



Welcome to Schindler Interim Results as of June 30, 2013

August 13, 2013



Summary of 1H/2013

Strong growth in revenue

Growth

- Orders received increased by 7.1%, maintenance included
- Revenue grew by 7.0%; 9.8% in Q2
- Order backlog at record level of CHF 8 061 million (+13.8%)

Profitability

- EBIT: CHF 470 million (1H/2012: CHF 464 million)
- Net profit: CHF 361 million (+6.5%);
after Hyundai impairment: CHF 206 million
- Operating cash flow: CHF 478 million (+26.5%)

LEAP: Growth and competitiveness

LEAP Initiatives

Growth in Strategic Markets

New NI products

Service Business growth

Procurement savings

Field and structure cost efficiency

Status Update

- Strong growth achieved in China, India and Middle East; work on plants in China and India on schedule
- Schindler 5500 successfully introduced in the commercial market
- Schindler 3600 in China well received; supports growth targets
- Customer excellence initiative ongoing
- Portfolio growth below expectations due to increased competition and pricing pressure
- Corporate purchasing function moved to China
- Material cost savings being achieved
- NI and EI field efficiency initiatives with some delays in certain countries; needs reinforcement
- Structure cost leverage improvement offset by project costs

Key figures as of June 30, 2013

Q2: April – June

In CHF million	Q2/2013	Q2/2012	Δ in %	Δ% in LC
Orders received	2 503	2 344	+6.8	+6.5
Revenue	2 270	2 067	+9.8	+9.5
Operating profit (EBIT)	253	250	+1.2	+0.8
in %	11.1	12.1		
Net income from financing and investing activities	11	–		
Hyundai impairment	–155	–		
Profit before taxes	109	250	–56.4	
Income taxes	69	67		
Net profit	40	183	–78.1	
Net profit before Hyundai impairment	195	183	+6.6	
Cash flow from operating activities	173	47	+268.1	
	30.06.2013	31.03.2013		
Order backlog	8 061	7 843	+2.8	+4.9
Headcount at end of period	46 109	45 659	+1.0	

Key figures as of June 30, 2013

1H: January - June

In CHF million	1H/2013	1H/2012	Δ in %	Δ% in LC
Orders received	4 860	4 537	+7.1	+7.0
Revenue	4 250	3 971	+7.0	+7.0
Operating profit (EBIT)	470	464	+1.3	+1.7
in %	11.1	11.7		
Net income from financing and investing activities	19	3		
Hyundai impairment	-155	-		
Profit before taxes	334	467	-28.5	
Income taxes	128	128		
Net profit	206	339	-39.2	
Net profit before Hyundai impairment	361	339	+6.5	
Cash flow from operating activities	478	378	+26.5	
	30.06.2013	31.12.2012		
Order backlog	8 061	7 083	+13.8	+13.2
Headcount at end of period	46 109	45 246	+1.9	

Asia/Pacific and the Middle East

Development in 1H/2013

Emerging countries driving market growth

- China and India maintain growth momentum
- Positive market development in Southeast Asian markets
- Good level of growth in Gulf area

Schindler grew above market

- Excellent order intake in China and India above market growth
- Growing order intake in Southeast Asia and Gulf
- Construction of new production sites in China and India on track

China: Growth agenda

Initiatives

Competitive product portfolio

Geographic expansion

Sales Excellence

Capacity build-up

Extend market coverage

Actions

- Product lines for all market segments available
- Program to continuously improve cost competitiveness

- Acceleration of branch and service network extension

- Further improvement of granular market understanding
- Extension of capabilities in key account management

- Construction of new campus in Jiading, Shanghai
- Recruitment, training and retention program
- Build-up of management capacity, R&D, corporate purchasing

- Capitalization on successful 46%-JV with XJ Schindler
- Additional M&A-opportunities

Americas

Development in 1H/2013

Growth in Americas

- North American construction sector recovering from very low level
- Economic environment in Latin America has become more challenging

Schindler grew in line with market

- Improving order intake in North America
- Construction of new elevator plant in Pennsylvania on track (go-live in 2H/2013)
- Stable order intake in Latin America

Europe

Development in 1H/2013

Difficult market conditions

- Overall new construction growth in Europe remained flat
- In central and northern Europe construction activity slowed down
- Weak construction activity in southern and eastern Europe continued, market decline in Iberia continued
- Modernization market weakened

Schindler's performance burdened by demanding environment

- Overall European sales slightly down
- New elevator plant with logistics center in Slovakia on track (go-live scheduled for Q4/2013)

Market outlook 2013

Status as of August 13, 2013

A three speed world

- Continued strong growth in emerging markets, particularly in China, India and Middle East
- Recovery in North America likely to continue
- Environment in Europe remains challenging

Schindler – focus on competitiveness and growth

- Sales ramp-up of new elevator products and focus on large project sales
- Investments in new plants, expansion of R&D and market capabilities
- Further improve efficiency and cost competitiveness

Outlook 2013

Status as of August 13, 2013

Adapted guidance for FY 2013

Revenue growth: approximately +7% in local currencies

Net profit: CHF 550 million to CHF 600 million
(after Hyundai impairment of CHF 155 million in 1H/2013)

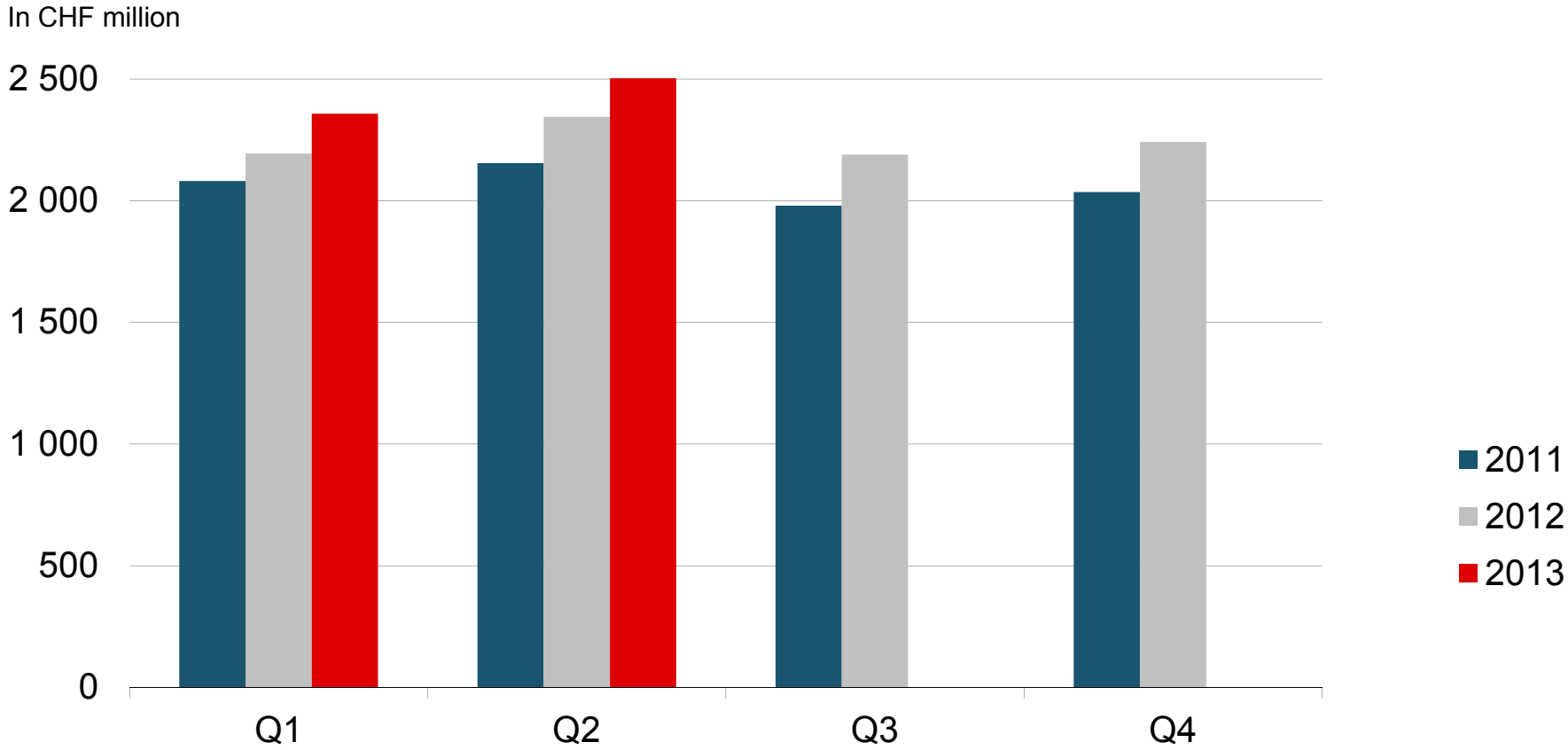
Additional charts

Quarterly overview

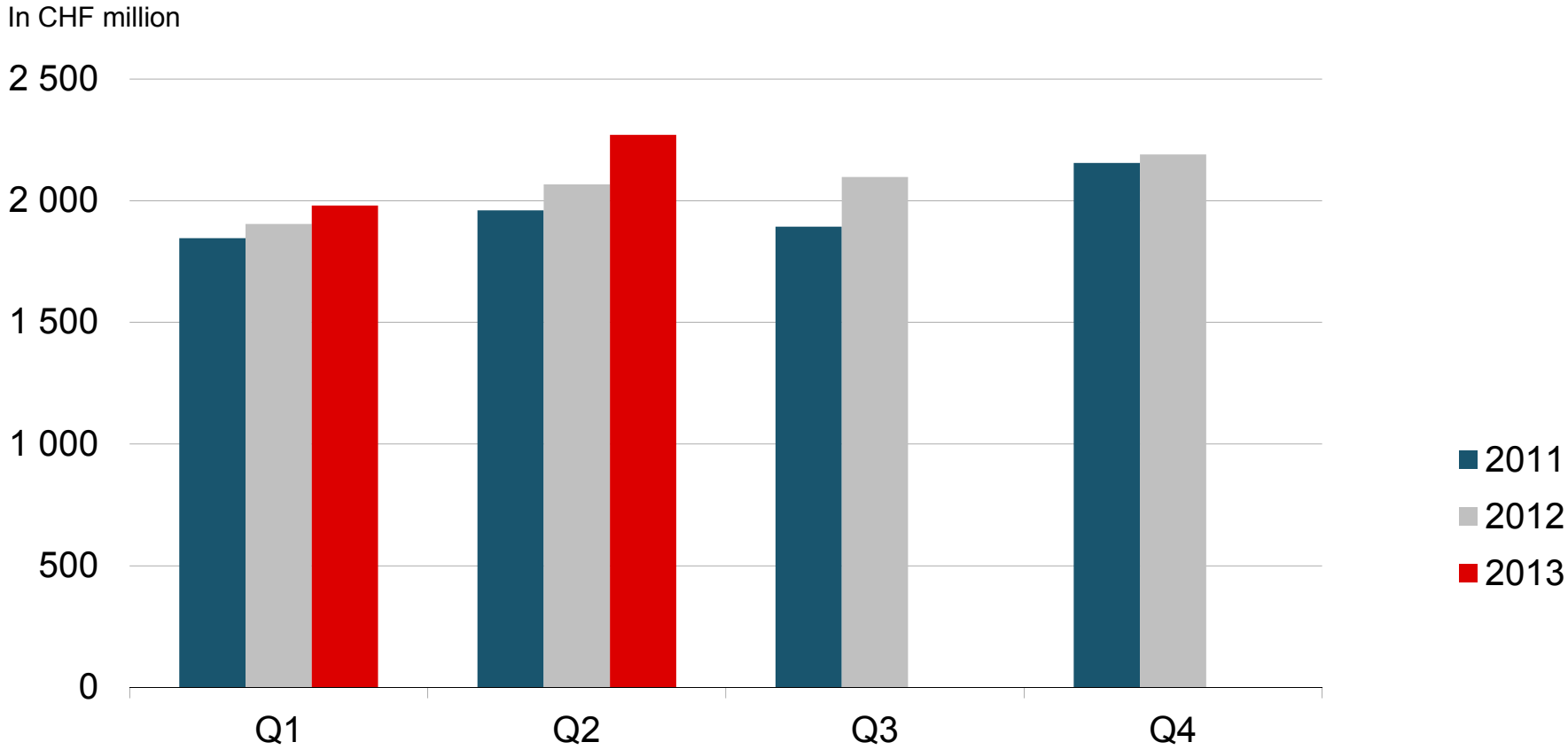
Q1/2012 to Q2/2013

In CHF million	2013				2012	
	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	2 503	2 357	2 241	2 189	2 344	2 193
Revenue	2 270	1 980	2 190	2 097	2 067	1 904
Operating profit (EBIT)	253	217	267	259	250	214
in %	11.1	11.0	12.2	12.4	12.1	11.2
Financing activities	3	-7	-2	-12	-2	-6
Hyundai impairment	-155	-	-	-	-	-
Investing activities (associates)	8	15	2	2	2	9
Income taxes	69	59	59	66	67	61
Net profit	40	166	208	183	183	156
in %	1.8	8.4	9.5	8.7	8.9	8.2
Net profit before Hyundai impairment	195					

Quarterly development of orders received: 2011 – 2013



Quarterly development of revenue: 2011 – 2013



Balance sheet

In CHF million	30.06.2013	in %	31.12.2012	in %
Cash and cash equivalents	2 588	31.1	2 178	27.9
Other current assets	3 333	40.1	2 992	38.2
Total current assets	5 921	71.2	5 170	66.1
Non-current assets	2 397	28.8	2 652	33.9
Total assets	8 318	100.0	7 822	100.0
Current liabilities	3 974	47.8	3 328	42.5
Non-current liabilities	1 600	19.2	1 681	21.5
Total liabilities	5 574	67.0	5 009	64.0
Equity	2 744	33.0	2 813	36.0
Total liabilities and equity	8 318	100.0	7 822	100.0

Megatrends impacting the E&E business

Long-term outlook encouraging

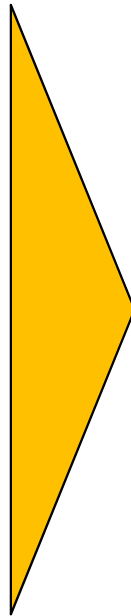
Global Megatrends

Urbanization

Wealth creation
Emerging markets

Energy Efficiency

Demographic Change

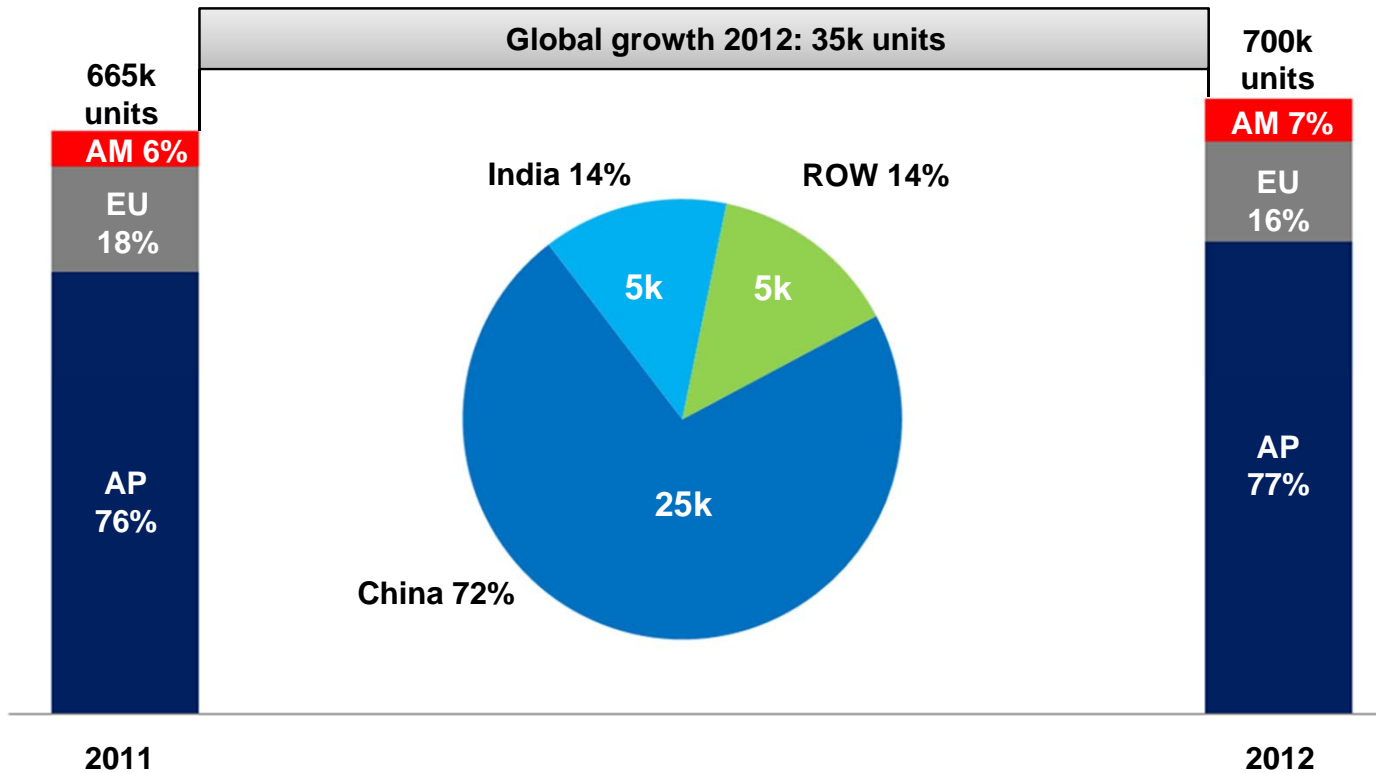


E&E Market Implications

- Global E&E Growth > GDP
- Emerging market opportunity
- Solutions for energy efficiency
- Increased importance of safety and reliability

Global NI E&E market growth 2011 – 2012

China & India capturing >85% of new E&E units



Conclusions

- China contributed >70% to the growth in 2012
- AP accounted for 77% of global E&E demand in 2012

LEAP: New NI products drive growth

Competitive and innovative global products

Segment	Global Product Lines	Actions 2013
Commodity	Schindler 3300	<ul style="list-style-type: none"> – Schindler 3600 for China – Schindler 3100 for India – Schindler 3300 for North America
Custom-modular	Schindler 5500	<ul style="list-style-type: none"> – Global rollout – PORT technology integration
Custom-design	Schindler 7000	<ul style="list-style-type: none"> – Schindler 7000 residential – PORT technology integration
Escalators	Schindler 9000	<ul style="list-style-type: none"> – Schindler 9300 ST

Investment in Hyundai Elevator Co. Ltd.

Fact sheet 1H/2013

	30.06.2013	31.12.2012
Interest in %	30.9	35.0
Share price (in KRW)	59 000	113 000
Net book value (in CHF million)	206	409
In CHF million		
Change in market value 2013		-203
Impairment (recycling through P&L)		155
Net effect other comprehensive income		-48

Dilution of Schindler's stake due to share capital increase in June 2013, in which Schindler did not participate.

Investment in Hyundai Elevator Co. Ltd.

Fact sheet 1H/2013

- Investment in Hyundai measured at market value with movements recognized in other comprehensive income statement (equity)
- Any significant or prolonged decline in market value must be considered as an impairment loss; in case of an impairment, the cumulative loss is recycled through the income statement (finance result)
- Impairment of CHF 155 Mio. recognized in June 2013 when share price dropped significantly after the share capital increase (25% discount to market price, excluding preemptive rights)
- Hyundai Elevator remains a strategic investment for Schindler

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