial Officer (CFO)		Chairman		Board of Directors
Corporate Human Resources		Chairman		Board of Directors
Other members	President	Chairman		Board of Directors

Each year since the reporting year 2007, the entire compensation system for the executive members of the Board of Directors and of the Management Committee has been presented to the General Meeting of Shareholders for its consultative vote. The compensation of the Chairman of the Board of Directors and of the other executive members of the Board of Directors are presented in detail each year.

5.3 Compensation system

5.3.1 Board of Directors

5.3.1.1 Non-executive members of the Board of Directors

For their activities, the non-executive members of the Board of Directors receive a fixed fee and a flat-rate reimbursement of expenses, but no performance-related compensation. In accordance with their own wish, they are not included in the capital participation plans. The Chairman of the Audit Committee receives an additional fee for performing this function.

5.3.1.2 Executive members of the Board of Directors

In addition to their fee as members of the Board of Directors, the executive members of the Board of Directors receive further compensation, which comprises fixed and performance-related (variable) components.

The fixed compensation comprises a monthly salary, a year-end salary, and flat-rate reimbursement of representation and car expenses. In addition, a fixed payment is made into the Schindler Foundation (retirement plan for managerial employees). The compensation also includes fringe benefits, which are disclosed if they exceed CHF 500 per case and a total of CHF 20 000 in the reporting year.

The variable compensation of members of the Executive Committee of the Board comprises a bonus (cash bonus plus shares or participation certificates of Schindler Holding Ltd.) and options on shares or participation certificates of Schindler Holding Ltd. The allocation is made under the Capital Participation Plan 2000 (see note 5.3.3.1).

The variable compensation of the Chairman of the Board of Directors depends on the consolidated cash flow from operating activities (cash flow from business activities excluding the change in remaining net working capital). A rate per thousand applies which is contractually fixed and has not been changed since 1997. The variable compensation of the other members of the Executive Committee of the Board also depends on the consolidated cash flow, but with consideration also being given to the achievement of strategic goals as well as individual goals set by the Chairman of the Board of Directors.

At the level of the Executive Committee of the Board, the cash flow from operating activities is used as the measurement parameter because this promotes long-term growth in the value of the Group rather than short-term profit maximization. This system of compensation ensures that impending restructuring projects are initiated, and the associated depreciation/amortization and provisions are recognized, as early as possible.

The variable compensation of the further executive member of the Board of Directors is composed of a cash bonus as well as performance share units and options on shares or participation certificates of Schindler Holding Ltd. which are allocated under the Long Term Incentive Plan (see note 5.3.3.2). The target bonus (cash) for the respective reporting year is determined at the beginning of that year. The actual cash bonus can be between 0% and 150% of the target bonus. It is paid in April of the following year, and depends to 100% on the personal, qualitative, and quantitative goals. The percentage makeup from fixed and variable components is the same as for the members of the Management Committee Elevators & Escalators (see 5.3.2).

5.3.2 Management Committee Elevators & Escalators

The members of the Management Committee Elevators & Escalators receive compensation that consists of fixed and performance-related (variable) components.

The fixed compensation comprises a monthly salary, a year-end salary, and flat-rate reimbursement of representation and car expenses. In addition, a fixed payment is made into the Schindler Foundation (retirement plan for managerial employees). The compensation also includes fringe benefits, which are reported if they exceed CHF 500 per case and a total of CHF 20 000 in the reporting year.

The variable compensation comprises a cash bonus as well as performance share units and options on shares or participation certificates of Schindler Holding Ltd. which, on achievement of the goals, amount to approximately 50% of the total compensation.

- The target bonus (cash), which on achievement of the goals amounts to approximately 20% of the total compensation, is determined for the respective reporting year at the beginning of that year. The actual cash bonus can be between 0% and 150% of the target bonus and is paid out in April of the following year.

For members of the Management Committee with responsibility for results, the actual cash bonus depends to 50% on achievement of the budget goals of the business unit for which the member of the Management Committee is responsible, and 50% on the personal qualitative and quantitative goals. For members of the Management Committee who have no responsibility for results (Dr. R. W. Fischer, E. Ammann, and A. Haffert), the personal qualitative and quantitative goals have a weighting of 100%.

- The performance share units as well as the options on shares or participation certificates of Schindler Holding Ltd. are allocated to the members of the Management Committee under the Long Term Incentive Plan (see note 5.3.3.2). If the goals are achieved, the variable compensation under the Long Term Incentive Plan amounts to approximately 30% of total compensation.

5.3.3 Capital participation plans

The capital participation plans contribute to aligning the medium- and long-term interests of the top level of management with those of the shareholders.

Since 2000, there are capital participation plans for the highest levels of management (including executive members of the Board of Directors and members of the upper levels of management) in place, comprising participation and option plans.

5.3.3.1 Capital Participation Plan 2000

The Capital Participation Plan applies to the members of the Executive Committee of the Board and other members of the higher management level excluding the Management Committee.

- Under the *Share Plan* (Deferred Compensation Plan), the beneficiaries are paid 30% of their actual bonus up to a maximum of CHF 135 000 in the form of shares or participation certificates of Schindler Holding Ltd. The allocation value of one share or one participation certificate is determined each year in December of the reporting year by the Board of Directors, normally from the average fair value of the shares and participation certificates in December of the previous year, less a discount that is defined by the Board of Directors. The number of shares and participation certificates to be allocated to each beneficiary is also determined in December and their ownership transferred in April of the following year. The shares and participation certificates carry all associated rights, but are subject to a blocked period of three years during which they may not be sold.

– Under the *Options Plan*, in December of the reporting year, the Board of Directors or the Compensation Committee respectively at its own discretion allocates to the beneficiaries a certain number of options on shares or participation certificates of Schindler Holding Ltd. Under the Options Plan, a beneficiary can be allocated options on shares or participation certificates of Schindler Holding Ltd. for a maximum value of CHF 90 000. The Board of Directors determines the exercise price for the options in March of each reporting year. The exercise price is normally based on the average fair value of the shares or participation certificates in December of the previous year plus a premium that is defined by the Board of Directors. The period until the definitive transfer of the options into the ownership of the beneficiary (vesting period) is three years and the subsequent exercise period six years. The allocation takes place in April of the following year.

5.3.3.2 Long Term Incentive Plan

The Long Term Incentive Plan consists of a Performance Share Plan and an Options Plan. The Long Term Incentive Plan applies to the members of the Management Committee, the executive member of the Board of Directors who is not a member of the Executive Committee of the Board, and the CEOs of the eight largest Group companies.

– Under the *Performance Share Plan*, the Board of Directors at its own discretion awards to the beneficiary a certain number of performance share units. Each performance share unit gives the beneficiary the right to a still-to-be-determined number of shares or participation certificates of Schindler Holding Ltd. The number of shares or participation certificates depends on the achievement of certain growth and profitability figures (key performance figures) which are defined each year by the Board of Directors.

The key performance figures defined as relevant for 2010 are:

- a. the difference between (1) the average EBIT margin of the Schindler Elevators & Escalators business for the years 2010 to 2012 and (2) the average EBIT of a group of companies in the elevators and escalators market¹ for the same years, and
- b. the difference between (1) the growth in operating revenue of the Schindler Elevators & Escalators business from 2009 to 2012 and (2) the growth in turnover of a group of companies in the elevators and escalators market¹ in the same period.

Key performance figures defined as relevant for 2009 were:

- a. the difference between (1) the average EBIT margin of the Schindler Elevators & Escalators business from 2009 to 2011 and (2) the average EBIT of a group of companies in the elevators and escalators market over the same years, and
- b. the difference between (1) the growth in operating revenue of the Schindler Elevators & Escalators business from 2008 to 2011 and (2) the growth in turnover of a group of companies in the elevators and escalators market¹ in the same period.

¹ Principal competitors of the Schindler Group in the global market

The performance share units 2010 are performance share units on participation certificates of Schindler Holding Ltd. Allocation of the participation certificates for the performance share units 2010 will only take place in April 2013 on expiration of the three-year performance period. Before allocating the participation certificates, the extent of achievement of the key performance figures and the resulting multiplier (conversion rate) are calculated. The conversion rate can have a value between 0 and 3. The number of participation certificates to be allocated is calculated by multiplying the performance share units by the conversion rate. The participation certificates are then transferred into ownership of the beneficiary, who may freely dispose of them as from this date.

- Under the *Options Plan*, the Board of Directors or the Compensation Committee, as the case may be, at its own discretion allocates to the beneficiaries a certain number of options on shares or participation certificates of Schindler Holding Ltd. The allocation for the reporting year takes place in April of the reporting year. The period until the definitive transfer of the options into the ownership of the beneficiary (vesting period) is three years and the subsequent exercise period six years.

The exercise price for the options is determined by the Board of Directors in the respective reporting year and is normally based on the average fair value of the shares or participation certificates in December of the previous year plus a premium that is defined by the Board of Directors.

5.3.4 Employment contracts and special agreements

Employment contracts, each with a renewable duration of three years, exist for Alfred N. Schindler, executive member and Chairman of the Board of Directors, and Luc Bonnard, executive member and Vice Chairman of the Board of Directors. There are no other employment contracts with notice periods of more than twelve months.

The employment contracts with the executive members of the Board of Directors and members of the Management Committee Elevators & Escalators do not contain any severance payments.

5.4 Compensation for the reporting year

By decision of the Board of Directors, under the Capital Participation Plan 2000 participation certificates and options on participation certificates of Schindler Holding Ltd. are allocated for the reporting year. At its meeting in March 2010, for the allocation of participation certificates and options for the financial year 2010, the Board of Directors decided to use the average fair value of the participation certificates of December 2009. On this basis, the following values were determined:

- Allocation value per participation certificate: CHF 69.60 (average fair value of the participation certificate in December 2009 of CHF 77.35 less the discount of 10% defined by the Board of Directors to take account of the three-year blocked period)
- Exercise price for the options on participation certificates: CHF 85.10 (average fair value of the participation certificate in December 2009 of CHF 77.35 plus the premium of 10% defined by the Board of Directors)
- Allocation value per option: CHF 19.90 (by decision of the Board of Directors). At its meeting in December 2010, the Board of Directors decided not to use the Black-Scholes formula for the option value as in the previous years, since the volatility values for the last three years used therein do not provide an adequate basis for the calculation. Instead, the average ratio of the allocation value per share/participation certificate and the allocation value per option in the last ten years (3.5 : 1) was taken as reference value. Consequently, the allocation value per option is one 3.5th of the allocation value per participation certificate.

In March 2010 the Board of Directors decided under the Long Term Incentive Plan to allocate options on participation certificates of Schindler Holding Ltd. with an exercise price of CHF 85.10. The basis for the exercise price was the average fair value of the participation certificates of December 2009 of CHF 77.35 plus the premium of 10% defined by the Board of Directors. The allocation value per option according to the Black-Scholes formula is CHF 27.60, as decided by the Board of Directors in March 2010.

The compensation of the Board of Directors and Management Committee Elevators & Escalators that is disclosed below contains the respective compensation for the entire reporting year with the following additions and limitations:

- The disclosed variable compensation elements relate to the completed reporting year. The allocation and payment of the variable compensation under the Capital Participation Plan 2000 only takes place in April of the following year.

- The compensation of new members of the Board of Directors or Management Committee Elevators & Escalators is reported as from the date on which they take over the respective function. For transfers between the Board of Directors and the Management Committee Elevators & Escalators (e.g. transfer from the Management Committee Elevators & Escalators to the Board of Directors) the entire compensation for the reporting year is included and reported under the new function.
- If a member of the Board of Directors or Management Committee Elevators & Escalators resigns, the compensation up to the date of resignation plus any other compensation paid in the reporting year in connection with the member's former activities in a governing body of Schindler Holding Ltd. is reported.
- In individual cases, depending on the country in which the member of the Management Committee lives, a company car is provided to a member of the Management Committee, and in this case no flat-rate car expenses are paid. Additional compensation is paid for assignments abroad (expatriates). These payments are reported under fringe benefits.
- All contributions to retirement benefit plans, premiums for managerial insurances, or benefits in the form of reduced premiums for insurances, are reported under expenses for post-employment benefits.
- Some members of the Board of Directors of Schindler Holding Ltd. and the Management Committee Elevators & Escalators are also members of the boards of directors of Group companies. If the respective Group companies pay a board of directors' fee for this function, the compensation is not paid to the individual board member but to the company by which the member is normally compensated.
- In the reporting year, no securities or guarantees were granted to members of the Board of Directors or of the Management Committee Elevators & Escalators. Neither Schindler Holding Ltd. nor any other Group company has waived any liabilities due from members of the Board of Directors or of the Management Committee Elevators & Escalators.
- In the reporting year, no members of the Board of Directors or Management Committee Elevators & Escalators received fees or other compensation for additional work for Schindler Holding Ltd. or any other Group company.

5.4.1 Members of the Board of Directors of Schindler Holding Ltd.

Total compensation 2010 – Board of Directors

in 1 000 CHF	Fixed compensation	Variable compensation				Expenses for post- employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁵	Performance share units ⁶	Options	Fringe benefits	
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 306	214	–	90 ⁷	–	7 418 ⁹
Luc Bonnard, Vice Chairman ^{1,2}	1 523	1 868	214	–	90 ⁷	–	4 107 ¹⁰
Prof. Dr. Peter Athanas ^{1,2,3}	498	870	214	–	90 ⁷	–	1 812
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁸	–	2 526
Prof. Dr. Pius Baschera ⁴	185	–	–	–	–	–	196
Dr. Hubertus von Grünberg ⁴	185	–	–	–	–	–	193
Lord Charles Powell ⁴	185	–	–	–	–	–	193
Dr. Alexander Schaub ^{4,5}	350	–	–	–	–	–	350
Rolf Schweiger ⁴	185	–	–	–	–	–	193
Dr. Jenö C. A. Staehelin ^{4,11}	39	–	–	–	–	–	39
Dr. Klaus W. Wellershoff ⁴	185	–	–	–	–	–	196
Total compensation	7 405	6 624	642	400	670	–	17 223

¹ Member of the Executive Committee of the Board

² Executive member

³ Member of the Board of Directors since August 2, 2010

⁴ Non-executive member

⁵ Including compensation as Chairman of the Audit Committee

⁶ For the purpose of inclusion in the total compensation, the participation certificates of Schindler Holding Ltd. were valued at the stock exchange price as at the end of December 2010 of CHF 110.60. The performance share units were included in the total compensation at CHF 69.60 (average share price in December 2009, less a discount of 10%).

⁷ According to the decision of the Board of Directors in December 2010, the options allocated under the Capital Participation Plan 2000 are included at a value of CHF 19.90 per option.

⁸ The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 27.60 per option.

⁹ After voluntarily waiving a total of CHF 1 129 000 of the contractually agreed compensation. Payments by Alfred N. Schindler to charitable organizations CHF 1 000 000.

¹⁰ After voluntarily waiving CHF 628 000

¹¹ Until General Meeting of Shareholders 2010

The total compensation includes the following Board of Directors' fees- (including flat-rate expense reimbursement): Chairman CHF 370 000 (previous year: CHF 370 000), Vice Chairman CHF 278 000 (previous year: CHF 278 000), other members CHF 185 000 (previous year: CHF 185 000).

Number of participation certificates, performance share units and options allocated 2010 – Board of Directors

	Participation certificates ²	Performance share units	Options
Alfred N. Schindler, Chairman ¹	1 939	–	4 523 ³
Luc Bonnard, Vice Chairman ¹	1 939	–	4 523 ³
Prof. Dr. Peter Athanas ¹	1 939	–	4 523 ³
Prof. Dr. Karl Hofstetter ¹	–	5 747	14 492 ⁴

¹ Executive member

² This number is based on the allocation value of CHF 69.60

³ Options from the Capital Participation Plan 2000 (participation certificates)

⁴ Options from the Long Term Incentive Plan (participation certificates)

In the reporting year 2010, the variable part of the compensation for the executive members of the Board of Directors was on average 53% (previous year: 51%) of the total compensation: 42% cash (previous year: 41%), 7% in the form of shares/participation certificates/performance share units (previous year: 6%) and 4% in the form of options (previous year: 4%).

Total compensation 2009 – Board of Directors

in 1000 CHF	Fixed compensation	Variable compensation			Expenses for post-employment benefits		Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁵	Performance Share Units ⁵	Options	Fringe benefits	
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 297	221	–	90 ⁶	–	7 418 ⁸
Luc Bonnard, Vice Chairman ^{1,2}	1 500	1 877	221	–	90 ⁶	–	4 107 ⁹
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁷	–	2 522
Prof. Dr. Pius Baschera ³	185	–	–	–	–	–	196
Dr. Hubertus von Grünberg ³	185	–	–	–	–	–	193
Lord Charles Powell ³	185	–	–	–	–	–	193
Dr. Alexander Schaub ^{3,4}	350	–	–	–	–	–	350
Rolf Schweiger ^{3,11}	146	–	–	–	–	–	154
Dr. Jenö C. A. Staehelin ³	185	–	–	–	–	–	185
Robert Studer ^{3,10}	39	–	–	–	–	–	41
Dr. Klaus W. Wellershoff ^{3,11}	146	–	–	–	–	–	154
Total compensation	6 991	5 754	442	400	580	–	15 513

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Including compensation as Chairman of the Audit Committee

⁵ For the purpose of inclusion in the total compensation, the performance share units of Schindler Holding Ltd. are valued at the stock exchange price as at the end of December 2009 of CHF 79.65. The performance share units were included in the total compensation at CHF 46.20 (average share price ten trading days before January 20, 2009, less a discount of 10%).

⁶ The options allocated under the Capital Participation Plan 2000 are valued according to the Black-Scholes formula at CHF 20.65 per option.

⁷ The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

⁸ After voluntarily waiving a total of CHF 978 000. Payments by Alfred N. Schindler to charitable organizations of CHF 740 000.

⁹ After voluntarily waiving CHF 523 000

¹⁰ Compensation up to March 16, 2009 (AGM 2009)

¹¹ Compensation from March 16, 2009 (AGM 2009)

Number of participation certificates, performance share units, and options allocated 2009 – Board of Directors

	Participation certificates ²	Performance share units	Options
Alfred N. Schindler, Chairman ¹	2 772	–	4 358 ³
Luc Bonnard, Vice Chairman ¹	2 772	–	4 358 ³
Prof. Dr. Karl Hofstetter ¹	–	8 658	44 593 ⁴

¹ Executive member

² This number is based on the allocation value of CHF 48.70

³ Options from the Capital Participation Plan 2000 (participation certificates)

⁴ Options from the Long Term Incentive Plan (registered shares)

5.4.2 Members of the Management Committee Elevators & Escalators

Total compensation 2010 – Management Committee Elevators & Escalators

	Fixed compensation	Variable compensation			Expenses for post- employment benefits		
In 1000 CHF	Cash (gross)	Cash bonus (gross)	Performance share units ¹	Options ²	Fringe benefits	Total	
Total Management Committee Elevators & Escalators ³	4 680	5 053	1 850	1 850	693	2 006	16 132
Highest single compensation: Jürgen Tinggren	860	1 450	500	500	–	332	3 642

¹ The performance share units were included in the total compensation at CHF 69.60 (average participation certificate price in December 2009, less a discount of 10%).

² The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 27.60 per option.

³ The compensation of the executive members of the Board of Directors is reported only under the compensation of the members of the Board of Directors and not under the Management Committee.

Number of performance share units and options on participation certificates allocated 2010 – Management Committee Elevators & Escalators

	Performance share units	Options
Total Management Committee Elevators & Escalators	26 580	67 026
Jürgen Tinggren	7 184	18 115

In the reporting year 2010, the variable component of the compensation for the members of the Management Committee Elevators & Escalators was on average 54% (previous year: 55%) of the total compensation: 31% cash (previous year: 33%), 11.5% in the form of performance share units (previous year: 11%) and 11.5% in the form of options (previous year: 11%). The calculation was based on a conversion rate of 1.

Total compensation 2009 – Management Committee Elevators & Escalators

In 1000 CHF	Fixed compensation	Cash bonus (gross)	Performance share units ¹	Variable compensation	Fringe benefits	Expenses for post- employment benefits	Total
	Cash (gross)			Options ²			
Total Management Committee Elevators & Escalators ³	5 047	5 302	1 775	1 775	446	1 817	16 162
Highest single compensation: Jürgen Tinggren	860	1 320	500	500	–	323	3 503

¹ The performance share units were included in the total compensation at CHF 46.20 (average share price ten trading days before January 20, 2009, less a discount of 10%).

² The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

³ The compensation of the executive members of the Board of Directors is reported only under the compensation of the members of the Board of Directors and not under the Management Committee.

Number of performance share units and options on registered shares allocated 2009 – Management Committee Elevators & Escalators

	Performance share units	Options
Total Management Committee Elevators & Escalators	38 421	197 880
Jürgen Tinggren	10 823	55 741

5.4.3 Former members of governing bodies

Compensation was paid to the following former members of governing bodies:

Alfred Spörri, until March 26, 2008, executive member of the Board of Directors and member of the Executive Committee of the Board: CHF 0.7 million (previous year: CHF 1.2 million).

Roland W. Hess, President of the Management Committee Elevators & Escalators until July 31, 2007: CHF 1.1 million (previous year: CHF 1.1 million).

Michael Füllemann, member of the Management Committee Elevators & Escalators until December 31, 2009: CHF 1.5 million.

5.4.4 Related parties

In the reporting year, Schindler Holding Ltd. paid pensions amounting to CHF 259 200 to three widows of former executive members of the Board of Directors. The actuarially determined present value of these regular payments is recalculated annually, and as at December 31, 2010, amounted to CHF 1.4 million. This amount is reported by Schindler Holding Ltd. as a provision.

5.5 Loans

5.5.1 Present and former members of governing bodies

No loans were granted by Schindler Holding Ltd. or any other Group company to any present or former members of the governing bodies, and no such loans were outstanding as at December 31, 2010.

The Chairman of the Board of Directors has been granted borrowing rights. As of December 31, 2010, the unutilized credit limit was CHF 25 million, which was secured by shares of Schindler Holding Ltd. owned by the Chairman with a value of more than CHF 200 million.

5.5.2 Related parties

Schindler Holding Ltd. has not made any loans to related parties of present or former members of governing bodies.

5.6 Participations, option rights, and conversion rights

The participations and option rights of the members of the Board of Directors of Schindler Holding Ltd., of the Management Committee Elevators & Escalators, and of their related parties are as follows (there are no outstanding conversion rights):

Participations, option rights, and conversion rights 2010 – Board of Directors

	Registered shares	Number of		Number of vested options	
		Participation certificates	on participation certificates allocated under the options plan 2005	on registered shares allocated under the options plan 2006	on registered shares allocated under the options plan 2007
as at 31.12.2010					
Alfred N. Schindler, Chairman ^{1,2}	4	27 312	–	–	4 288
Luc Bonnard, Vice Chairman ^{1,2}	4	2 772	–	–	4 288
Prof. Dr. Peter Athanas ^{1,2}	3 000	–	–	–	–
Prof. Dr. Karl Hofstetter ²	9 598	–	–	–	3 573
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Rolf Schweiger ³	3 375	–	–	–	–
Dr. Klaus W. Wellershoff ³	3 000	–	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, and parties related to these persons hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2010, these comprised 50 999 418 registered shares, corresponding to 71.1% of the voting rights of the share capital entered in the Commercial Register.

Participations, option rights, and conversion rights 2009 – Board of Directors

	Registered shares	Number of Participation certificates	Number of vested options		
			on participation certificates allocated under the options plan 2004	on participation certificates allocated under the options plan 2005	on registered shares allocated under the options plan 2006
as at 31.12.2009					
Alfred N. Schindler, Chairman ^{1,2}	⁴	24 540	–	–	3 153
Luc Bonnard, Vice Chairman ^{1,2}	⁴	–	–	–	–
Prof. Dr. Karl Hofstetter ²	47 623	–	7 560	6 220	3 153
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Rolf Schweiger ³	3 375	–	–	–	–
Dr. Jenö C. A. Staehelin ³	⁴	–	–	–	–
Dr. Klaus W. Wellershoff ³	3 000	–	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, Dr. Jenö C. A. Staehelin, and parties related to these persons hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2009, these comprised 51 026 502 registered shares, corresponding to 71.1% of the voting rights of the share capital entered in the Commercial Register.

Participations, option rights, and conversion rights 2010 – Management Committee Elevators & Escalators

	Registered shares	Number of Participation certificates	Number of vested options		
			on participation certificates allocated under the options plan 2005	on registered shares allocated under the options plan 2006	on registered shares allocated under the options plan 2007
as at 31.12.2010					
Jürgen Tinggren, President	20 097	8 410	–	2 901	2 081
Miguel A. Rodríguez, Deputy President	19 841	–	6 220	2 565	1 915
Erich Ammann	4 794	–	–	–	–
Dr. Rudolf W. Fischer	12 129	–	–	–	–
Didier Gaudoux	–	–	–	–	–
Albert Haffert	4 368	–	–	1 662	1 728
Silvio Napoli	1 811	725	460	325	992
Thomas Oetterli	1 924	450	–	350	705
Jakob Züger	12 828	4 030	–	–	–

Participations, option rights, and conversion rights 2009 – Management Committee Elevators & Escalators

	Registered shares	Number of Participation certificates	Number of vested options		
			on participation certificates allo- cated under the options plan 2004	on participation certificates allo- cated under the options plan 2005	on registered shares allocated under the options plan 2006
as at 31.12.2009					
Jürgen Tinggren, President	20 097	8 410	–	4 680	2 901
Miguel A. Rodríguez, Deputy President	19 841	10 120	–	6 220	2 565
Erich Ammann	7 879	4 450	–	5 530	2 883
Dr. Rudolf W. Fischer	24 413	–	–	–	2 733
Michael Füllemann	715	–	–	–	–
Dr. Christoph Lindenmeyer	11 300	3 340	–	4 150	2 179
Silvio Napoli	1 811	725	3	460	325
Jakob Züger	13 828	5 030	–	3 320	1 507

Regarding option conditions, see note 35 to the Consolidated Financial Statements, pages 78 to 83.

6 Shareholders' participation

6.1 Restrictions on voting rights and representation

Provided that the share is recorded in the share register as a share with voting rights, each share carries the right to one vote. Subject to the registration of shares, the Articles of Association do not impose any restrictions on the voting rights of shareholders (see note 2.6.1).

Shareholders' rights of participation at General Meetings of Shareholders are in accordance with the law and the Articles of Association. All shareholders can personally participate and vote at the General Meeting of Shareholders, or be represented by a person with written power of attorney who is also a shareholder. Representation is also possible by institutional or depositary representatives, or by the independent proxy.

6.2 Statutory quorums

6.2.1 Quorum

Article 19 of the Articles of Association stipulates that for the resolutions of the General Meeting of Shareholders stated below, the presence of shareholders representing at least half of the share capital recorded in the Commercial Register is required:

- Election and discharge of members of the Board of Directors
- Conversion of registered shares into bearer shares and vice versa, and, subject to the individual voting rights of the shareholders, conversion of shares into participation certificates
- Issuance of profit-sharing certificates, or conversion of participation certificates into profit-sharing certificates
- Exceptions from the restrictions on registration as full shareholders when the percentage limit is exceeded
- Resolutions for which there is a legal or statutory requirement for a qualified decision-making quorum.

6.2.2 Decision-making majority

Resolutions by the General Meeting of Shareholders are normally determined by the relative majority of the votes cast.

According to the Articles of Association, the following resolutions require the agreement of at least two-thirds of the voting rights represented at the meeting, and of the absolute majority of the nominal value of shares represented at the meeting:

- All resolutions according to Article 704 of the Swiss Code of Obligations
- Resolutions regarding changes to the company name, issuance of profit-sharing certificates, and any change in the share capital or participation capital.

6.3 Convocation of the General Meeting of Shareholders

General Meetings of Shareholders are convened by the Board of Directors or, if necessary, by the auditing body or other bodies in accordance with the stipulations of Articles 699 and 700 of the Swiss Code of Obligations. Notification of general meetings of shareholders is given by non-registered letter to the address of registered shareholders recorded in the share register, and by publication once only in the Swiss Official Gazette of Commerce. Although not required by statute, it is also customary to publish notification in selected Swiss daily newspapers. The period of notification is 20 days.

6.4 Inclusion of items on the agenda

The Board of Directors prepares the agenda of the items to be discussed. According to Article 17 of the Articles of Association, shareholders who represent 5% of the share capital can request an item to be placed on the agenda. The request, with details of the item to be discussed, must be submitted in writing by the deadline announced and published once only by the Board of Directors.

6.5 Entries in the share register

Only those shareholders with voting rights whose names were recorded in the company's register of shareholders on the respective closing date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the closing date for registration as close as possible to the date of the General Meeting of Shareholders, i.e. not more than five to ten days before the respective General Meeting of Shareholders. There are no exceptions to this rule regarding the closing date. The closing date is published together with the invitation to the General Meeting of Shareholders in the Swiss Official Gazette of Commerce and in various newspapers.

7 Change of control and defensive measures

7.1 Duty to make an offer

According to Article 33 of the Articles of Association, the obligation to submit a public takeover bid pursuant to Articles 32 and 52 of the Swiss Securities Exchanges and Securities Trading Act has been foregone (opting out).

7.2 Clauses on changes of control

There are no clauses (e.g. "golden parachutes") in favor of members of the Board of Directors or the Executive Committee of the Board, or other members of management, in case of a change of control.

8 Auditing body

8.1 Duration of mandate and term of office of the auditor in charge

Ernst & Young AG, Berne, have been the auditing body of Schindler Holding Ltd., as well as Group auditors, since 1999.

The auditor in charge has held this function since 2010, both for the audit of the individual financial statements of Schindler Holding Ltd. and for the consolidated financial statements of the Schindler Group. As required by law, the auditor in charge is changed every seven years.

8.2 Audit and additional fees

The audit fees of Ernst & Young as auditors of the Group's consolidated financial statements, and as auditing body of both Schindler Holding Ltd. and the majority of affiliated companies in Switzerland and abroad, including the fees for additional services, were as follows:

In 1000 CHF	2010	2009
Audit fees (audit of the consolidated financial statements, the financial statements of Schindler Holding Ltd., and the financial statements of the Group companies in Switzerland and abroad)	5 117	4 861
Additional fees:		
Additional audit-related services	211	358
Tax advice	1 116	1 044
Transaction advice	337	95
Total additional fees	1 664	1 497

8.3 Informational instruments pertaining to an external audit

The Audit Committee evaluates the performance, fees, and independence of the auditors each year according to the following criteria:

- Quality of the Management Letter
- Global coverage and coordination of the audit instructions
- Meeting the deadlines required to allow the annual results media conference to be held on the scheduled date
- The quality of the guidance provided on the effects of changes in the accounting standards on internal guidelines and processes
- Benchmark analysis of the audit fees
- Independence as defined by relevant rules of the Swiss Audit Law (RAG).

The Audit Committee discusses and reviews the scope of the audits, and the feedback resulting therefrom. Based on this information, it determines changes and improvements as necessary.

Material non-audit-related services (e.g. tax services) that are provided by the auditors must be approved in advance by the Audit Committee.

In 2010 the Auditing Body had regular contacts with members of the Executive Committee of the Board and the Chief Financial Officer.

In the reporting year, one meeting took place with the Audit Committee.

Group Assurance reports four to six times per year to the Audit Expert Group, twice yearly to the Audit Committee, and once yearly to the Board of Directors.

Also available at www.schindler.com are the annual reports, press releases, and current share price, as well as general information about the Group.

Interested persons may also communicate with the Group directly through the following contacts:

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The Annual Report of the Schindler Group for 2010 consists of the Group Review and the Financial Statements and Corporate Governance Report.

The original German language version is binding. English, French, Spanish, and Chinese translations of the Group Review are available. The Financial Statements and the Corporate Governance Report are published in German and English only.

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Interbrand Zurich, Switzerland

Premedia and printing

Swissprinters Zurich AG
Schlieren, Switzerland

Photography

Image photography:
OnRequest Images,
Seattle, USA

Management Committee
(page 133):
E. T. Studhalter,
Schachen, Switzerland



Elevators are vital to the circulation of traffic in any building: if an installation ceases to operate, this can quickly lead to bottlenecks and disrupt processes that normally run smoothly. This is why the Miconic 10 hall call destination system is used to coordinate the flow of people in the **Igarassu** office building in São Paulo. The waiting times for passengers are minimal and they are transported swiftly to their destination. Here and in other cities in Brazil, Schindler focuses on ensuring rapid response times – particularly in the area of maintenance.