

Press Release

February 19, 2013

Good growth and enhanced profitability

Despite the different developments in its individual markets, Schindler achieved growth and further improved its operating performance in 2012. Orders received rose by 8.7% and revenue increased by 5.1%. In local currencies, the increases amounted to 8.5% and 5.0%, respectively. The elevators and escalators business generated an operating profit of CHF 1 029 million, corresponding to an EBIT margin of 12.5%. Net profit totaled CHF 730 million, significantly exceeding the result for the previous year.

Good level of orders received

The overall development of the European construction sector was slightly negative, with significant differences between individual markets. The US construction sector recovered very well from its previous lows compared to the economy as a whole. Very pleasing developments were reported in South America as well as in the Asia/Pacific region, with strong single-digit growth rates in the emerging markets of China and India.

Despite these very different market trends, Schindler reported an increase in orders received in all regions. The Asia/Pacific region made the largest contribution to growth, followed by North, Central, and South America. As a result, orders received totaled CHF 8 967 million, exceeding the previous year by 8.7%. In local currencies, a rise of 8.5% was recorded. This increase was achieved primarily in the new installations business in the growth markets of Asia and South America.

Enhanced profitability in the elevators and escalators business

Revenue grew by 5.1% to CHF 8 258 million (+5.0% in local currencies). This increase was achieved primarily in the new installations business in growth markets. A positive foreign exchange impact in the amount of CHF 14 million was recorded.

Operating profit (EBIT) rose by CHF 198 million or 23.8% to CHF 1 029 million. Excluding restructuring costs of CHF 135 million in the fourth quarter of 2011, the increase totaled CHF 63 million or 6.5%. Foreign exchange impacts had a slightly negative effect of CHF 16 million. Thanks to the package of measures referred to as LEAP (Leadership in Execution and Accelerating Performance), further progress was achieved in terms of productivity and the cost structure and – despite continued pricing and cost pressures – an EBIT margin of 12.5% was

recorded (previous year: 10.6%, or 12.3% excluding restructuring costs). In the fourth quarter of 2012, the EBIT margin was 12.6%.

Group figures

The Group's consolidated operating profit (EBIT) was CHF 990 million. Net profit totaled CHF 730 million, exceeding the previous year's result of CHF 601 million by 21.5%. Adjusted for the one-off accounting gain of CHF 35 million recorded in 2011, and excluding restructuring costs of CHF 98 million after taxes, net profit increased by 9.9% in 2012.

Schindler Holding Ltd.: Dividend and changes in the Board of Directors

Schindler Holding Ltd. closed the financial year 2012 with a net profit of CHF 551 million (previous year: CHF 671 million). The payment of a dividend of CHF 2.20 per registered share and per participation certificate will be proposed to the forthcoming General Meeting on March 26, 2013.

The Board of Directors proposes that the General Meeting of March 26, 2013, elects Prof. Dr. Monika Bütler, Mr. Anthony Nightingale and Mrs. Carole Vischer as new members of the Board of Directors.

Prof. Dr. Monika Bütler, Zurich, born in 1961, has worked since 2008 as director of the Institute for Empirical Economic Research of the University of St. Gallen and since 2009 also as Dean of the School of Economics and Political Science. Furthermore she has been Full Professor of Economics and Public Policy since 2004. Since 2010 she has been a member of the Bank Council of the Swiss National Bank. Mrs. Bütler graduated in Mathematics with a major in Physics at the University of Zurich. After gaining practical experience she obtained a PhD in Economics of the University of St. Gallen.

Anthony Nightingale, Hong Kong, born in 1947, is a British citizen. In 1969 he joined the Jardine Matheson Group. From 2006 to March 2012 he was its Managing Director (CEO). Currently Mr. Nightingale has several directorships: with Jardine Matheson Holdings, Jardine Cycle & Carriage, Jardine Strategic, Dairy Farm International, Hongkong Land und Mandarin Oriental International. In Hong Kong, Mr. Nightingale holds further offices and functions, e.g. as Chairman of the Hong Kong-APEC Trade Policy Study Group. He is a past Chairman of the Hong Kong General Chamber of Commerce.

Carole Vischer, Hergiswil, born in 1971, graduated from the University of Basel with a Master of Law (lic. iur.) in 1996. Since 2002 she has managed the charitable foundation Dr. Robert und Lina Thyll-Dürr, Stansstad, currently as its President. Since 2010, Mrs. Vischer has been a member of the Board of directors of Schindler Elevators Ltd., Ebikon. Mrs. Vischer is a member of the 5th generation of the family Schindler-Bonnard.

The constitution of the Board of Directors also involves a further change. In future, Prof. Dr. Athanas will be contributing his extensive expertise and experience to our company not as a Board member but as Senior Executive Vice President Corporate Development. This is in line with his

personal wishes, and enables us to continue our collaboration with him at the highest level. Prof. Dr. Athanas will continue to report directly to the Chairman of the Board of Directors.

Outlook

Macroeconomic conditions remain highly uncertain. Schindler expects the construction sector to expand most rapidly in the growth markets of Asia. Growth is likely to continue in North, Central, and South America. Meanwhile, Southern Europe is expected to stabilize at a low level, while Northern Europe may experience a slight upturn.

Thanks to the strong order backlog, Schindler expects revenue to increase by approximately 6% in local currencies in 2013 and, excluding any unforeseeable events, expects a net profit of around CHF 740 million to CHF 790 million.



Schindler

Selected key figures as of December 31, 2012 – January to December

Group				
In CHF million	2012	2011	Δ %	Δ % local currencies
Orders received	8 967	8 249	+8.7	+8.5
Revenue	8 258	7 854	+5.1	+5.0
Operating profit (EBIT) – Elevators & Escalators	1 029	831 ¹	+23.8	+25.8
in %	12.5	10.6 ¹		
Operating profit (EBIT) – Group	990	793 ¹	+24.8	+26.9
Net income from financing and investing activities	-7	-16 ¹		
Profit before taxes	983	777 ¹	+26.5	
Profit from continuing operations	730	566 ¹	+29.0	
Profit of the disposal group ALSO	-	35		
Net profit	730	601 ¹	+21.5	
of which non-controlling interests	28	25		
Cash flow from operating activities	782	690	+13.3	
Investments in fixed assets	132	124	+6.5	
As at December 31:				
Order backlog	7 083	6 438	+10.0	+12.4
Consolidated equity	2 813	2 651 ¹	+6.1	
Headcount at year-end	45 246	44 387	+1.9	

¹ Retrospective adjustment due to early adoption of IAS 19 – Employee Benefits (revised) as of January 1, 2012

Selected key figures as of December 31, 2012 – 4th quarter

Group				
In CHF million	2012 4th quarter	2011 4th quarter	Δ %	Δ % local currencies
Orders received	2 241	2 035	+10.1	+10.6
Revenue	2 190	2 155	+1.6	+2.0
Operating profit (EBIT) – Elevators & Escalators	277	138 ¹	+100.7	+103.6
in %	12.6	6.4 ²		
Operating profit (EBIT) – Group	267	130 ¹	+105.4	+108.5
Net income from financing and investing activities	-	-31 ¹		
Profit before taxes	267	99 ¹	+169.7	
Profit from continuing operations	208	80 ¹	+160.0	
Profit of the disposal group ALSO	-	-		
Net profit	208	80 ¹	+160.0	
of which non-controlling interests	8	5		
Cash flow from operating activities	260	229	+13.5	
Investments in fixed assets	31	37	-16.2	
31.12.2012 30.09.2012				
Order backlog	7 083	7 367	-3.9	-2.3
Consolidated equity	2 813	2 632	+6.9	
Headcount at end of period	45 246	44 760	+1.1	

¹ Retrospective adjustment due to early adoption of IAS 19 – Employee Benefits (revised) as of January 1, 2012

² Before restructuring cost LEAP: 12.7%