

# Interim Report as at March 31, 2008



**Schindler**

# Successful start to 2008

## Performance markedly improved

In the first quarter of 2008, despite unfavorable exchange effects, the Schindler Group succeeded in growing further and clearly improving its result. Consolidated operating revenue reached CHF 3 338 million, which is a 4.9% increase on the first quarter of 2007 (+8.5% in local currencies). Consolidated net profit rose by 44.3% to CHF 166 million.

The elevators and escalators business yielded an EBIT margin of 10.0% for the first time (previous year's first quarter 8.3%).

### **Elevators and escalators business**

#### **Very pleasing development of operating profit**

Relative to the same period last year, orders received went up by 3.9% to CHF 2 310 million. In local currencies, the increase was 9.3%. All market regions contributed to the growth. On the other hand, in some overheated markets there were declines in order bookings. These declines could be compensated thanks to several large orders in Asia and Latin America. Operating revenue rose by 2.9% to CHF 2 041 million (+8.3% in local currencies). Operating profit (EBIT) increased by 24.4% to CHF 204 million and attained a margin of 10.0%. This marked improvement in the result was mainly achieved through improved price quality, as well as efficiency increases in the logistics chain and installation processes in the new-installations business. It must, however, be noted that the result for the first quarter of 2007 was weak.

The different reporting structure may cause individual values and percentages to differ slightly from ALSO reports.

### **ALSO**

#### **Improved net sales and result**

In the first quarter, ALSO increased its operating revenue by 8.3% to CHF 1 297 million and operating profit by 14.3% from CHF 14 million to CHF 16 million. Net profit at CHF 3.3 million only slightly exceeded the level of the same period last year (CHF 3.2 million), which was mainly due to higher financing costs.

## **Group**

### **Strong performance**

The consolidated figures reflect the marked improvement in operating performance. At CHF +14 million (first quarter 2007: CHF –10 million), net income from financing and investing activities includes unrealized gains on currency hedges. Relative to the first quarter last year, Schindler increased its net profit by 44.3% to CHF 166 million.

### **Outlook 2008**

As announced with the financial statements for 2007 and excluding any unforeseeable events, in financial year 2008 Schindler expects to achieve a net profit above CHF 630 million and an operating margin of 10% in the core business.

# Key figures as at March 31, 2008 (1st quarter)

<b>Elevators &amp; Escalators</b>				
In million CHF	<b>2008 1st quarter</b>	2007 1st quarter	$\Delta$ %	$\Delta$ % local currencies
Orders received	<b>2 310</b>	2 224	+3.9	+9.3
Operating revenue	<b>2 041</b>	1 983	+2.9	+8.3
Operating profit (EBIT)	<b>204</b>	164	+24.4	
in %	<b>10.0</b>	8.3		
	<b>31.03.2008</b>	31.12.2007		
Personnel at end of period (number)	<b>43 192</b>	43 221	-0.1	

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<b>ALSO</b>				
In million CHF	<b>2008 1st quarter</b>	2007 1st quarter	$\Delta$ %	$\Delta$ % local currencies
Orders received	<b>1 278</b>	1 170	+9.2	+9.8
Operating revenue	<b>1 297</b>	1 198	+8.3	+8.8
Operating profit (EBIT)	<b>16</b>	14	+14.3	
in %	<b>1.2</b>	1.2		
Net profit	<b>3</b>	3		
	<b>31.03.2008</b>	31.12.2007		
Personnel at end of period (number)	<b>1 940</b>	1 987	-2.4	

<b>Group</b>				
In million CHF	<b>2008 1st quarter</b>	2007 1st quarter	$\Delta$ %	$\Delta$ % local currencies
Orders received	<b>3 588</b>	3 394	+5.7	+9.5
Operating revenue	<b>3 338</b>	3 181	+4.9	+8.5
Operating profit (EBIT)	<b>212</b>	172	+23.3	
in %	<b>6.4</b>	5.4		
Profit before taxes	<b>226</b>	162	+39.5	
Net profit	<b>166</b>	115	+44.3	
Cash flow*	<b>195</b>	138	+41.3	
Cash flow from operating activities	<b>550</b>	302	+82.1	
Capital expenditure	<b>24</b>	18	+33.3	
	<b>31.03.2008</b>	31.12.2007		
Order backlog	<b>6 534</b>	6 752	-3.2	+6.5
Consolidated shareholders' equity	<b>1 867</b>	2 100	-11.1	
Personnel at end of period (number)	<b>45 132</b>	45 208	-0.2	

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

# Quarterly financial statements as at March 31, 2008

## Consolidated profit and loss statement

In million CHF	2008		2007	
	1st quarter	%	1st quarter	%
Operating revenue	3 338	100.0	3 181	100.0
Operating expenses	3 126	93.6	3 009	94.6
<b>Operating profit</b>	<b>212</b>	<b>6.4</b>	172	5.4
Net income from financing and investing activities	14	0.4	-10	-0.3
Profit before taxes	226	6.8	162	5.1
Income taxes	60	1.8	47	1.5
<b>Net profit</b>	<b>166</b>	<b>5.0</b>	115	3.6
Of which:				
Schindler Holding shareholders	159	4.8	111	3.5
Minority interests	7	0.2	4	0.1

## Net profit (earnings) per share and bearer participation certificate in CHF

Undiluted earnings per share and BPC	1.32	0.90
Diluted earnings per share and BPC	1.32	0.90

## Consolidated balance sheet

In million CHF	31.03.2008		31.12.2007		31.03.2007	
	%	%	%	%	%	%
Cash on hand	1 264	17.3	1 026	14.3	1 145	14.6
Other current assets	3 984	54.4	3 901	54.5	4 314	55.1
Non-current assets	2 077	28.3	2 236	31.2	2 368	30.3
<b>Total assets</b>	<b>7 325</b>	<b>100.0</b>	7 163	100.0	7 827	100.0
Current liabilities	4 278	58.4	3 827	53.4	4 411	56.4
Non-current liabilities	1 180	16.1	1 236	17.3	1 371	17.5
Total liabilities	5 458	74.5	5 063	70.7	5 782	73.9
Schindler Holding shareholders' equity	1 756	24.0	1 975	27.6	1 932	24.7
Minority interests	111	1.5	125	1.7	113	1.4
Consolidated shareholders' equity	1 867	25.5	2 100	29.3	2 045	26.1
<b>Total liabilities and shareholders' equity</b>	<b>7 325</b>	<b>100.0</b>	7 163	100.0	7 827	100.0

## Statement of shareholders' equity

In million CHF	2008			2007		
	Schindler Holding share-holders	Minority interests	Group	Schindler Holding share-holders	Minority-interests	Group
January 1	1 975	125	2 100	2 060	117	2 177
Exchange differences	-116	-7	-123	5	1	6
Hedging transactions	1	1	2	-	-	-
Financial instruments available for sale	1	-	1	-	-	-
Total of items recognized in shareholders' equity	-114	-6	-120	5	1	6
Net profit	159	7	166	111	4	115
Total profit and loss	45	1	46	116	5	121
Dividends	-191	-14	-205	-159	-9	-168
Additions/disposals treasury stock	-70	-	-70	-85	-	-85
Options for participation plan (fair value)	1	-	1	1	-	1
Change in minority interests	-4	-1	-5	-1	-	-1
March 31	1 756	111	1 867	1 932	113	2 045

## Exchange rates

			2008		2007	
			Closing date March 31	Average 1st quarter	Closing date December 31	Average 1st quarter
Eurozone	EUR	1	1.57	1.61	1.66	1.62
USA	USD	1	0.99	1.06	1.13	1.23
Great Britain	GBP	1	1.97	2.11	2.25	2.40
Brazil	BRL	100	56.89	61.13	63.20	58.17
China	CNY	100	14.14	14.85	15.42	15.81

# Financial calendar

## Important addresses

	2008	2009
Annual results media conference	February 28	February 17
Ordinary General Meeting Schindler Holding Ltd.	March 26	March 16
Date of Schindler Holding Ltd. dividend payment	March 31	March
Publication Interim Report as at March 31	April 23	April
Publication Interim Report as at June 30	August 19	August 18
Publication Interim Report as at September 30	October 29	October

The quarterly financial statements of the Schindler Group are published exclusively on the internet in German and English at [www.schindler.com](http://www.schindler.com) – Investors – Results and Reports. The original German language version is binding.

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

#### **Corporate Communications**

Riccardo Biffi  
 Head of Corporate Communications  
 Schindler Management Ltd.  
 6030 Ebikon  
 Switzerland  
 Telephone +41 41 445 30 60  
 Fax +41 41 445 31 44  
[riccardo.biffi@ch.schindler.com](mailto:riccardo.biffi@ch.schindler.com)

#### **Investor Relations**

Barbara Zäch  
 Investor Relations Manager  
 Schindler Management Ltd.  
 6030 Ebikon  
 Switzerland  
 Telephone +41 41 445 30 61  
 Fax +41 41 445 31 44  
[barbara.zaech@ch.schindler.com](mailto:barbara.zaech@ch.schindler.com)

Stephan Jud  
 Head of Treasury  
 Schindler Management Ltd.  
 6030 Ebikon  
 Switzerland  
 Telephone +41 41 445 31 19  
 Fax +41 41 445 45 30  
[stephan.jud@ch.schindler.com](mailto:stephan.jud@ch.schindler.com)