

Annual Report 2000 Activity Report

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Illustration concept The full-page illustrations reflect the innovative power of Schindler and ALSO, while the pictures in the text show new installations and events from the year's business activities.

Works of young artists enliven our business premises. We present examples of their work on the back covers of our annual reports.

Activity Report 2000

of the Board of Directors of
Schindler Holding Ltd.,
CH-6052 Hergiswil NW, Switzerland,
to the Ordinary General Meeting
of April 9, 2001

73rd Financial Year



Key figures 2000

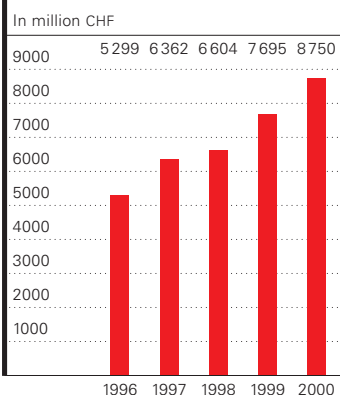
Group

	1999	2000	Δ in %
	Mio. CHF	Mio. CHF	
Orders received	7 695	8 750	+13.7
Operating revenue	7 657	8 530	+11.4
Operating profit	382	422	+10.5
Operating profit as % of operating revenue	5.0	4.9	
Profit before minority interests	258	303	+17.4
Net profit	238	299	+25.6
Capital expenditure	158	157	-0.6
Shareholders' equity	1 185	1 317	+11.1
Personnel at end of year (Number)	43 559	43 334	-0.7

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

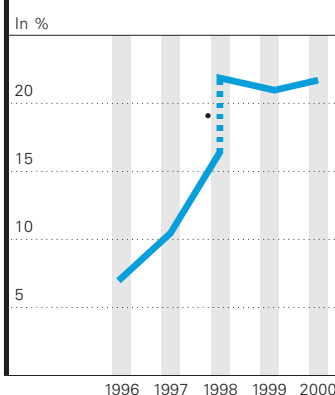
	1999	2000	
Registered share	CHF 45.-	CHF 50.-	+11.1
Bearer participation certificate	CHF 45.-	CHF 50.-	+11.1

Orders received



For additional key figures please refer to page 50 and 56 of this Activity report

Return on equity ROE



• 1998: IAS restatement

The presentation of SchindlerEuro-Lift was one of the highlights of the 2000 business year. Car in glass and stainless steel, polished to a mirror finish



Karrier Nr. 31500
in Betrieb seit
1997/98

Bitte beachten Sie Warnhinweise und
Anweisungen zum Betrieb der Anlage und
die Sicherheitsregeln von Schindler aufgeben

Schindler
1000 kg
13 Pers.

Berufung im
Brandfall verboten





Progress despite many hurdles

Fluctuating between positive and negative events

The launch of Schindler *EuroLift* was one of the high points of the reporting year and another was the presentation of the fully synthetic elevator rope, Schindler *Aramid*. On the other hand, the unexpectedly sharp slump in ALSO's systems business was an unwelcome surprise. Between these two important events were a number of exceptional situations which prevented operating performance from improving as rapidly as hoped. Even so, the Group's consolidated net profit climbed by 25.6% from the previous year (profit before minority interests +17.4%).

Although the Group has been pursuing ecological objectives for many years, Schindler's environmental performance is presented for the first time in a special chapter of this Activity Report (see page 60). The major progress achieved with product innovations in recent years, and the fact that the Group's Corporate Technology and Supply Management was awarded the ISO 14001 certificate at the end of 2000, provided the stimulus to report regularly on environmental aspects from now on.

The scope of consolidation for the reporting year was unchanged relative to the end of 1999. The previous year's consolidation already included the acquisition during that year of Elevadores Atlas, which has since been given unconditional approval by the Brazilian competition authorities. The reporting year was the first year that company contributed to the profit and loss account for 12 months (prior year 7 months).

Operational improvement below expectations

In the year under review, the Schindler Group increased its operating revenue from CHF 7 657 million to CHF 8 530 million. The increase of 11.4% was derived approximately half from internal growth, as well as from the positive effects of exchange rates and the first full-year consolidation of Atlas.

Consolidated operating profit rose by 10.5% from CHF 382 million to CHF 422 million. The operating margin stagnated at 4.9% (previous year 5.0%). One of the reasons for this was at ALSO, where the unexpectedly sharp slump in the systems business caused the margin to drop from 2.2% to 0.3%. On the other side, the EBIT margin from elevators and escalators rose from 5.7% to 6.3%. The target margin of 7.0% could therefore not be reached. However, in this connection, it is appropriate to mention the following: leaving aside extraordinary expenses at the China-Schindler Elevator subsidiary, and at the factory in Schlatt, Switzerland, which will be closed at the end of June, 2001, the EBIT margin was 6.9%.

**SchindlerAramid,
the first fully synthetic elevator rope,
revolutionizes the entire elevator system. One rope is made from around 300 000 filaments**



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Net income from financing and investing activities improved from CHF –57 million in the previous year to CHF –48 million. Although the full amount of interest on the debenture issued in the previous year (CHF 450 million net) was paid in the reporting year, higher interest income and a considerably better result from foreign currency transactions brought an improvement overall.

Higher consolidated net profit

Consolidated net profit for 2000 closed at CHF 299 million, which was 25.6% higher than the previous year's value of CHF 238 million. The profit margin rose from 3.1% to 3.5%.

Consolidated cash flow rose by 26.7% from the previous year's CHF 329 million to CHF 417 million. Consolidated orders received grew in the reporting year by 13.7% (at constant exchange rates by 10.0%) to CHF 8 750 million (previous year CHF 7 695 million). At the end of 2000 the consolidated order backlog had risen by 0.6% (1.8% in local values) from the previous year's value of CHF 3 689 million to CHF 3 713 million.

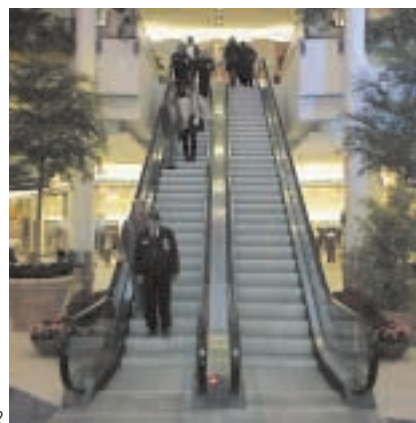
The number of employees fell by 320 to 43 334 at the end of 2000.

Dividend and capital structure of Schindler Holding Ltd.

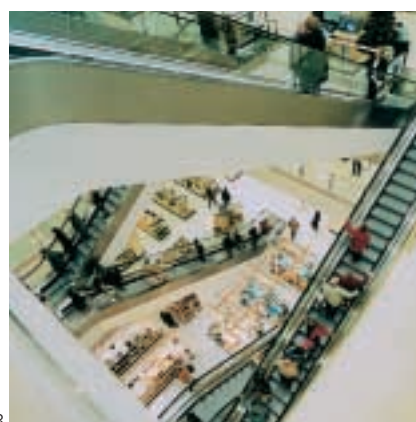
Schindler Holding Ltd. closed the reporting year 2000 with a net profit of CHF 104 million (previous year CHF 95 million). The coming Annual General Meeting will be requested to approve payment of a dividend increased CHF 5.– compared to the previous year to CHF 50.– per registered share and bearer participation certificate.

Jeffrey M. Cunningham, Member of the Board of Directors, whose term of office expires in 2001, will not stand for re-election. The Board of Directors thanks Mr. Cunningham for his valuable contribution.

At the Annual General Meeting on May 8, 2000, it was decided to reduce the share and bearer participation certificate capital by a total of 1.7% by eliminating the securities acquired within the scope of the repurchase program by that date. It was also agreed at the meeting to make a partial repayment of the nominal value of the registered shares and bearer participation certificates of CHF 15 each, and to reduce the capital correspondingly. These two changes came into force



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on July 27, 2000. Details of the present capital structure are given on page 56 of the Activity Report.

The program to repurchase a maximum of 6% of the total nominal capital extended until March 30, 2001, has been further prolonged until 29 March, 2001, subject to approval of the Swiss Takeover Board.

1 Schindler 9500 moving walks at Fiumicino Airport, Rome, Italy

2 Polus City retail center with 4 moving walks and 2 escalators, Bratislava, Slovakia

3 Schindler 9300 escalators in the John Lewis Partnership department store at West Quai, Southampton, England



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For the benefit of shareholders, it will be proposed to the Annual General Meeting on April 9, 2001, to make a further reduction in the nominal value of the registered shares and bearer participation certificates from the present CHF 85 to CHF 50 by corresponding repayment of CHF 35 per share and participation certificate, with subsequent reduction of the capital.

Progress in the elevators and escalators business

In the elevators and escalators business operating revenue grew by 11.2% from CHF 5 996 million to CHF 6 669 million. Operating profit increased by 23.4% from CHF 422 million (previous year CHF 342 million). This caused the operating margin to climb from 5.7% to 6.3%, but it still fell short of the target level of 7.0%. As already stated, leaving aside extraordinary expenses in China and at the Swiss factory in Schlatt, the operating margin was 6.9%.

However, the overall operating performance of the elevators and escalators business has substantially improved, as the profit before interest, taxes, and depreciation (EBITDA) indicates: this increased by 27% from CHF 482 million to CHF 612 million, and the margin from 8.0% to 9.2%.

Success with new products

The new products met with widespread acceptance in the market. Orders received for elevators and escalators increased by 13.7% (at constant exchange rates 8.8%) from CHF 6 028 million to CHF 6 852 million.

Demand in the European elevator markets was quite brisk. In these markets, machine room-less commodity elevators continued to gain importance. The Schindler*Smart* MRL line of elevators matches this development very well. In North America, demand for the Schindler 321 A hydraulic elevator and the new Schindler 9300 escalator con-

1 Mail commercial center in Hay Ryad, Rabat, Morocco

2 New factory for electronic controls, Schindler Electronic (Suzhou) Co. Ltd., Suzhou, China



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tinued unabated and led to higher market shares. The successful establishment of the new Brazilian company, Atlas Schindler, brought about a clear consolidation of Schindler's market position throughout South America. In Asia/Pacific demand remained stable overall, although competitive pressure increased further. In this climate, Schindler, with its new lines of elevator and escalator products, has positioned itself well in all relevant segments of the market.

Still no. 1 in escalators

Thanks to the completely renewed product range, which covers all market needs from department stores to airports, Schindler was able to expand its leadership position in the worldwide escalators business. Following the start-up of manufacturing in Brazil, Schindler can today produce escalators in identical quality in South and North America, Europe, and Asia. In the third quarter, the first Schindler 9700 escalator, the new product line specially designed for the transportation segment, was installed in Vienna's Enkplatz subway station.



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Innovation heightens competitiveness

The company's innovative power is undiminished. New products are being brought onto the market in rapid succession. Specially designed for their target markets, they increase customer benefits at the same time as being environmentally friendlier. And they bring about rejuvenation, homogenization, and simplification of both the product range and the processes. Innovation is therefore decisive for sustainably improving the company's competitiveness.



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An array of new products was launched in the reporting year: one of these was a world premiere – Schindler*Aramid*, the first fully synthetic elevator rope. Due to its special characteristics it revolutionizes the elevator system. In this connection a first supply contract was signed with Mitsubishi Electric. Other innovations are new elevator lines: the Schindler*EuroLift* for the mid-range market segment, which contains numerous technological

innovations, the Schindler 500 P for mid- to high-rise buildings, and the new design variants of the successful Schindler*Smart* MRL elevator family. The Miconic 10 hall call desti-

- 1 Moving walks at John F. Kennedy Airport, New York, USA**
- 2 Parque Duraznos retail center with 14 escalators and 4 elevators, Mexico City, Mexico**
- 3 Luxurious "Le France" commercial center, 12 elevators, Neuilly-sur-Seine, France**



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nation system was developed further, and enhanced with the LiftLoc building security system. The only one of its type in the world, this elevator control system provides handicapped passengers with special advantages: it recognizes blind passengers, for example, by their magnetic elevator cards, and voice-announces the car they should take. Passengers with walking difficulties or in wheelchairs can use their elevator cards or press a special button to order a "taxi ride" and make the elevator doors stay open longer. There is more about these innovations starting on page 12 of the Activity Report.

At the start of 2001 the new Schindler 330 A hydraulic elevator with fully controlled drive was introduced in the USA. The start of 2002 will see the launch of the new Schindler 700 GL program of high-performance elevators, which for the first time have worldwide compatibility.

ALSO: success in distribution, slump in systems business

ALSO had a difficult year. There were highly contrasting developments in the two business divisions. While the Distribution Division



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followed up on the previous year's good result and continued its positive development, in the Systems Division there was an unexpected sharp slump in business with large customers. ALSO nevertheless increased its turnover by 12.0% to CHF 1 861 million in the year under review. On the other hand, due to the lower level of orders in the systems business, operating profit was only just positive. It amounted to CHF 6 million (1999: CHF 36 million).

The Distribution Division again improved its market position in the reporting year, in both Switzerland and Germany. Capacity was increased decisively in both countries. The logistics center at Emmen (Switzerland) was extended, and operations started up at an additional location in Brunswick (Germany). Moreover, introduction of new software has created the conditions required for ALSO to position itself in the future increasingly as a provider of logistics services in the e-business field.

All over Europe, turnover in the large customers segment of the industry fell unexpectedly sharply by 30 to 60 percent. This falloff in orders also made structural changes necessary at ALSO. Business recovered somewhat in the second half-year, allowing the loss in the fourth quarter to be reduced by a comparatively large extent.

1 Panoramic elevators in El Jardin de Serrano commercial center, Madrid, Spain

2 Modernization contract for elevators at the headquarters of UNIDO, a member organization of UNO, Vienna, Austria



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Outlook for the Group: justifiable optimism

The operating result in the elevators and escalators business is expected to improve further during the current year: firstly, in addition to the Schindler *Smart MRL*, the Schindler *EuroLift* and Schindler 330 A elevator lines are now adding their effect to improving the cost base, and secondly, old product lines can now be eliminated, thereby reducing the complexity of the product assortment.

Within this framework, Schindler will work very purposefully and unswervingly toward improving the income situation further and increasing the free cash flow.

The market prospects for the elevators and escalators business are as follows: In Europe, further growth will be somewhat slower for macro-economic reasons. In North America, the prospects are viewed as reasonably positive. In the core markets of South America there will be further progress toward economic recovery, but currency risks cannot be ruled out. In Asia, the pace of recovery is only increasing slowly. Impulses are expected to come primarily from residential construction and infrastructure projects. The competitive situation will become more acute generally.

For 2001 ALSO foresees further growth in turnover and a sharp improvement in profitability. For the future, there is confidence that turnover and income can be sustainably increased in view of the growing demand for logistics services in e-commerce as well as the medium-term increase in Windows 2000 projects for large companies.

Based on these assessments, and subject to unforeseeable influences on income, today's expectation is for consolidated net profit in 2001 to show a further increase relative to the reporting year.

Thanks to employees

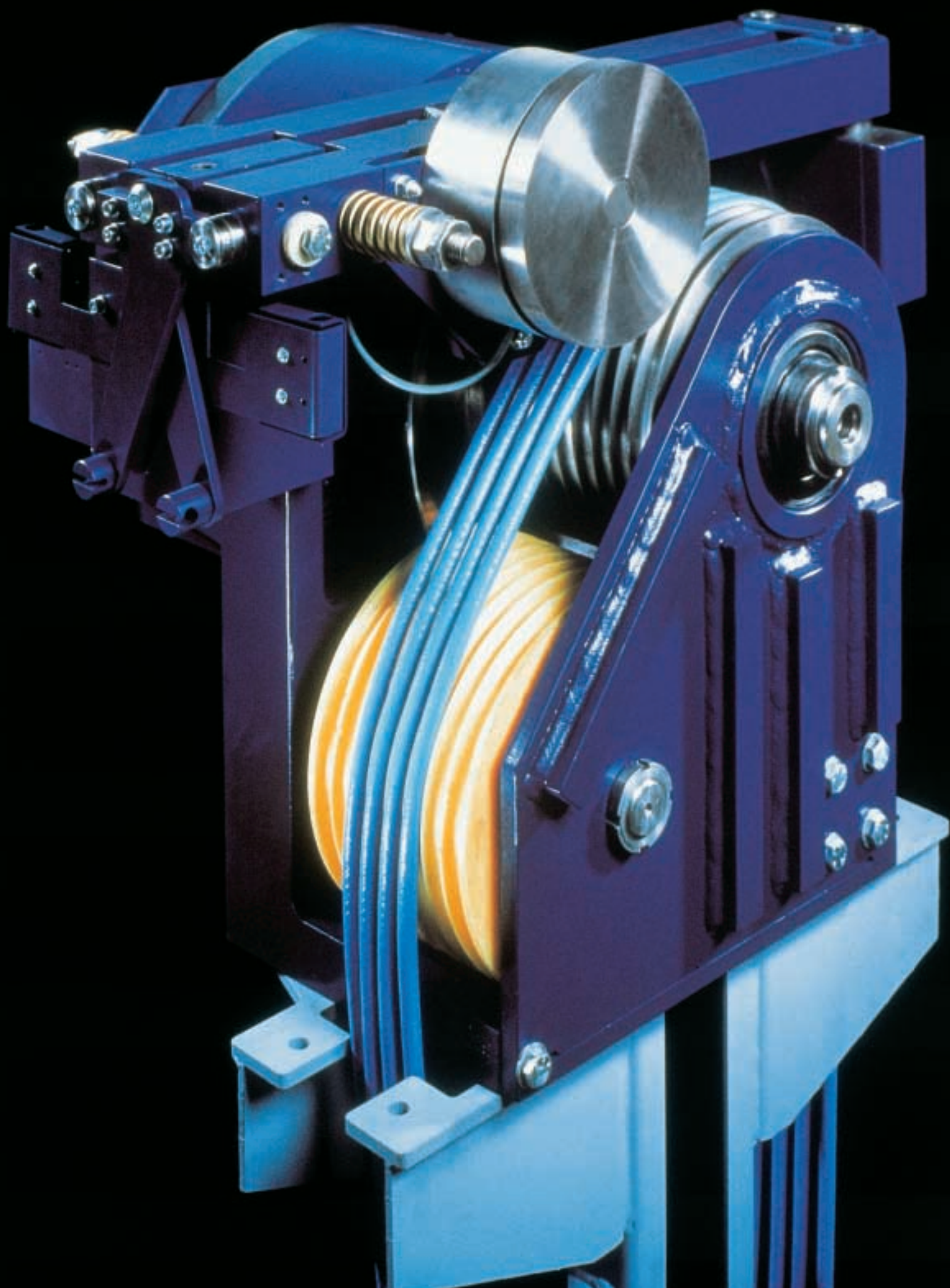
In the hectic preoccupation with daily business it is all too easy to forget that every day, all over the world, more than 700 million people entrust themselves to Schindler elevators and escalators. This trust is earned by employees who dedicate themselves tirelessly and dependably to the functioning and safety of those installations. In a similar way, ALSO's employees provide a high quality of logistics and support services. The Board of Directors wishes to express to them all its sincere thanks and appreciation for this great achievement.

Alfred N. Schindler
Chairman of the Board of Directors

Luc Bonnard
Vice Chairman of the Board of Directors

1 Carnival Victory sailing the ocean. 27 elevators and 8 escalators from Schindler provide on-board mobility

The new permanent-magnet drive with Aramid rope. The drive is gearless and requires no lubricants, therefore is extremely environmentally friendly. Photo: Roger Schneider, Zurich



Technical revolution in elevator construction

On Tuesday May 2, 2000, Schindler revolutionized elevator construction with its official presentation of the world's first fully synthetic elevator rope. SchindlerAramid is a technical revolution because the numerous advantages of synthetic ropes make it possible to redesign the entire elevator system. And not only from the technological aspect, but above all from the point of view of increased customer benefits.

At the same time, the new SchindlerEuroLift elevator for the mid-range market segment was presented, which is equipped with a gearless permanent-magnet drive, whose flexibility suits it to a wide range of applications. This demonstrates that this year, too, Schindler has continued unwaveringly with the innovation strategy it initiated with SPRINT (Schindler's Program for Radical Innovative New Thinking). Sustained innovative power secures for the company a front-line position in a market characterized by ever more exacting



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requirements and increasingly tough competition.

SchindlerAramid – from steel rope to synthetic fiber

A SchindlerAramid rope consists of 300 000 individual filaments made from the synthetic material called aramid, is as strong as a steel rope but is four times as light. The smaller bending radius of the all-synthetic elevator rope allows use of smaller drives which can be accommodated in the elevator hoistway. This eliminates the need for a machine room, and increases the floorspace available to architects and building owners.

However, SchindlerAramid also improves the safety of the elevator, since the all-synthetic ropes contain conductive carbon fibers which enable them to be permanently monitored electronically. Even the smallest damage or wear is automatically detected and communicated to the elevator control. If necessary, this brings the elevator to the next stop and takes it out of operation. By means of remote monitoring, the nearest service center is notified.

The new technology is protected by around 20 patents worldwide and certified by the German TÜV (Technischer Überwachungs-Verein) for use throughout Europe. Certifications for the US and Japanese markets have already been applied for. In addition, a contract has been agreed with Mitsubishi, the largest elevator manufacturer in Asia, to supply aramid ropes and exchange further elevator technologies and components. There are also plans to license SchindlerAramid to other



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elevator manufacturers on a step-by-step basis. A plant for the production of the aramid yarns is being built in Germany and will be put into operation in mid 2001.

1 SchindlerEuroLift: view of car with compact control cabinet on the top landing which eliminates the machine room

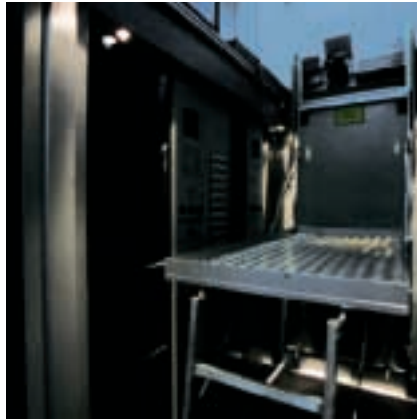
2 The SchindlerAramid fully synthetic elevator rope is much lighter than steel and can be monitored electronically



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SchindlerEuroLift – modular flexibility for up to 30 stories

The SchindlerEuroLift has no machine room, is fitted with a gearless permanent-magnet drive as standard, and gives an outstandingly comfortable ride. The new elevator system is highly flexible and suit-



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able for new installations and modernizations in buildings with up to thirty stories. The elevator system's modularity allows individual adaptation to customer-specific requirements for car size, finish, rated load, and functionality. The new elevator's intelligent control system can be adapted to the individual customer's requirements on site. This only requires a chip card similar to those used for mobile telephones. The SchindlerEuroLift will first be introduced in Europe, followed by local versions in America and Asia.

Permanent-magnet drive – compact and gearless

The compact construction of Schindler's permanent-magnet gearless drive makes it the ideal motor in the era of machine room-less elevator systems. It ideally combines high efficiency and performance with a wide spectrum of application for loads from 320 to 1600 kg. The drive is 75% smaller, half the weight, and cuts power consumption by a third.

1 The control PCB of the SchindlerEuroLift contains numerous diagnostic functions. They simplify installation and servicing

2 The car ceiling of the SchindlerEuroLift accommodates the maintenance platform. It provides maximum safety for the service technician

Miconic 10 and LiftLoc – from elevator control to building security

Miconic 10, Schindler's world-unique hall call destination system, was developed further during the year by adding the LiftLoc function which enhances the elevator control into a building security system.

The Miconic 10 hall call destination system substantially increases the efficiency of multi-car elevator installations by optimizing the way it handles travel requests.

Before users enter the elevator car, they input their destination floor on a special ten-digit keypad like a telephone. This tells the elevator system where it has to go even before the car doors open. Traditional elevators only receive this information after the passenger enters the car. In a fraction of a second the Miconic 10 system calculates which car is

best situated to make the trip, and indicates the car the user should enter on a display built into the keypad. The elevator then takes the passenger to its destination with a highly reduced number of stops, thereby cutting travel time and releasing the car faster for other users. Measurements on existing installations have shown performance improvements up to 80%.

The new LiftLoc system provides building access control by using the Miconic 10 elevator control system to subdivide the building into a number of security zones with different access parameters. For example, a building complex may have on the first floor above ground level a public area with restaurants, a library, a physician's practice, etc. The floors above this accommodate the offices of a private bank, which may only be accessed by bank employees. Finally, on the top floor, there are penthouse apartments. With the LiftLoc system, all these floors can be individually secured and protected against unauthorized access.

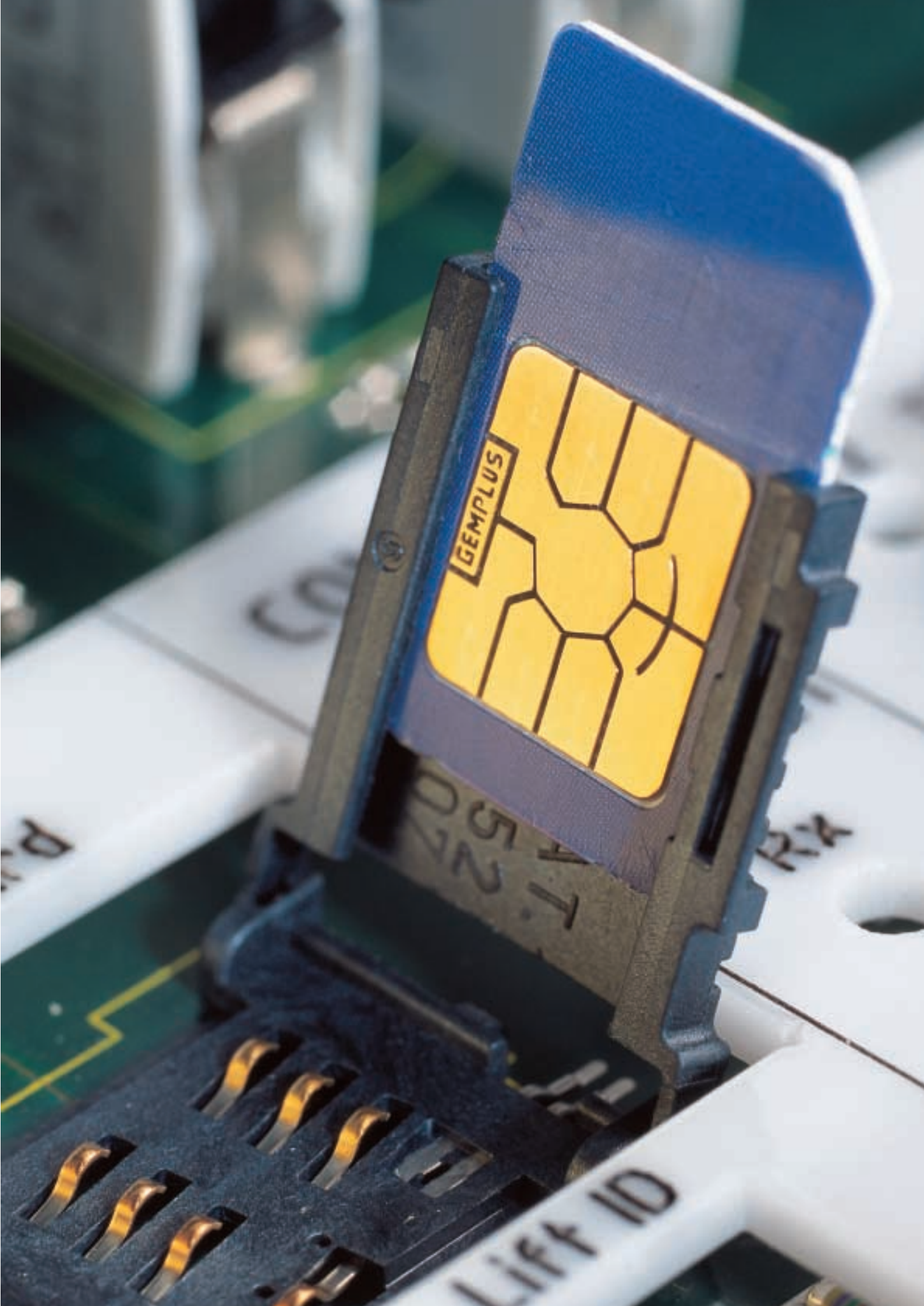
Anybody can call the elevator to go to the first floor above ground level, which is public. The car arrives and takes passengers automatically to this floor. For the second and third floors above ground level, where the private bank is located, the elevator can only be called with an ID card or a code. If this is provided, the elevator arrives, the car doors open, and bank employees are taken to the specific floors where



they have their offices. And finally, if the owners of the penthouse apartments want to go up to the top floor, they not only have to carry a physical means of identification but also to type in the correct code on the keypad.

1 The Miconic 10 hall call destination system with LiftLoc can identify the elevator user, employ this information to optimize travel, and protect the building against unauthorized access

The Schindler-EuroLift control system has a chip card to activate customer configurations on site



GEMPLUS

AT. 5207

Liff ID

CO

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Europe



Inflation and labor market set the trend

In most European markets there was a perceptible increase in inflation in 2000, caused by higher prices for oil and other commodities with simultaneously rising transportation costs. Prices for real estate also went up on the same scale, increases varying between 3% and 7% in the different countries. In combination with the trend in most countries toward higher interest rates, these developments point in the direction of reduced activity in the construction industry in the years ahead.



Added to this, in some European countries the labor market is tight, due partly to a shortage of qualified employees and also to structural changes in employment conditions. This situation presents a challenge to Schindler. In this environment, increasing productivity becomes the key factor for safeguarding and improving profitability.

Undiminished demand for machine room-less elevators

There was very brisk activity in European markets again in the reporting year, despite slightly lower growth in some areas. In this dynamic environment, machine room-less elevator technology gained further ground, with consequently less utilization of hydraulic elevator systems. The high-volume segment for commodity products continues to grow, and clearly demonstrates increasing customer requirements for performance and reliability from elevator systems. The Schindler *Smart* MRL family of machine room-less elevators is now well established in this segment of the market, and has become the best-selling machine room-less elevator in Europe. Introduction of the new Schindler *EuroLift* modular elevator also greatly improves coverage of the mid-range market segment. By comparison with the high-volume segment, this segment is characterized by higher demands on



the system, and greater flexibility regarding finish and adaptation to customers' wishes.

1 6 elevators for the Statoil Asgard B drilling platform in the North Sea, Norway
© Photo: Øyvind Hagen/Statoil

2 Elevator group in the new terminal at Fiumicino Airport, Rome, Italy

3 Panoramic elevators for a chemical company, Prague, Czech Republic



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also developed for the European component factories, which use new technologies to facilitate substantial improvements in elevator reliability and performance.

1 Commercial building with SchindlerSmart MRL, Reims, France

2 A total of 20 elevators plus escalators and moving walks were installed in the many pavilions at the EXPO in Hanover, Germany. Photo shows the Hermes Tower

3 Group of 11 Schindler 300 elevators in the BRC office building, Warsaw, Poland

will give new impetus to all European markets. In some countries there will also be added potential for modernization due to the introduction of new European elevator directives.

Competitiveness improved

At the internal level, numerous measures were implemented to realign individual organizational units, improve processes, and generally increase efficiency. In this connection the Swiss affiliated company made major investments to expand and improve the competitiveness of the international Top Range Center in Ebikon, where elevator systems for the highest market segment with the most advanced technical requirements are developed and manufactured. This realignment process will continue into 2001.

The unrestricted sales release at the start of 2001 was preceded in the second half of the reporting year by an intensive test phase and limited market introduction. Widespread introduction of the SchindlerEuroLift

In Germany, the integration of Haushahn was not only successfully completed ahead of schedule, but along with the introduction of new products, processes were harmonized and performance improved in logistics and order processing. Simplified production processes were



Major orders



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Austria:

10 freight elevators for the Austrian National Bank for the subsidiaries in Bregenz, Innsbruck, Linz, Salzburg and Klagenfurt; 42 elevators Schindler*Smart* MRL for the revitalization of residential buildings of several cooperatives in Linz; 14 elevators, among which 6 glass elevators, as well as 14 escalators Schindler 9300 for three shopping centers of an investor group in Steyr, Amstetten and Vienna; 12 elevators, among which 6 glass elevators, for the historical Palais Coburg in Vienna; 35 light-weight cars for a residential cooperative in Vienna; 4 escalators Schindler 9300 for the new congress center in Salzburg; 7 elevators for IKEA in Innsbruck

Belgium:

15 elevators, of which two are panorama elevators, for the House of Flemish Representatives in Brussels; 22 elevators for the residential building Huisvesting in Antwerp; maintenance contract for 212 elevators in several residential buildings of the Onze Woning – Goede Won-

ing real estate; 13 elevators for the business center City Atrium in Brussels; 15 Schindler*EuroLift* elevators for the IBM office building in Diegem; 15 Schindler*EuroLift* elevators for the Trefles office building in Anderlecht

Czech Republic:

14 moving walks Schindler 9500, 4 escalators and 14 elevators, among which 9 Schindler*EuroLift*, for the Novy Smichov shopping and leisure center in Prague, which represents the largest single project ever awarded in the Czech Republic; 13 elevators, among which 10 Schindler*EuroLift*, for the residential building Zvornarka in Prague; 8 escalators Schindler 9300 and 2 elevators for the shopping center Černý Most in Prague; 7 elevators, among which 6 Schindler*Smart* MRL, for a residential building in Prague; 4 elevators for the army hospital in České Budejovice; 12 elevators Schindler*Smart* MRL for a residential complex in Černý Most, Prague

Finland:

6 elevators, 6 escalators Schindler 9300 and 6 moving walks Schindler 9500 for the shopping mall Kuloisten Kauppakeskus in Raisio; 20 elevators, of which 14 Schindler*Smart* MRL, for several residential buildings Yit-Rakennus Oy real estate in Helsinki and Vantaa; 8 elevators for the four office buildings Quartetto in Espoo

France:

16 elevators Schindler 9300 and 20 moving walks Schindler 9500 for the Charles-de-Gaulle international airport, Roissy; 16 escalators Schindler 9300, 2 glass elevators and 2 additional design elevators for the shopping center La Part Dieu, Lyon; 14 elevators Schindler 300 and 2 bed elevators for the Purpan hospital, Toulouse; 14 escalators Schindler 9300 for the Clermont-Fer-

rand international airport; national maintenance contract for 120 moving walks and escalators for Carrefour in France; maintenance contract for 240 elevators for several residential complexes of Générale de Santé; maintenance contract for 21 elevators in the Palais des Congrès, as well as 2 elevators in Le Sénat, the historical building of the French Senate, both in Paris

Germany:

70 elevators, 71 escalators Schindler 9300 and 26 moving walks Schindler 9500 for the terminal 2 of the Munich airport; 19 elevators for the Stuttgart airport; 12 panorama elevators for Headquarters and main administration building of Deutsche Post AG in Bonn; 41 Schindler*Smart* MRL elevators for the residential complex Prohlis in Dresden; 30 escalators Schindler 9300 and 24 elevators for the shopping center Altmargalerie in Dresden; 14 elevators for the university hospital in Jena; 10 elevators, 12 escalators Schindler 9300, 4 moving walks Schindler 9500 and 2 platforms for the shopping center Schlossstrasse/Düntherstrasse in Berlin; 14 escalators for the department store Müller, 8 of which in Aachen and 6 in Neuwied; 6 commission elevators for the administration building at Hafenstrasse in Frankfurt; 6 commission elevators for the office building Scala in Frankfurt; 7 commission elevators for the office building Lyonerstrasse in Frankfurt

1 Wolfsburg, Germany:
288-meter open-air moving walks connect the ICE high-speed train station with the VW Automobile City. Inside the exhibition center are 5 more escalators enclosed in glass

Clear layout and structure of the Schindler*EuroLift* operating panel



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Great Britain:

4 elevators Schindler 300 and 6 escalators Schindler 9300 for the retail and cinema center Grants in Croydon; 11 elevators, 4 of which Schindler *Smart* MRL, and 7 Schindler 300, for the residential building Odyssey in London; 3 elevators Schindler 300 and 4 moving walks Schindler 9500 for a retail center in Jersey; 10 elevators for a riverside residential development in London; 4 escalators for Canary Wharf in London Docklands; 13 elevators for a residential development at Bristol Docks; 6 modernizations for a medical center in Nottingham; 5 elevators and 3 escalators at the Odyssey Centre in Belfast; 11 elevators and 9 escalators at Swords Pavilion in Dublin; 5 elevators and 6 escalators at Croke Park in Dublin

Italy:

Outline agreement for 147 elevators and 8 escalators for five cruise ships of Holland America Line and one vessel of Carnival Corporation; 54 elevators and 16 escalators for the cruise ship Carnival Costa; 23 elevators, 17 escalators and 10 moving walks for Roma Termini train station; 27 elevators, 24 escalators for the West Satellite of Fiumicino airport in Rome, as well as 4 moving walks and 4 elevators for connecting the Hilton hotel to the airport; 12 Schindler 001 for residential complex Portomaso in Malta

1 Millennium Tower with Westin Hotel and commercial building, 12 elevators, The Hague, Netherlands

2 Torre Amoreiras commercial building, 6 elevators, Lisbon, Portugal

Netherlands:

5 elevators for the office building Crystal Tower in Amsterdam; 5 elevators for the office building La Tour in Apeldoorn; 8 elevators for the Philips High Tech Campus in Eindhoven; 6 elevators and 7 moving walks Schindler 9500 for a residential building and shopping center in Nootdorp; 8 elevators and 4 escalators Schindler 9300 for the residential building and shopping center Grote Marktstraat in The Hague; modernization of 6 elevators for the office building Hoogvoorde in Rijswijk; modernization of 9 elevators for the office building Rijkswaterstaat in The Hague

Poland:

12 Schindler *Smart* MRL elevators for the residential complex Budynki Mieszkalne ul. Rosola in Warsaw; 11 Schindler *Smart* MRL elevators for the residential complex Budynki Mieszkalne Krauthofera in Poznań; 7 elevators, among which 5 Schindler 300, for the Holiday Inn in Krakow

Portugal:

4 elevators with Miconic 10 for the office tower Torre Monsanto in Lisbon. This is the first Miconic 10 installation in Portugal. 6 elevators for the office tower Torre Amoreiras in Lisbon

Slovakia:

4 moving walks Schindler 9500 for the shopping center Polus City Center in Bratislava. These are the first moving walks in Slovakia. 4 escalators Schindler 9300 for the residential building Tesco in Nitra

Spain:

8 elevators, 8 escalators Schindler 9300 and 16 moving walks Schindler 9500 for the commercial center Gran Via Hospitalet in Barcelona; 9 elevators, 14 escalators Schindler



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9300 and 2 moving walks Schindler 9500 for the Hipercor San Juan Aznarfarache Shopping Center, Sevilla; 21 elevators for Repsol-YPF Technology Center, Madrid; 10 elevators and 8 escalators Schindler 9300 for the Arquitecto Marcide Fase Hospital, El Ferrol; 6 moving walks Schindler 9500, 2 escalators Schindler 9300 and 3 elevators for the Fañabe Plaza Commercial Center, Tenerife; 12 elevators for the Miguel Servet Hospital, Zaragoza; 6 elevators for the La Colina Clinic, Tenerife

Switzerland:

27 Schindler *Smart* MRL elevators for the residential complex Eichrain, Zurich-Seebach; 4 elevators and 4 escalators Schindler 9300 for the shopping center Hyper COOP, Crissier; 6 elevators for the shopping center Littoral Parc, Allaman; 49 escalators and 6 moving walks (up to 54 meters long) for unique zurich airport AG, Zürich-Flughafen

Glass, steel, marble – architects have unbounded scope for creativity in the SchindlerEuroLift



Americas

Market position strengthened in the whole continent

In North America economic growth continued in 2000. Expenditures by private households is still the motor for this relatively stable economic climate, while demographic forecasts continue to nurture a cautious optimistic outlook for the future. Positive estimates for sustained moderate economic growth in the years ahead give further encouragement to private expenditure and business investment. In South America economic development varied widely depending on the indi-



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vidual markets. Whereas there were signs of economic recovery in Brazil, Mexico, and Chile, growth in other countries stagnated for a number of different reasons.

High saturation of construction industry in the North

The North American construction industry is following the positive trend and should be able to maintain its present situation for the near future. There was consistent development in all segments during the reporting year, resulting in increased demand for a very wide range of buildings. There is a slight risk of saturation for commercial buildings, which are the largest segment after residential buildings. Existing office accommodation is becoming increasingly unusable as information technology escalates the infrastructure requirements in commercial buildings. The most important customer segments have improved their procurement expertise and correspondingly increased their purchasing power. Higher productivity in the services sector and remote monitoring technologies become critical success factors to face increasing price competition.

Early recognition and fulfillment of the market's increasing expectations, and meeting customers' short-term and long-term needs, are the



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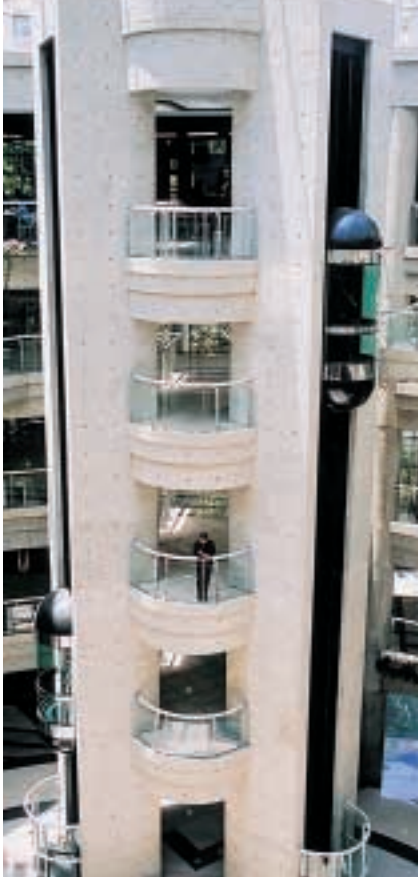


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key steps in creating new competitive advantages. These can be achieved by providing additional customer benefits, which in turn are created by increased utilization of new technologies for online access to customer information such as Schindler NETWORKX.

1/2 **Two views of Buffalo International Airport. The first Schindler 9500 moving walks manufactured in the USA were installed here**

3 **Shopping D retail center, total 7 elevators and 18 escalators, São Paulo, Brazil**



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Market coverage improved

North American order bookings for new installations were up yet again in the reporting year, which took them to new all-time high levels for both market share and unit volume.

The market leadership position in escalators was maintained and sales of hydraulic where newly increased. The position in this segment will be further enhanced by the new Schindler 330 A hydraulic elevator system planned for launch at the start of 2001.

Alliance strategy pays off

Millar, the Schindler subsidiary specializing in modernization and service, continued its alliance strategy and entered into cooperation contracts with major customers. This not only improved margins and secured greater market share, but also contributed to a general improvement in customer satisfaction.

Market leadership established in South America

In Brazil the economy recovered faster than expected due to greater taxation discipline, which assisted in strengthening and stabilizing the nation's currency. In October, the Brazilian antitrust authorities (CADE) gave unconditional approval to the Schindler Group's acquisition of Elevadores Atlas S.A. This means that establishment of the Brazilian affiliated company, Elevadores Atlas Schindler S.A., is now legally and formally complete. Realization of potential synergies, optimization of elevator product lines, and the market launch of Schindler 9300 escalators which are now being produced at the factory in Londrina, have reinforced Schindler's market position in Brazil and Latin America even further. A whole array of major orders

were signed in the reporting year, including Latin America's tallest building, the Torre Mayor in Mexico City.

1 Panoramic elevators in El Recreo retail center, total 26 escalators and 22 elevators. Caracas, Venezuela

2 Schindler Chile won the first-ever Ibero American Quality Management Award. Santiago de Chile, Chile

3 Headquarters of Richard Ellis, world's largest real estate management corporation: contracts with Millar for nationwide service and modernization in USA



Sofinctor

Major orders



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California:

Maintenance contract for 16 escalators and 9 elevators for the Newport Center Fashion Island in Newport Beach

Georgia:

46 elevators, among which 32 with Miconic 10, and two escalators Schindler 9300 for office buildings of Bell South in three separate locations in Atlanta

Maryland:

Maintenance contract for 81 escalators of the Baltimore underground; maintenance contract for 97 elevators and 4 escalators in the medical facility of the John Hopkins Hospital in Baltimore

Minnesota:

Maintenance contract for 13 elevators and 14 escalators for the St. Paul International Airport

Missouri:

15 hydraulic elevators and 24 escalators Schindler 9300 for the Westfield Shoppingtown in St. Louis

Nevada:

Maintenance contract for 63 elevators of the University of Las Vegas

New Jersey:

16 elevators for the office tower Newport Office Tower V in Jersey City

New York:

Modernization of 11 escalators at the New York Stock Exchange; maintenance contract for 38 escalators, 25 moving walks and 47 elevators of the American Airlines Terminal at JFK International Airport in New York; maintenance contract for 22 elevators for the office building at 100 Park Avenue in New York

North Carolina:

10 hydraulic elevators and 14 escalators Schindler 9300 for the retail center & anchor stores at Streets at Southpoint in Durham

Ohio:

Maintenance contract for 216 elevators and 2 escalators of the Ohio State University

Pennsylvania:

New installation of 8 elevators and 22 escalators for the Pittsburgh Convention Center; maintenance contract for 33 escalators, 24 mov-

ing walks as well as 31 elevators for Pittsburgh International Airport; maintenance contract for 29 elevators of the medical facility at Graduate Hospital in Philadelphia

Texas:

10 elevators and 18 escalators Schindler 9300 for the Harris County National Football League Stadium in Houston

Virginia:

64 new Schindler elevators and 64 escalators Schindler 9300 as replacement of existing elevators and escalators at the Pentagon in Arlington

Washington D.C./Maryland/

Virginia:

Maintenance contract for 87 escalators of the Washington Metropolitan Area Transit Authority (WMATA)

1 PricewaterhouseCoopers office building, 5 elevators with Miconic 10, 5 further elevators, and 2 covered open-air escalators, Mexico City, Mexico

Special button on the Miconic 10 hall call destination system makes entering and leaving elevator cars easier for handi-capped passengers



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Canada:

2 escalators each for the Palace Casino in Edmonton and the Rama Casino in Orillia (Toronto); 6 escalators for the Southern Alberta Institute of Technology in Calgary; 1 moving walk for the Surrey City Centre Mall in Vancouver and 2 escalators for the Bayshore Shopping Mall in Ottawa; a total of 7 elevators, 4 of which for the Kensington Hospital Health Center and 3 for Old Mill Inn, both in Toronto

Argentina:

5 elevators, among which one Schindler *Smart* MRL 002, for the Naindo hotel in Buenos Aires; 7 elevators, among which one Schindler *Smart* MRL 002 and two Schindler *Smart* MRL 001, for the Naindo hotel in La Rioja; 18 elevators, among which 9 Schindler *Smart* MRL 002, for the residential and business building Manzana 1K Puerto Madera in Buenos Aires; 4 elevators and 4 escalators Schindler 9300 for the Latin American Museum in Buenos Aires

Brazil:

46 elevators and 8 escalators for the Paulo Otávio in Brasilia; 14 elevators, 10 of which with Miconic 10, and 8 escalators for the Serplan in São Paulo; 18 elevators, 12 of which with Miconic 10, for South American headquarters of Bank Boston in São Paulo; 8 elevators with Miconic 10 for the JHS business building in São Paulo; 19 moving walks Schindler 9500 for SONAE in Porto Alegre; 17 moving walks Schindler 9500 for Carrefour in São Paulo; several modernization contracts in Rio de Janeiro, among which 14 elevators with Miconic 10, for the business building Lineo de Paula Machado and 25 elevators for headquarters of Petrobras, the Brazilian state oil company; modernization contract for 50 elevators for the Brazilian Post in São Paulo, Rio de Janeiro, Brasilia and Salvador de Bahia; modernization contract for 45 elevators for the business building Centro Empresarial in São Paulo

Chile:

5 elevators Schindler 310 L and 12 escalators Schindler 9300 for the shopping center Almacenes París in Temuco; 12 elevators with Miconic 10 for the office building Torre Bosquenorte of SENEXCO in Santiago de Chile; 10 elevators Schindler 310 L for the residential building Casas Kennedy of Habitaria in Santiago de Chile

Mexico:

27 elevators and 2 escalators Schindler 9300 for the highest building in Latin America, the Torre Mayor in Mexico City; 14 elevators, among which 3 with Miconic 10, for the hotel and business building of the Accor Group; 12 moving walks Schindler 9500, 4 escalators Schindler 9300 and 1 elevator for the department store chain Carrefour in Mexico City; 8 moving walks Schindler 9500 and 3 escalators Schindler 9300 for the shopping center Chedraui in Mérida, Cancún; 8 elevators for the residential building Marcos Dayán

Venezuela:

4 elevators with Miconic 10 and 4 escalators Schindler 9300 for the business building La Viña Plaza in Valencia; 12 escalators and 9 elevators for the shopping center Los Naranjos in Caracas; 6 elevators with Miconic 10 for Banco Caracas in Caracas; 3 elevators and 2 escalators Schindler 9300 for the shopping and business center Millennium Center in Barquisimeto; 4 elevators for the Clínica Loira hospital in Caracas; 5 elevators for the Bahía Pozuelos office building in Puerto La Cruz; 6 escalators and 4 elevators for the Buenaventura Shopping Center, in Guarenas City

1 Total of 30 escalators and 30 elevators with Miconic 10 in Providence Place Mall, Providence, Rhode Island, USA

2 7 escalators in City Market Shopping Center, Caracas, Venezuela

SchindlerEuroLift cars can also be fitted out with traditional materials

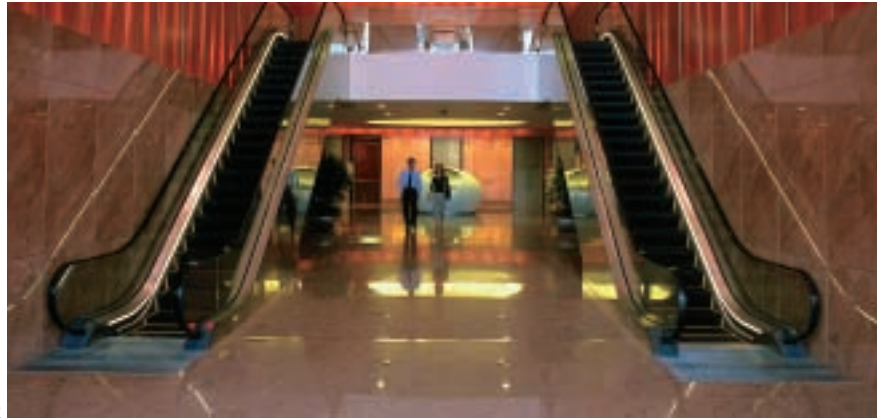


Asia/Pacific



Stable demand and tougher competition

The signs of economic recovery varied greatly in different parts of the Asia/Pacific region in 2000. The driving forces coming from private consumption and exports while other sectors remained weak. Overall the progress in the construction industry lagged the economic recovery. In Southeast Asia, led by Hong Kong, Singapore, and Malaysia, demand for elevators and escalators recovered from historically low levels. In Australia, construction related to the Olympic Games continued to generate good demand, whereas in Japan and China the market remained unchanged. Due to substantial overcapacity throughout the region, competitive pressure increased in all segments. Asia/Pacific continues



to be the world's most strongly contested market, with all the important suppliers fighting for greater market share in an environment of subdued demand. With the region accounting for around 50% of the total world market for elevator and escalator new installations, it continues to be a high-priority target market for Schindler.

Economic forecasts for 2001 are restrained due to the slow pace of company reform, increasing capital costs, and falling export activity. As a result the construction industry is expected to remain weak. Positive effects on the overall market are expected from residential building construction, and from construction in the transportation sector, where government investments still play an important role.

Improved market position and increased productivity

In this increasingly competitive environment, sustained concentration on pre-engineered products and standardized processes lowered costs and contributed to an improvement in the market position.

Introduction of the Schindler 100 P elevator in the basic segment completed the product range in the residential market. The new product derives its success from a competitive price, short delivery time, and robust design.

In Japan, the growing trend toward machine room-less elevators in the residential segment was answered with the launch of the Schindler-Smart J. This highly standardized elevator has only a limited number of options and derives its competitiveness from low product and process costs.

1 8 escalators for the Nagoya Central Towers office, hotel and shopping complex, Nagoya, Japan

2 Capital Tower commercial building, Singapore, total 5 double-decker elevators, 30 further elevators and 7 Schindler 9300 escalators



Stronger presence

The new electronics factory in Suzhou, Schindler Electronic (Suzhou) Co. Ltd. went into operation in the second quarter of the reporting year as planned. The new factory will supply all the most important elevator controls and electronics components to the subsidiaries in China and later Asia.

In line with the overall Group strategy, the market position in Asia/Pacific was given added strength by new products, increased efficiency, and local manufacturing of products. These and other ongoing initiatives are achieving a greater market penetration in the region.

1 Xiamen International Conference and Exhibition Center, Fujian Province, China

2 1 elevator and 2 escalators for the Tokyo stock exchange, Japan



all the major Asian markets. Its attractive price/performance ratio meets customers' expectations in some of the most demanding segments.

In the escalator market, local production of the Schindler 9300 escalator and Schindler 9500 moving walk added further strength to the market position and increased sales. Both these products, as well as the new Schindler 9700 escalator for the transport segment, benefited from the growing demand in infrastructure construction and public transportation.

To remain competitive in the context of falling market prices, cost leadership takes on an increasingly critical role. In addition to newly developed products, numerous improvements in processes have sharply increased productivity and allowed structural redimensioning in all markets of the region.

In the mid to high-requirement segment, the Schindler 500 P elevator was introduced in the second half of the year. With its broad pre-engineered range of options the new elevator fulfills the requirements of



Major orders

Brunei:

7 elevators, among which 6 Schindler 300 P, and 4 escalators Schindler 9300 for the PGGMB business building; 9 elevators, among which 6 Schindler 300 P, for the modernization of the Islamic Bank of Brunei

China:

20 escalators Schindler 9300, 9 elevators, among which 5 Schindler 300 PCL and 4 Schindler 700, for the business building Star Plaza in Shenzhen; 56 elevators Schindler 300 PCL for the residential complex City Garden in Shenzhen; 120 elevators Schindler 100 C for a residential complex in Urumchi

Hong Kong:

21 elevators, among which 16 Schindler 700, and 8 escalators Schindler 9300 for the shopping and business center 11 Charter Road;



54 escalators Schindler 9300 for the Podium & North East Tower of Hong Kong Station; 85 elevators, of which 74 Schindler 300 P, as well as 20 escalators Schindler 9300 for the residential, hotel, and shopping complex Discovery Bay North Development; 69 elevators, of which 52 Schindler 500, and 9 escalators Schindler 9300 for the residential building at Tung Chung Station Area; 66 elevators, among which 25 Schindler 700 and 36 elevators with Miconic 10, as well as 33 escalators Schindler 9300 for the office, hotel and shopping center at Cyberport Development

Japan:

10 escalators Schindler 9300 and 3 elevators Schindler 300 J MRL for Aino station in Fukuroi; 6 escalators Schindler 9300 and 6 elevators Schindler 300 J MRL for the public compound facility at Tobata Station in Kitakyushu; 8 moving walks for the shopping center Hypermall Merces in Shin-Narashino; 9 elevators Schindler 300 J MRL for the residential building for the Mikage Housing complex in Kobe

Malaysia:

48 elevators for several residential buildings of Jabatan Perumahan Negara real estate, Kuala Lumpur; 14 elevators for the residential building Suasana Sentral 1, Perlis; 16 elevators, of which 9 Schindler 700, for the Westin hotel, Kuala Lumpur

New Zealand:

7 Schindler 700 elevators with Miconic 10 for the business center PWC Waterfront Tower, Auckland; 12 escalators Schindler 9300 shopping center Westcity, Auckland

1 Panoramic elevator with Miconic 10 in Jen Pou commercial building, Taipeh, Taiwan

The SchindlerEuro-Lift has a distributed control system whose elements are connected together via a control bus. To save space, the individual control modules are built into the hoistway, on the car, and in the small control cabinet, and connected via a control bus

Philippines:

2 elevators Schindler 300 P and 12 escalators Schindler 9300 for the shopping center Agora Mall, Manila; 10 elevators Schindler 700 for the residential building 1322 Roxas, Manila

Singapore:

17 elevators for Changi Business Park; 16 elevators for the residential building Water Place Condominium; 30 elevators Schindler 300 P for the residential building Bayshore Park Condominium; 34 elevators for the industrial complex Ubi Tech Park; 12 elevators, among which 3 Schindler 300 P and 3 Schindler 700 P, for



the International Business Park; 18 elevators, among which 9 Schindler 300 P, for Nanyang Technology University; 16 elevators and 2 escalators Schindler 9300 for the residential building Sengkang Condominium; 13 elevators for the residential building Yishun Executive Condominium; 8 elevators, all with Miconic 10, for the modernization of the office building Shaw Centre; 11 elevators, among which 2 Schindler 300 P, 5 Schindler 500 P and 4 Schindler 700, for the office building of the Chinese Chamber of Commerce

Taiwan:

17 elevators for two residential projects of Fu Bon Construction, Taipei; 8 elevators, 6 of which with Miconic 10, for the office building LF CPU of Twinhead Co., Hsin Tien; 26 escalators Schindler 9300 and 10 moving walks Schindler 9500 for the shopping center TC D An, Taipeh

Thailand:

9 escalators Schindler 9300 and 7 moving walks Schindler 9500 for the shopping center Lotus Supercentre in Bangkok

Vietnam:

6 elevators, all with Miconic 10, for the Long An hospital, Long An; 13 elevators, of which 3 with Miconic 10, as well as 10 escalators Schindler 9300 for Terminal 1 at Noi Ben Airport, Hanoi

1 Ellery Tower residential building with first Schindler 500 elevator in Hong Kong, China

2 Ultramodern information systems in the double-decker elevators at Capital Tower, Singapore

Vienna's Enkplatz subway station was the first installation of the Schindler 9700 escalator. Launched in 1999, the escalator is specially designed for the transportation sector



India, Middle East and Africa (IMEA)

Presence increased in growth markets

Growth in India

In India, driven by the general economic growth, the booming residential building segment and the commercial developments have positively influenced the business. The Schindler *Smart* MRL elevator was a resounding success right from the start. In addition, the order to install the Shreepathi Bahwan, India's tallest building, gave a substantial boost to the image of the young company in this market. The Schindler 9300 escalator has become the reference product for shopping and entertainment centers.



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Exceptional projects in Southern Asia

Entry to the Bangladesh market proved to be a success. The many contracts signed include the Bashundara City project in Dhaka, which is the largest shopping center in southern Asia. Despite the macro-economic difficulties facing Pakistan, major orders were secured in this country such as the international airport at Lahore.

Stronger market presence in the Middle East

The political and economic climate in the Middle East was largely determined by the slowdown in the peacemaking process and climbing oil prices. However, these factors have not impacted yet on the construction industry or elevator mar-



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ket. Schindler's commodity elevators for the basic segment contributed to sustained success and greater market share. A noteworthy example was the major escalator order for the new Ben Gurion Airport in Tel Aviv.

1 Victoria Towers, total 2 panoramic elevators, 2 escalators, 1 kitchen elevator, Nairobi, Kenya

2 Hiranandani Gardens residential development, Powai, India



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Stability in North Africa

In Egypt, economic growth appears to have come to a temporary halt. However, despite the more difficult economic climate, the elevator market remained stable and Schindler reinforced its market position. In Morocco, the construction industry continued at a very brisk pace, with Schindler still the clear market leader, thanks especially to the introduction of the Schindler *Smart* MRL family. The exceptional discovery of a major oilfield in Morocco should have a generally positive effect on this country's economic development in the years ahead.



3

Market position retained in South Africa

Markets in southern Africa suffered a creeping economic crisis in the reporting year, with Zimbabwe and Kenya the countries worst affected. Economic growth in South Africa itself did not reach the expected level, a negative influence being the strength of the US dollar against the country's own weak currency. Schindler retained a strong market position in South Africa, again securing a major construction project.

Generally speaking, Schindler held its market position in all the countries where it has its own subsidiaries (South Africa, Namibia, Zimbabwe, Botswana, and Kenya). In Mozambique a joint venture was opened up with a local partner.

1 Elevator group in Hotel Sharbat, Eilat, Israel

2 Escalator in Hotel Sharbat, Eilat, Israel

3 Times Tower, total 15 elevators and 2 escalators, Nairobi, Kenya

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Willkommen bei Schindler

Island Tours

16:34

Dienstag 23.01.01

Schindler

Kom: Nr. 440 4715

Benutzung im Brandfall verboten.
L'utilisation de l'ascenseur
est interdite en cas d'incendie.
In caso d'incendio è proibito
azionare l'ascensore.

CE 0635005

Notruf

630 kg 8 Personen

Beim Betätigen des Alarmknopfs wird automatisch eine Sprachverbindung mit der Ersatzentrale aufgebaut.
En appuyant sur le bouton d'alarme, vous établirez une communication vocale avec la centrale d'entretien.
Azionando il tasto d'allarme, viene stabilito immediatamente un collegamento audio con la centrale di servizio.

Major orders



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Bahrain:

8 elevators for the shopping mall Bahrain Mall

Bangladesh:

59 escalators Schindler 9300, 21 elevators and 1 moving walk Schindler 9500 for the Bashundara Project in Dhaka, the largest shopping mall in southern Asia

Egypt:

26 elevators, among which 4 panorama elevators, and 4 escalators Schindler 9300 for the Four Seasons Hotel, Nile Plaza, in Cairo; 9 elevators for Luxor Airport; 11 elevators for Intercontinental Sharm El Sheikh Hotel



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India:

21 elevators and 2 escalators Schindler 9300 for the Grand Hyatt Hotel in Bombay; 10 elevators and 2 escalators Schindler 9300 for the business complex Shreepathi Building Arcade, the tallest building in India

Israel:

37 escalators Schindler 9300 Ben Gurion airport in Tel Aviv; 15 elevators for the government building in Haifa; 10 elevators for the IBM office building at Ezorim Park in Tel Aviv

Jordan:

6 elevators for the Farah hospital in Amman

South Africa:

32 elevators, among which 30 Schindler 300, as well as 6 escalators Schindler 9300 for the office, shopping, residential and leisure complex Melrose Arch in Sandton; 6 custom elevators, 2 elevators Schindler 300 L and 5 escalators Schindler 9300 for the Gateway office building, Durban

Syria:

80 elevators for several buildings such as doctors building, hospital, library and others at Tishreen University in Latakia

Uganda:

8 elevators for Crested Towers in Kampala

Zimbabwe:

Modernization of 11 elevators at the Karigamombe Centre and at the Bulawayo Municipal Offices

1 Panoramic elevators in the Queen Shiva Hotel, Eilat, Israel

2 Menlyn retail center, Johannesburg, South Africa

> With 46 Schindler 9300 escalators and 16 Schindler 9500 moving walks, the new Athens International Airport was one of the most important new installation projects in 2000. The installations are a perfect complement to the building's architecture. Photo: Rainer Rehfeld, Cologne

Digital information technology for users in the elevator car

Αεροπλάνο ή Διαβάθρο
On the Line

Επίπεδο
Gate B 20-28



Εξοδος
Gates
←
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Παράδοση Αποσκευών
Baggage Claim



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Difficult year for ALSO

ALSO, which is active in the IT logistics and services business, had a difficult year. Following the change of millennium, developments in the individual market segments varied widely, and were completely different than generally expected. Whereas business in the large-customers segment slumped surprisingly, demand from small and medium-sized companies increased slightly, and from private customers strongly.

ALSO was the first IT distributor to use environmentally friendly returnable boxes for shipping

These divergent developments in the market were reflected in the business divisions at ALSO. The distribution business followed up on the previous year's good result and continued its positive development. On the other hand, the systems business was confronted with an unexpected falloff in business with major customers. The changed market situation necessitated structural adjustments in this area. However, after starting badly, business in this division improved as the year progressed.

Group targets not met

Despite this difficult environment, ALSO increased its turnover by 11.8% to CHF 1 863.5 million in the year under review. On the other hand, due to the slump in the systems business, the Group result was only just positive. ALSO's net profit after tax for 2000 was CHF 4.5 million. In the reporting year the workforce numbered 1 571 employees.

Continuing success in distribution

The Distribution Division expanded its leading position in the market. Turnover in Switzerland went up by 21.5% to CHF 1 067.1 million. At the German company growth was even higher, with turnover increasing by 29.9% to CHF 617 million. Operating profit for the Distribution Division as

a whole increased by 66.2% from the previous year to CHF 37.6 million. Due to the continuing growth, the number of staff employed in the Distribution Division increased by 78 to 549.

In view of the further strong increase in demand for logistics services, the Distribution Division again doubled the capacity of its logistics center at Emmen, Switzerland. In accordance with the financial strategy, the buildings were sold to an independent company when construction work was complete. Also during the reporting year, operations started up at an additional location in Germany, at Brunswick. Parallel to this, new ERP software was introduced in Switzerland, which in the current year will also be implemented in the German company.

1 Floorspace at the ALSO logistics center in Emmen, Switzerland, has been doubled

2 By installing ERP software, ALSO has created the technical infrastructure it needs to provide comprehensive logistics services to e-business partners

At year-end ALSO ABC Trading Ltd. was selected by Swisscom Mobile to be its new logistics partner. Under this cooperation agreement the entire supply chain management associated with mobile handsets, as well as the physical handling of SIM cards, will be outsourced to ALSO.

Hesitant recovery from slump in systems business

All over Europe, turnover in the large-customers segment of the industry fell surprisingly in the first half of 2000 by between 30% and 60%. ALSO's systems business also suffered badly from this drop in orders. Relative to the same period in the previous year, turnover for the first half year fell by 38%. Faced with this slump, ALSO undertook major staff reductions in the systems business, and adjusted other operating costs to the lower number of employees. In the third quarter, these measures were successful in sharply reducing the loss compared



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to the first and second quarters. Business picked up again slightly in the second half year. As a result, there was a further improvement in the Systems Division in the fourth quarter. Turnover for 2000 was CHF 217.7 million, with an operating loss of CHF 32.6 million. The number of employees was 1 012.

A milestone in 2000 was the acquisition of the operational activities and most of the employees of IT Services AG, a subsidiary of Credit Suisse Group. This strategic acquisition was taken against the backdrop of growing demand from business for IT services provided by external specialists.

Higher turnover and improved profitability in 2001

For 2001 ALSO foresees further growth in turnover and a sharp improvement in profitability. The increasing demand for logistics services, especially associated with e-business, and the growing num-



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ber of Windows 2000 projects in large companies in the medium term, also give ALSO confidence that turnover and profit will continue to increase in future years.

1-3 Employees' high degree of identification with the customer is the key to providing individual, tailored services

Direct, high-quality communication with external partners is the only way to ensure constantly efficient communication



Organization

Status January 1, 2001

Board of Directors Schindler Holding Ltd.

Term of office expires

Alfred N. Schindler*

Chairman; Hergiswil, Switzerland

2003

Luc Bonnard*

Vice Chairman; Hergiswil, Switzerland

2003

Alfred Spörri*

Zug, Switzerland

2003

Jeffrey M. Cunningham

CEO/Managing Director of Schroders Finance Partners; Greenwich, Connecticut, USA

2001

Prof. Dr. Dr. h.c. mult. Rolf Dubs

Professor emeritus at the University of St. Gallen; St. Gallen, Switzerland

2003

Walter G. Frehner

Riehen, Switzerland

2003

Dr. Hubertus von Grünberg

Chairman of the Executive Board of Continental Ltd.; Hannover, Germany

2003

Dr. Jenö Staehelin

New York, USA

2003

Robert Studer

Schönenberg, Switzerland

2003

- Member of the Executive Committee of the Board

Management Schindler Holding Ltd.

Ernst Bärtschi

Peter E. Fraefel

PD Dr. Karl Hofstetter

Bernard Illi

Stephan Jud

Joachim Walker

Dr. Henry Zheng

Auditors

ERNST & YOUNG Ltd., Basle

Management Committee Elevators and Escalators

Peter J. Zbinden	President
David J. Bauhs	Deputy to the President; Americas
Heikki Poutanen	Europe Central
Miguel A. Rodríguez	Europe Southwest
Jürgen Tinggren	Asia/Pacific
Richard Maiocchi	India/Middle East/Africa (IMEA)
Jörgen Svenningsson	Technology and Strategic Supply Management
Ernst Bärtschi*	Chief Financial Officer (CFO)
Dr. Rudolf W. Fischer*	Human Resources and Training

* Reporting directly to a member of the Executive Committee of the Board

Management Committee ALSO

Thomas C. Weissmann	President
Alberto Comolli	Human Resources
Jürgen Baumgartner	Finance
Marc Schnyder	Distribution
Thomas C. Weissmann (ad interim)	Systems Business

Schindler Holding Ltd.

Board of Directors

Elevators and Escalators

Management Committee
Elevators and Escalators

Europe

Americas

Asia/Pacific

IMEA

ALSO

Management Committee
ALSO

Distribution

Systems Business

Financial statements Group

Condensed

Balance sheet December 31	1996	1997	1998*	1999**	2000
In million CHF					
Current assets	2 421	2 847	2 978	3 335	3 381
Non-current assets	1 389	1 385	1 371	2 219	2 279
Total assets	3 810	4 232	4 349	5 554	5 660
Current liabilities	1 268	1 381	1 916	2 219	2 359
Non-current liabilities	1 236	1 440	1 316	2 000	1 847
Total liabilities	2 504	2 821	3 232	4 219	4 206
Minority interests	49	80	105	150	137
Shareholders' equity	1 257	1 331	1 012	1 185	1 317
Total liabilities and shareholders' equity	3 810	4 232	4 349	5 554	5 660

- * After restatement and in compliance with IAS
- ** As of 1999 in compliance with IAS

Profit and loss statement	1996	1997	1998*	1999**	2000
In million CHF					
Operating revenue	5 191	6 203	6 594	7 657	8 530
Operating expenses	5 069	5 970	6 343	7 275	8 108
Operating profit	122	233	251	382	422
Financing activities	17	-21	-17	-86	-53
Investing activities	-	-	84	29	5
Non-operating revenues/expenses	8	1	-	-	-
Profit before taxes	147	213	318	325	374
Taxes	58	70	73	67	71
Profit before minority interests	89	143	245	258	303
Minority interests	12	23	21	20	4
Net profit	77	120	224	238	299

- * Classified according to IAS but not revalued
- ** As of 1999 in compliance with IAS

For complete information in compliance with IAS please refer to the Financial Statements.

Cash flow statements

	1996	1997	1998	1999•	2000
In million CHF					
Cash flow from operating activities	103	339	163	156	539
Cash flow from investing activities	-110	-94	-577	-694	-344
Cash flow from financing activities	-5	125	-7	488	-146
Translation exchange differences	11	-	-5	20	-10
Change in net cash	-1	370	-426	-30	39

- As of 1999 in compliance with IAS

Financial statements Schindler Holding Ltd.

Condensed

Balance sheet December 31	1996	1997	1998	1999	2000
In million CHF					
Current assets	604	904	397	679	465
Non-current assets	1 188	1 314	1 726	1 462	1 601
Total assets	1 792	2 218	2 123	2 141	2 066
Debentures	150	350	350	800	785
Other liabilities	238	401	239	229	208
Total liabilities	388	751	589	1 029	993
Share capital	76	76	76	76	64
Bearer participation capital	61	61	61	61	50
Retained earnings	1 188	1 246	1 306	880	855
Net profit for the year	79	84	91	95	104
Shareholders' equity	1 404	1 467	1 534	1 112*	1 073
Total liabilities and shareholders' equity	1 792	2 218	2 123	2 141	2 066

* After extraordinary adjustment of investments in subsidiaries via elimination of other reserves (CHF 457 million)

Profit and loss statement	1996	1997	1998	1999	2000
In million CHF					
Income from subsidiaries	93	103	115	179	201
Other revenue	51	57	124	37	34
Total revenue	144	160	239	216	235
Depreciation and adjustments	28	33	97	57	85
Other expenses	37	43	51	64	46
Total expenses	65	76	148	121	131
Net profit for the year	79	84	91	95	104

Dividend payment	1996	1997	1998	1999	2000
In million CHF					
Registered shares	21	23	35	35	38*
Bearer participation certificates	17	18	27	27	29*
Total dividend payment	38	41	62	62	67*

* Proposal by the Board of Directors

In the VW Automobile City at Wolfsburg, Germany, synchronized television monitors on both sides of a Schindler 9500 moving walk create the impression of driving an automobile



Information for shareholders

Charts

Group	1996	1997	1998*	1999**	2000
In million CHF					
Orders received	5 299	6 362	6 604	7 695	8 750
Elevators & Escalators	4 720	5 486	5 325	6 028	6 852
ALSO	579	876	1 279	1 667	1 898
Operating revenue	5 191	6 203	6 594	7 657	8 530
Elevators & Escalators	4 616	5 333	5 324	5 996	6 669
ALSO	575	870	1 270	1 661	1 861
Operating profit	122	233	251	382	422
as % of operating revenue	2.4	3.8	3.8	5.0	4.9
Net income from financing and investing activities	17	-21	67	-57	-48
Profit before taxes	147	213	318	325	374
Profit before minority interests	89	143	245	258	303
as % of operating revenue	1.7	2.3	3.7	3.4	3.6
Net profit ¹	77	120	224	238	299
Cash flow ²	223	287	394	329	417
Capital expenditure	105	140	177	158	157
Order backlog	3 382	3 515	2 954	3 689	3 713
Personnel at year-end (number)	34 631	38 100	38 574	43 654	43 334
Elevators & Escalators	34 161	37 473	37 543	42 140	41 763
ALSO	470	627	1 031	1 514	1 571
Shareholders' equity	1 257	1 331	1 012	1 185	1 317
Equity ratio	33.0	31.4	23.3	21.3	23.3
EBITDA Group ³	256	387	451	532	624
in %	4.9	6.2	6.8	6.9	7.3
EBITDA Elevators & Escalators	253	371	427	482	612
in %	5.5	7.0	8.0	8.0	9.2
EBITDA ALSO	10	23	40	46	18
in %	1.7	2.6	3.1	2.8	1.0
EBIT Group ⁴	122	233	251	382	422
in %	2.4	3.8	3.8	5.0	4.9
EBIT Elevators & Escalators	126	225	236	342	422
in %	2.7	4.2	4.4	5.7	6.3
EBIT ALSO	4	16	31	36	6
in %	0.7	1.8	2.4	2.2	0.3

* Balance sheet positions after restatement and in compliance with IAS

** As of 1999 in compliance with IAS

¹ Adjusted for minority interest in years 1996-1998

² Net profit before minorities and depreciation/amortization +/- change of provision

³ EBITDA: Operating profit and depreciation/amortization

⁴ EBIT: Operating profit

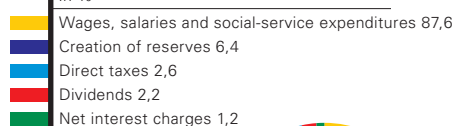
Holding

	1996	1997	1998	1999	2000
In million CHF					
Share capital	76	76	76	76	64
Bearer participation capital	61	61	61	61	50
Shareholders' equity	1 404	1 467	1 553	1 112*	1 073
Debentures	150	350	350	800	785
Net profit for the year	79	84	91	95	104
Dividend payment	38	41	62	62	67**

- After extraordinary adjustment of investments in subsidiaries via elimination of other reserves (CHF 457 million)
- Proposal by the Board of Directors

Allocation of the Group's net value added 2000

In %



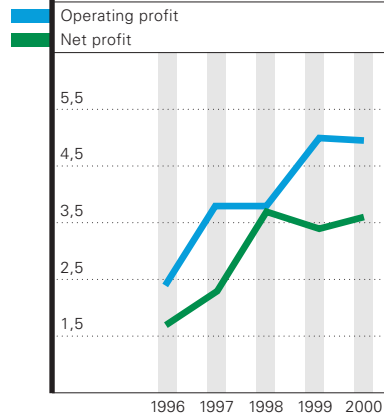
The Group's total value added is the increase in value achieved by the whole Group within a certain period of time.

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

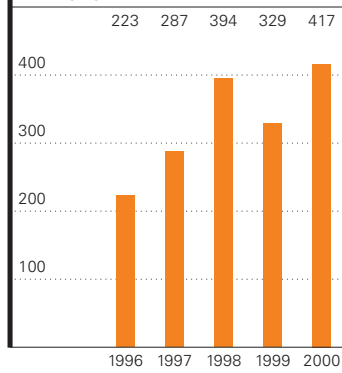
Margin operating profit and net profit

As % of operating revenue



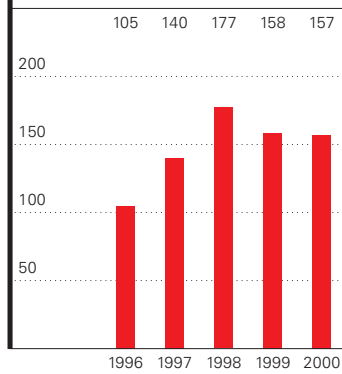
Cash flow

In million CHF



Capital expenditure

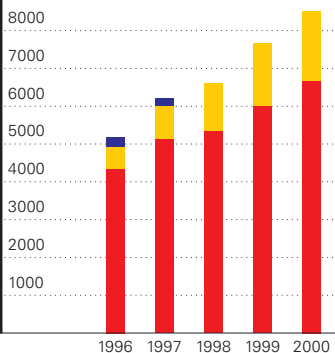
In million CHF



Operating revenue by product group

In million CHF

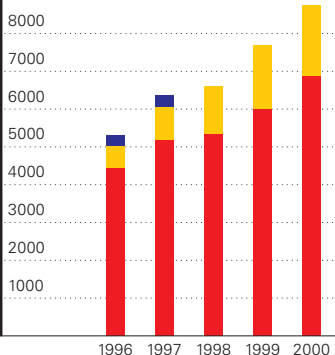
Elevators & Escalators•	4353	5127	5324	5996	6669
ALSO	575	870	1270	1661	1861
Rolling stock••	263	206	-	-	-
Total	5191	6203	6594	7657	8530



Orders received by product group

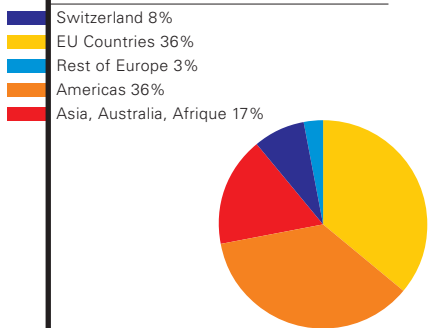
In million CHF

Elevators & Escalators•	4423	5175	5325	6028	6852
ALSO	579	876	1279	1667	1898
Rolling stock••	297	311	-	-	-
Total	5299	6362	6604	7695	8750

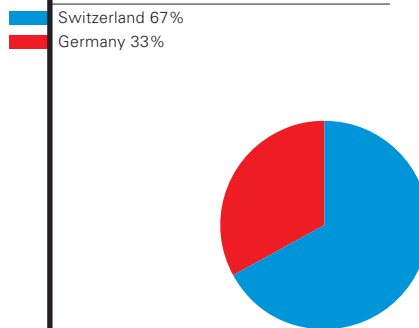


- Incl. other products
- As of 1998 included in Elevators & Escalators

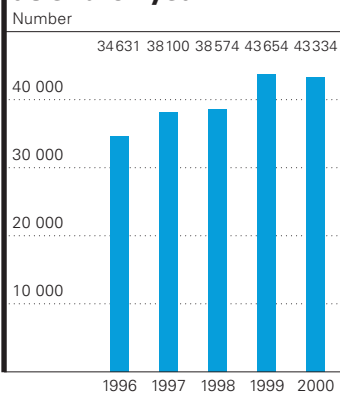
Invoiced sales 2000 by market Elevators & Escalators



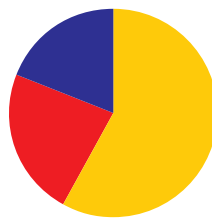
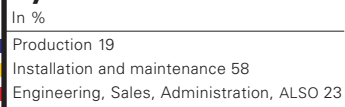
Invoiced sales 2000 by market ALSO



Personnel at end of year

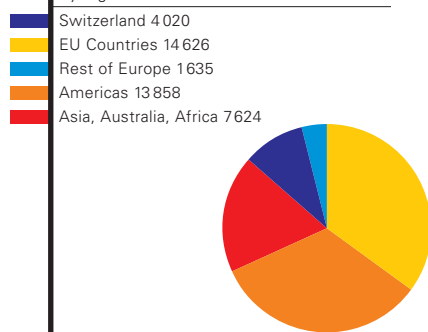


Personnel 2000 by sector



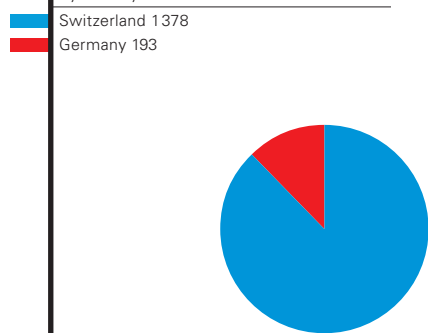
**Personnel 2000
Elevators & Escalators**

By region



**Personnel 2000
ALSO**

By country



Information per registered share/ bearer participation certificate

	1996	1997	1998*	1999**	2000
In CHF					
Net profit	56	88	164	174	222
Cash flow	163	210	288	240	310
Shareholders' equity at year-end	919	973	753	894	992
Gross dividend	28	30	45	45	50***
Pay-out ratio	% 49.8	34.2	27.5	25.9	22.5
Market capitalization (in million)	1 926	2 119	3 118	3 490	3 402

- * Shareholders' equity after IAS restatement
- ** As of 1999 in compliance with IAS
- *** Proposal by the Board of Directors

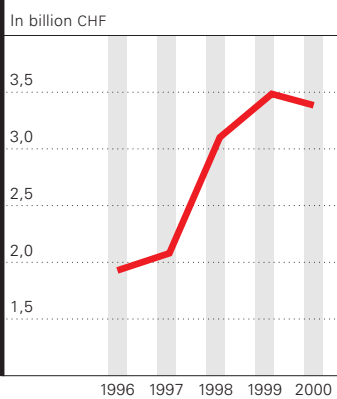
Registered shares

	1996	1997	1998	1999	2000
In CHF					
Number of shares outstanding	763 066	763 066	763 066	763 066	752 866
Thereof in treasury stock	5 890	5 890	20 170	27 040	16 790
Nominal value	100	100	100	100	85
Price high	1 140	2 130	2 730	2 600	2 995
Price low	1 105	1 300	1 530	2 060	2 320
Price year-end	1 370	1 569	2 340	2 550	2 549
P/E ratio December 31	24.5 ×	17.8 ×	14.3 ×	14.7 ×	11,5 ×

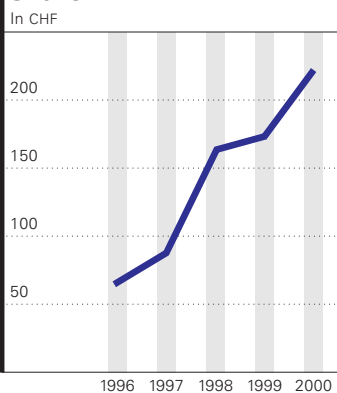
Bearer participation certificates

	1996	1997	1998	1999	2000
In CHF					
Number of certificates outstanding	605 425	605 425	605 425	605 425	592 424
Thereof in treasury stock	108 647	60 280	4 004	15 444	1 410
Nominal value	100	100	100	100	85
Price high	1 475	2 000	2 710	2 620	2 925
Price low	1 140	1 370	1 209	2 050	2 320
Price year end	1 455	1 522	2 200	2 550	2 503
P/E ratio December 31	26.0 ×	17.3 ×	13.4 ×	14.7 ×	11,3 ×

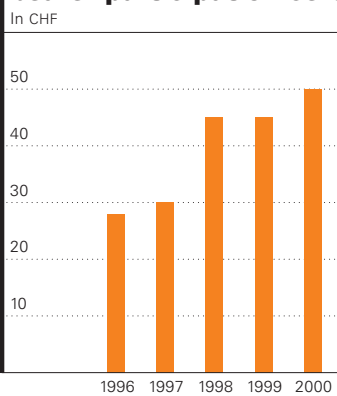
Market capitalization



Net profit per registered share



Dividends per registered share and bearer participation certificate



Trading

	Registered share	Bearer participation certificate
Bloomberg	SCHN	SCHP
Reuters	SCHZn	SCHZp
Valor	227 618	227 617

Registered shares are traded on the Swiss Exchange. Bearer participation certificates are traded on the Swiss, Berlin and Frankfurt Exchanges. The bearer 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

According to information published under stock exchange law (SHAB 9.01.2001), the Schindler and Bonnard families hold within the scope of a stockholder retainer contract 61.8% of the voting rights of the share capital of Schindler Holding Ltd. entered in the Register of Companies.

A further aspect of the shareholding structure is that other persons who have a close relationship to the parties to the stockholder retainer contract hold, together with these, more than two thirds of the voting rights. These other persons are not bound by a stockholder retainer contract. The voting rights held by shareholders who are not bound by a stockholder retainer contract are in each case less than 3%.

Ordinary General Meeting

Monday, April 9, 2001, 4.30 pm
at the Kultur- und Kongresszentrum
Luzern, Europaplatz 1,
CH-6005 Lucerne, Switzerland

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**The SchindlerEuroLift
can have spotlights
mounted in the car
ceiling or in the corner
posts**



Our contribution to the environment

Schindler reports its environmental performance

In recent years, demands from the public, shareholders, and analysts for publication of environmental performance have steadily increased. Schindler is responding to this wish by including for the first time in this year's Annual Report an explicit account of its environmental performance. The emphasis is on analysis of the product life cycles, which gives Corporate Research and Development valuable information for improving eco-efficiency.

We also include special reports on the major environmental advantages of Schindler's technological world premieres: the Miconic 10 hall call destination system, the aramid rope, and the adaptable-speed escalator.



A chapter devoted to "Environmental Performance" will be a permanent feature of future annual reports. Every five years we also publish an additional special report on environmental questions.

"Schindler minds the environment"

"Schindler serves its customers, ... cares for its employees and minds the natural environment, while striving for profitable growth." This concise statement summarizes the principles of business conduct formulated by Schindler in 1990.

Minding the environment is an ethical principle. Every day, all over the world, 700 million people use Schindler elevators and escalators. Protecting the safety of the people who are transported by our products, or who work for Schindler, is an important aspect of our business conduct.

Maintaining the required safety standards, conservation and efficient use of resources, and avoidance of environmental pollution all contribute to achieving this goal. Optimal utilization of resources also decisively improves customer benefits.

Adherence to Schindler's hierarchy of values, "protect life, mind the environment, increase customer benefits", contributes to long-term, sustainable growth of the company's corporate value.

1 Every day, all over the world, Schindler elevators and escalators transport more than 700 000 000 passengers

Schindler – a service company

Our products are designed for an average service life of 30 years. That is why Schindler’s main activity is not manufacturing products, but ensuring the mobility of their users with extremely high safety and availability of the installations. Decisive competitive factors in this connection are maintenance, modernization, and – where necessary – repair of the products. Today’s elevators and escalators are systems which are built up from mainly standardized components. And as a systems provider, Schindler leads the way. More than half our employees (56%) are engaged in installation and maintenance at over 1 000 locations around the globe.

Less than 20% work in production. This shows that Schindler has been transformed into a service company, and is no longer a member of the classical manufacturing engineering industry.

The goal: more intelligent, simpler, smaller, lighter, lower energy consumption

Since elevators and escalators always run for several decades, the relevant phase to determine the environmental impact of the installations is the period when the products are being used, while, compared to other industries, the production phase is only of secondary importance.

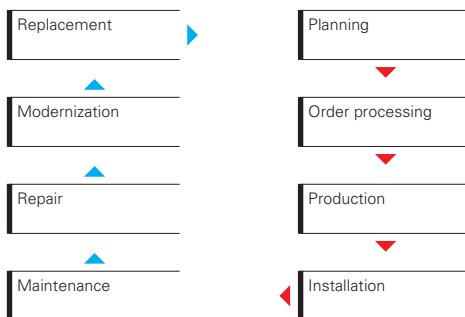
According to the concept of the World Business Council for Sustainable Development (WBCSD), the following examples can be examined and evaluated in relation to their positive influence on material intensity, energy intensity, toxic dispersion¹, recyclability², use of renewable resources, and durability.

The following examples illustrate how Schindler has used intelligent solutions, new technologies, and value analysis to achieve major progress in reducing the consumption of energy and materials. The pressure to reduce costs has positively influenced the development of new elevator concepts.

- ¹ Toxic dispersion: dispersing substances which are hazardous to health and the environment
- ² Recyclability: using renewable materials, and recycling products and components

Service over the entire lifetime of the elevator

Average distribution of work over 30 years in %

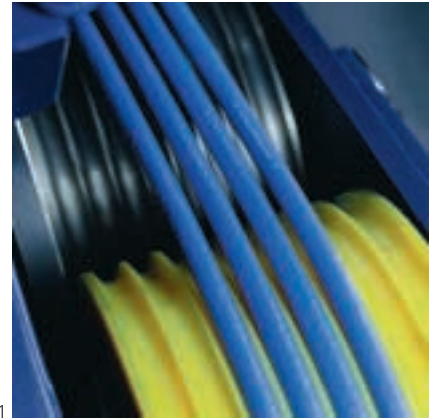


World premiere: Schindler *Aramid*

Synthetic ropes instead of steel: safer, lighter, more durable

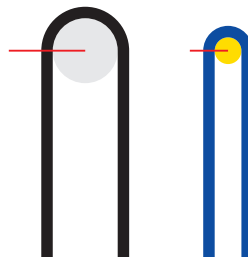
For more than 100 years, the ropes used to move elevator cars have been made of steel. Schindler has now developed the Schindler *Aramid* synthetic rope, which is certified according to EU directives and brings numerous advantages:

Schindler *Aramid* is four times lighter than a conventional steel rope and has a longer life-time. The synthetic rope has higher fatigue strength under reverse bending stress than steel ropes, which allows bends to have a smaller radius. The tighter bending radius makes it possible to use smaller traction sheaves, which have lower torque, and therefore consume less energy. Schindler *Aramid* needs no lubrication and causes less noise. Its functional safety is permanently monitored by means of built-in sensors.



1 Schindler *Aramid* fully synthetic elevator rope on yellow traction sheave of the new permanent-magnet drive. Neither the aramid rope nor the nylon traction sheave require lubrication, which especially benefits the environment

Bending radius

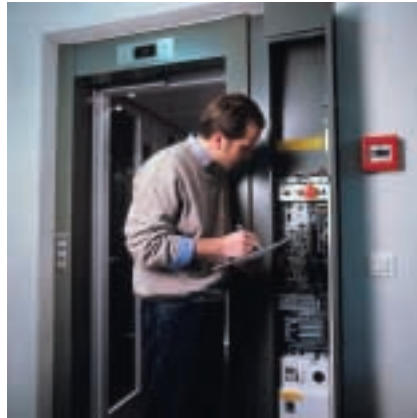


Positive impact

- Material intensity
- Energy intensity
- Toxic dispersion
- Recyclability
- Renewable resources
- Durability

From relay to microprocessor

The drive and control system are the heart of an elevator. Until the nineteen-seventies control systems still used relays, which were then replaced by transistors and subsequently by microprocessors. This brought radical savings in material, energy, and space. It takes only 1.8 hours to manufacture the control system of a Schindler *Smart* elevator. Its heart is no larger than the electronics of a mobile telephone.



The peak of development achieved by Schindler so far is the Miconic 10 control system. It is entirely based on microprocessors and therefore allows intelligent, energy-saving control of the elevator operation. A chip is used to configure it to the customer's specific requirements on site. If the customer's needs change,

the system can be modified at any time using only a minimum of materials.

1/2 Use of microprocessors radically reduces the size of elevator control cabinets. For example, to save space they can be located next to the elevator door on the top landing

Relative sizes of control cabinets

	Elevators with machine room		Elevators without machine room Schindler <i>EuroLift</i>		Elevators without machine room Schindler <i>Smart</i> MRL	
Dimensions (mm)	1800×1000×400		2308×275×153		800×425×120	
Volume (m ³)	0.72	100%	0.097	13.5%	0.041	5.7%
Weight empty (kg)	120	100%	56	46.6%	14	11.7%
Weight with basic control (kg)	140	100%	71.5	51.1%	28	20%
Time for production (h)	4.5	100%	1.7	37.8%	1.8	40%
Energy consumption of the basic control (W)	316	100%	150	47.5%	142	44.9%

Positive impact

- Material intensity
- Energy intensity
- Toxic dispersion
- Recyclability
- Renewable resources
- Durability

New drive: eliminates machine room

Schindler's permanent-magnet gearless drive is much smaller and lighter than traditional drive motors with gears. It was introduced in the SchindlerEuroLift elevator and brings the following advantages over older drives: reduced space requirements, lower energy consumption, less material, no oil, less noise, lower investment and running costs.



1

The latest generation of Schindler elevators, the SchindlerEuroLift and SchindlerSmart, dispense with the machine room. The drive is installed directly in the elevator hoistway, while the control is installed in the hoistway wall next to the landing door on the top landing. This creates more usable space in the building, because with traditional elevators a special room has to be built in, or on top of, the building to accommodate the drive and control system.



2

1 New elevator system with no machine room. To save space, the motor is located in the hoistway headroom

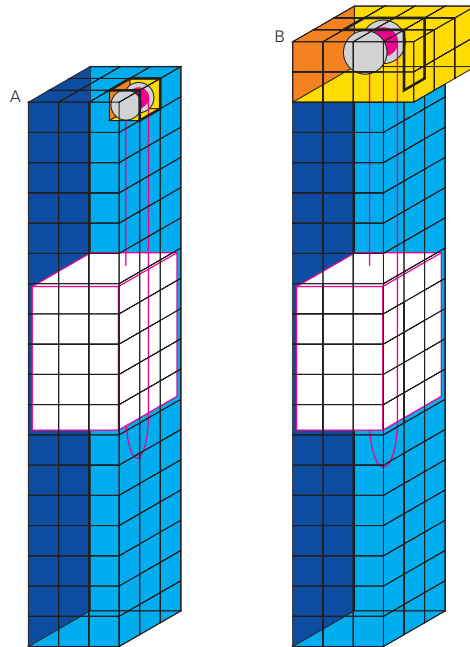
2 Traditional machine room with elevator control in foreground at right, and elevator drive in background at left

Positive impact

- Material intensity
- Energy intensity
- Toxic dispersion
- Recyclability
- Renewable resources
- Durability

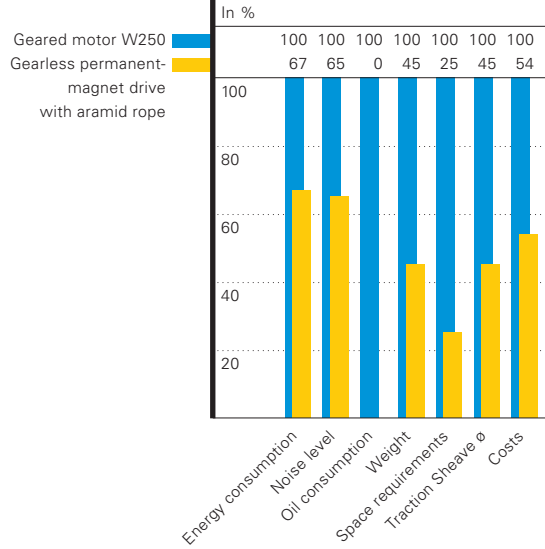
Elevator systems

- A Without machine room
- B With machine room



Hoistway sketches for elevator systems with (right) and without (left) machine room. The space saving shows up clearly

Eco-efficient drive technology



World premiere: Miconic 10 hall call destination system

Traditional elevator control systems function on the basis of car calls. A button is pressed to call the elevator to a particular floor. Passengers only select their destinations when they are inside the car. The car stops at each floor a passenger has chosen.

The Miconic 10 hall call destination system developed by Schindler already registers passengers' desired destinations when they call the elevator. Instead of just pressing a button, passengers input their destinations on a decimal keypad. The computer registers the destination, and indicates via an illuminated display and/or voice synthesizer which car the waiting passenger should



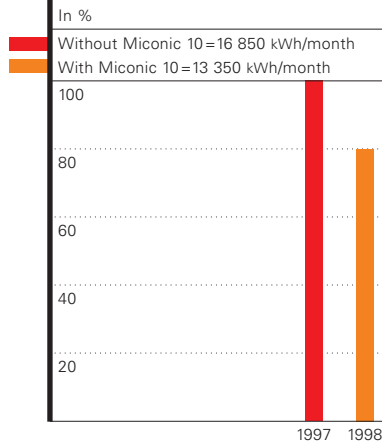
use. Passengers for the same destination are assigned to the same car. The system reduces the number of stops and avoids unnecessary empty trips. Transportation capacity is increased by up to 80%, and passengers reach their destinations faster. This means that in large buildings the same transportation capacity can be provided with fewer elevators.

The hall call destination function can be added on to any type of Miconic control system. It brings a major improvement in performance with only minimal extra material.

Additionally, Miconic 10 provides handicapped passengers with special advantages: e. g., it recognizes blind passengers by their magnetic elevator cards, and voice-announces the car they should take. Passengers with walking difficulties or in wheelchairs can use their elevator cards or press a special button to order a "taxi ride" and make the elevator doors stay open longer.

1 With the Miconic 10 hall call destination system, the floor number is input before the elevator is entered. As the picture shows, the input terminal can also be located at a distance from the elevator

Energy savings with Miconic 10*



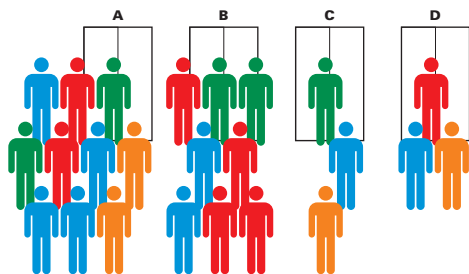
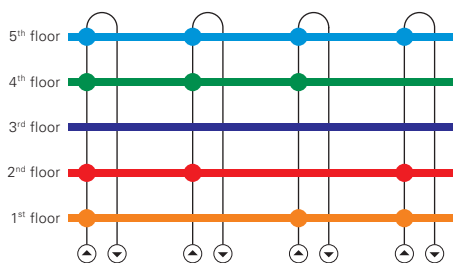
* Example showing the energy savings after modernization with Miconic 10. The Centre Financier office building in La Source, France, has 6 elevators.

Positive impact

- Material intensity
- Energy intensity
- Toxic dispersion
- Recyclability
- Renewable resources
- Durability

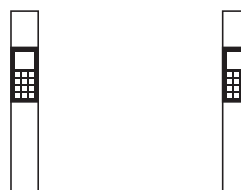
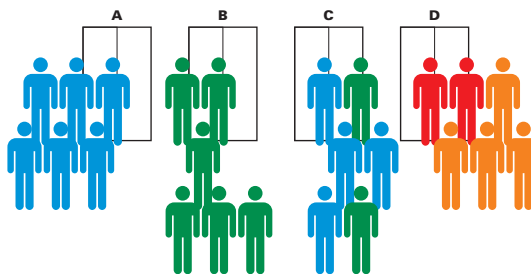
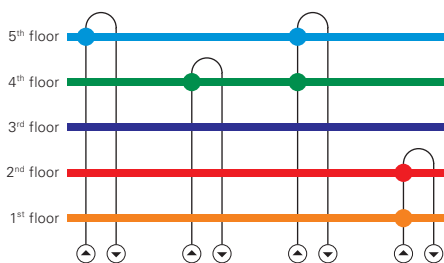
Conventional elevator control*

Elevator	A	B	C	D
User	10	8	3	3
Stops	4	3	3	3



Miconic 10**

Elevator	A	B	C	D
User	6	6	6	6
Stops	1	1	2	2



- With conventional elevator controls passengers enter the first available car, no matter which floor they are traveling to. With this system, the car stops many times before it is free again.
- With Miconic 10, passengers are grouped before they enter the elevator. Passengers traveling to the same floor reach their destination directly without stopping. Fewer floors are traveled to, and the car becomes free again sooner.

Generate electricity while riding the elevator

Schindler elevators can use recuperation to feed energy back into the power supply when they brake traveling down and – thanks to the counterweight – when they travel up with only a light load.

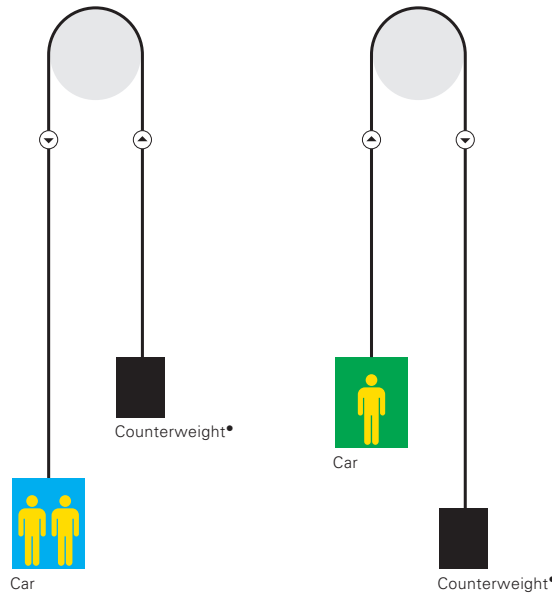
This technology can reduce an elevator's energy consumption by about one quarter.

As well as reducing energy consumption directly, recuperation also brings an indirect reduction: because the energy is recuperated, less heat is produced. This reduces the cooling needed in the machine room.

The ecological advantages of energy recuperation are unchallenged. From today's economic standpoint, it is mainly of value in high-performance installations.

Energy savings with recuperation

- Braking while traveling down
- Traveling up with light load



* Weight of counterweight = weight of car + 1/2 maximum load

Positive impact

- Material intensity
- Energy intensity
- Toxic dispersion
- Recyclability
- Renewable resources
- Durability

Information technology improves servicing efficiency

Developments in information and communication technologies open up completely new possibilities in servicing. In this area all efforts have one common goal: to have the right person in the right place at the right time with the right material.



1



2



3

Electronic diagnosis enables the service center to immediately dispatch the right specialist with the right material. This avoids unnecessary journeys, which reduces the fuel consumption of the service fleet.

1 Service requests arriving at the service center are transferred electronically direct to the service technician in the field

2/3 The service technician has a WAP mobile telephone which displays the service requested and relevant data for the elevator. He can call up additional information online from the SAP system

Wherever possible, Schindler's modern components are fitted with sensors. This makes preventive servicing of such parts possible. They can be replaced when their performance deteriorates. The benefit for the environment: components are replaced with optimal timing.

Positive impact

- Material intensity
- Energy intensity
- Toxic dispersion
- Recyclability
- Renewable resources
- Durability

World premiere: adaptable-speed escalator

Escalators: reduce speed, save energy

The new Schindler 9300 generation of microprocessor-controlled escalators is fitted either with a frequency converter or an energy-saving mode.



1



2

Crawling with frequency converter

The escalator runs at full speed when loaded with passengers, but automatically reduces speed to a crawl when running empty. In the crawl mode energy consumption can be reduced by up to 30% and the peak current by up to 80%.

Energy-saving system

With heavy traffic the escalator runs in standard mode but automatically switches to an energy-saving mode when traffic is light. This allows energy savings of up to 30% with almost no speed reduction.

1/2 Infrared sensors (small black spots) in the handrail entry of the escalator detect approaching passengers and switch the escalator from an energy-saving crawl to normal speed. If no further passengers approach within a certain period of time, the escalator switches back to a crawl

Positive impact

Material intensity

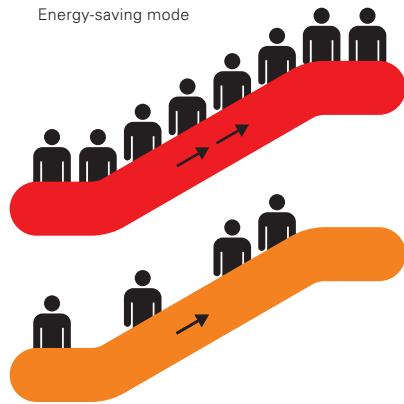
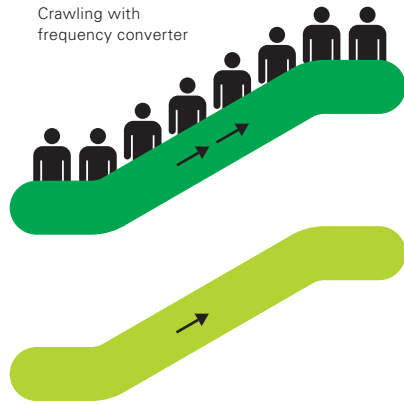
● Energy intensity

Toxic dispersion

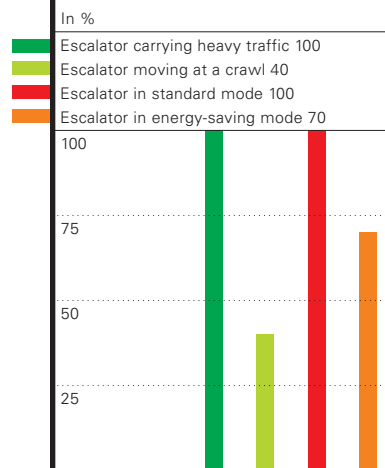
● Recyclability

Renewable resources

● Durability



Energy consumption



The life cycle of a Schindler elevator

For commodity elevators and escalators, which make up 90% of sales by volume, comprehensive life cycle assessments (LCAs) have been carried out. They confirm that the Schindler strategy used to develop new products is successful not only economically but also ecologically.

Schindler's objective is to implement effective and efficient improvements in technology and organizational processes during the development phase of a product, which reduce the environmental impact of the product during the subsequent phases of its life cycle. This proactive strategy is more effective in saving time and reducing costs than intervening when energy and disposal costs, material costs, investments to conform with environmental requirements, or loss of image due to environmental damage reduce the company's competitiveness.

Life cycle assessment is used to identify and evaluate relevant environmental aspects throughout the lifetime of the product, from procurement of raw materials, through production and use, up to disposal or recycling of components and materials. This ensures that potential ecological improvements are identified in all the phases of an elevator's life cycle. This data forms an important basis for a focused environmental strategy.

It ensures that scarce financial resources are used efficiently where they are most needed.

Life cycle assessments of the most representative commodity elevators indicate that the relevant environmental impact occurs during the phase when the elevator is used, and when the raw materials are procured. By comparison, the phases of manufacturing, distribution, installation, and disposal if done according to Swiss regulations are of minor significance.

In the utilization phase the energy consumption plays a decisive role (the electricity used for the drive, control system, car lighting, door drive, and various fans).

The efficient use of energy during the elevator's utilization phase, as well as the raw materials and semi-finished products to be used, and therefore their disposal or recycling, are specified by Corporate Product Development. Use of state-of-the-art technologies and pollutant-free materials, development of intelligent concepts for control systems, and attention to the interactions between product components make a significant contribution to an eco-efficient design of the elevator or escalator. Central considerations are the availability and safety of the installation in operation.

Schindler already concentrates on optimizing the operating phase of the elevator's life cycle while it is being developed. This creates a better product, which is less expensive, protects the environment, and brings additional customer benefits.



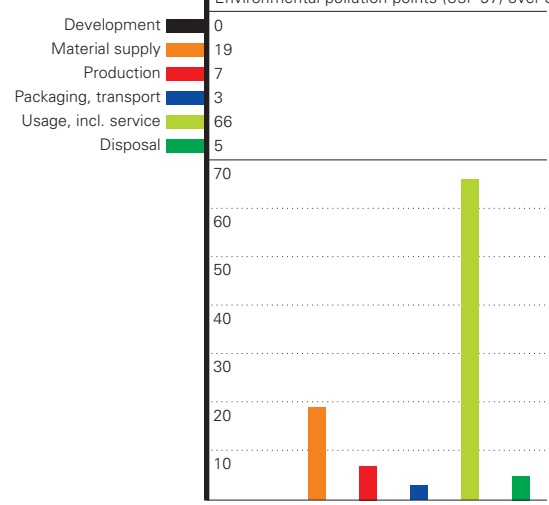
ISO 14001 certification for Corporate Product Development

With elevators and escalators, the biggest leverage for reducing environmental stress, while at the same time increasing customer benefits and thereby also corporate value, occurs in the utilization phase. For this reason, in the reporting year Schindler obtained its first ISO 14001 certification for the Technology and Strategic Supply Management area of Corporate Product Development, thereby anchoring the guiding principles of eco-efficiency in the process for developing new products. However, it is a natural feature of products with long service lives that it takes a long time until old products are replaced by new ones. For this reason, progress with eco-efficiency is not so rapid, even though Schindler has completely renewed its range of products.

1 ISO 14001 certificate for Corporate Technology and Strategic Supply Management

Life cycle analysis of a standard elevator

Environmental pollution points (USP 97) over 30 years in %



Act locally

The life cycle assessment shows that for elevators the environmental impact of the production phase is minimal. Even so, at all Schindler manufacturing plants efforts are constantly being made to improve the environmental situation. Compliance with local environmental regulations is a matter of course. Beyond this, all over the world Schindler uses only water-soluble paint, gas instead of oil for heating, and all production plants have waste management programs. In the USA, the environmental performance of a Schindler plant won a special award.

Environmental award for Schindler Gettysburg

In 1999 Schindler Gettysburg won the Business Environmental Stewardship Award presented by the Chamber of Commerce. The award was for the following environmental performance parameters:

- Continuous monitoring and evaluation of environmentally relevant data
- Professional waste management
- Permanent environmental training of employees
- Massive reduction of air-polluting emissions
- Use of solvent-free paints
- Use of solvent-free adhesives
- Recycling of paper, metal, oil, fluorescent light tubes
- Waste water purification



1 Employees of Schindler Gettysburg proudly display the Business Environmental Stewardship Award presented by the Local Chamber of Commerce (from l. to r. Ken Farabaough and John McKenna, representatives of the Chamber of Commerce, James Overby, Phyllis Chant, Doug Miller, Schindler Gettysburg)

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The Annual Report of the Schindler Group for 2000 consists of the Activity Report and the Financial Statements.

The original German language version is binding. English, French, and Spanish translations of the Activity Report are also available. The Financial Statements is published in German and English only.

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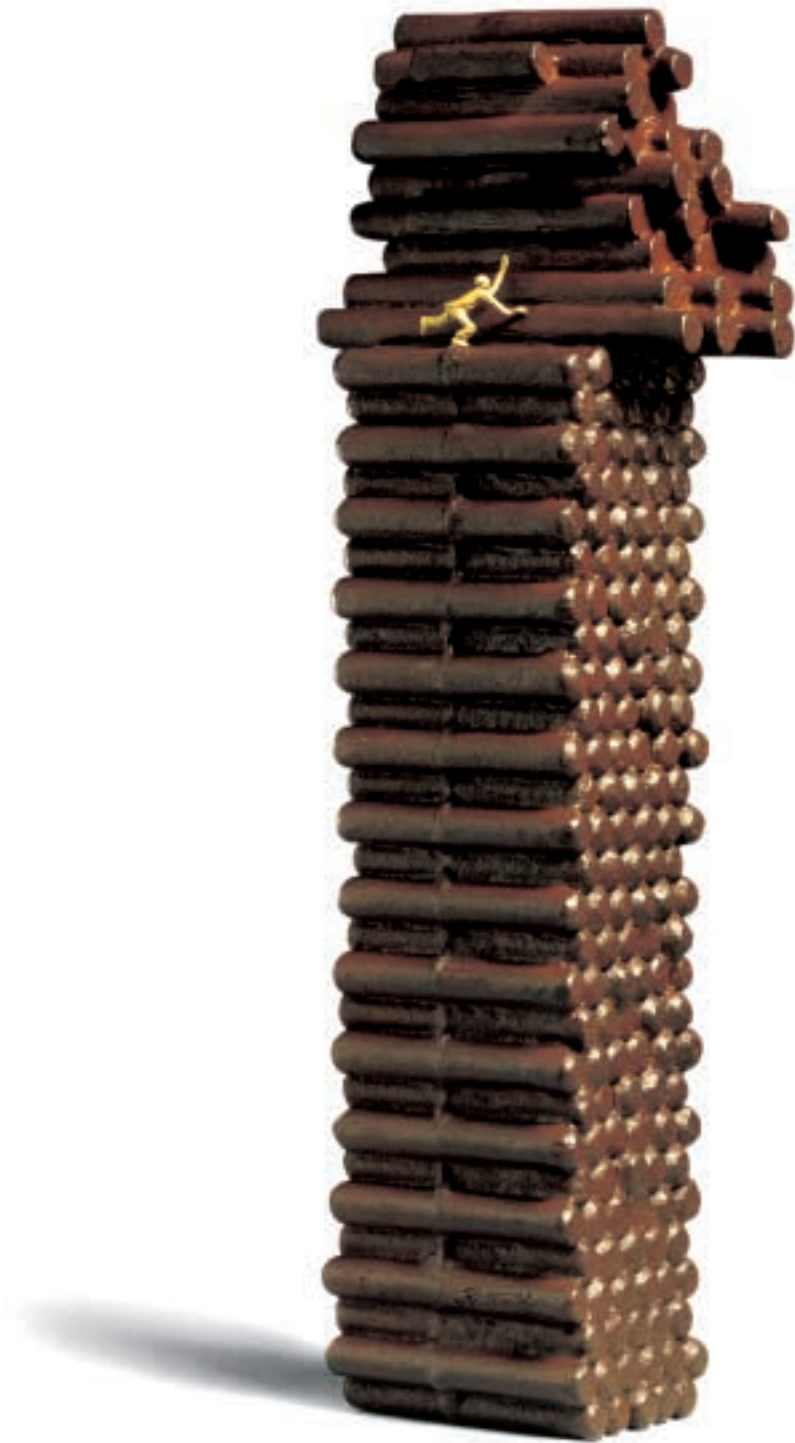
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"Focus, alignment and clarity lead
to solid results."
Alfred N. Schindler

Artist: Stephan Pauli

Annual Report 2000 Financial Statements



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Consolidated balance sheet

Assets		31.12.1999		31.12.2000	
In million CHF	Notes		%		%
Current assets					
Cash on hand		736	13.2	737	13.0
Securities	2	53	1.0	87	1.5
Accounts receivable	3	1 412	25.5	1 364	24.1
Taxes receivable		34	0.6	34	0.6
Net assets of production orders in progress	4	485	8.7	483	8.5
Inventories	5	514	9.2	526	9.3
Prepaid expenses and deferred income		101	1.8	150	2.7
Total current assets		3 335	60.0	3 381	59.7
Non-current assets					
Fixed assets	6	821	14.8	758	13.4
Intangible assets	7	998	18.0	918	16.2
Investments in associates	8	77	1.4	86	1.5
Financial assets	9	130	2.3	307	5.5
Deferred taxes	10	139	2.5	154	2.7
Employee benefits	11	54	1.0	56	1.0
Total non-current assets		2 219	40.0	2 279	40.3
Total assets		5 554	100.0	5 660	100.0

Liabilities and shareholders' equity

In million CHF		Notes	31.12.1999		31.12.2000	
				%		%
Liabilities						
Current liabilities						
Financial debts	14	187	3.4	160	2.8	
Accounts payable	12	765	13.8	878	15.5	
Taxes payable		73	1.3	58	1.0	
Net liabilities of production orders in progress	4	417	7.5	467	8.3	
Accrued expenses and deferred income	13	595	10.7	620	11.0	
Provisions	15	182	3.3	176	3.1	
Total current liabilities		2 219	40.0	2 359	41.7	
Non-current liabilities						
Financial debts	14	1 215	21.9	1 149	20.3	
Provisions	15	316	5.7	236	4.2	
Deferred taxes	10	83	1.5	86	1.5	
Employee benefits	11	386	6.9	376	6.6	
Total non-current liabilities		2 000	36.0	1 847	32.6	
Total liabilities		4 219	76.0	4 206	74.3	
Minority interests		150	2.7	137	2.4	
Shareholders' equity						
Share capital and bearer participation certificate capital	16	137	2.4	114	2.0	
Share premiums		311	5.6	259	4.6	
Treasury stock		-96	-1.7	-38	-0.7	
Translation exchange differences		10	0.2	-80	-1.4	
Retained earnings		823	14.8	1 062	18.8	
Total shareholders' equity		1 185	21.3	1 317	23.3	
Total liabilities and shareholders' equity		5 554	100.0	5 660	100.0	

Consolidated profit and loss statement

In million CHF	Notes	1999		2000	
			%		%
Operating revenue	17	7 657	100.0	8 530	100.0
Material cost		3 126	40.8	3 435	40.3
Personnel cost	18	2 800	36.6	3 079	36.1
Other operating cost	19	1 278	16.7	1 480	17.3
Depreciation and amortization	6,7	150	1.9	202	2.4
Change of provision	15	-79	-1.0	-88	-1.0
Total operating cost		7 275	95.0	8 108	95.1
Operating profit		382	5.0	422	4.9
Financing activities	20	-86	-1.1	-53	-0.6
Investing activities	21	29	0.4	5	0.1
Profit before taxes		325	4.3	374	4.4
Income taxes	22	67	0.9	71	0.8
Profit before minority interests		258	3.4	303	3.6
Minority interests		20	0.3	4	0.1
Net profit		238	3.1	299	3.5
Earnings per share					
Basic earnings per share and BPC	23	in CHF	178.85	225.44	
Diluted earnings per share and BPC	23	in CHF	178.83	225.44	

Consolidated cash flow statement

		1999	2000
In million CHF	Notes		
Profit before minority interests		258	303
Depreciation and amortization		150	202
Change of provision		-79	-88
Other positions with no effect on liquidity		-7	-6
Change of securities		157	-35
Change of remaining net working capital		-166	163
Cash flow from operating activities		313	539
Additions to			
Fixed assets		-158	-157
Intangible assets		-23	-38
Investments in associates		-13	-34
Financial assets		-33	-210
Disposals of			
Fixed assets		69	64
Intangible assets		1	1
Investments in associates		1	6
Financial assets		12	31
Additions/disposals of investments in subsidiaries	24	-550	-7
Cash flow from investing activities		-694	-344
Change of financial debts		570	-53
Additions/disposals treasury stock		-46	3
Capital increase (minority interests)		36	-
Payment of dividends and partial repayment of nominal value by Schindler Holding Ltd.		-60	-80
Dividends paid to minority shareholders		-12	-16
Cash flow from financing activities		488	-146
Translation exchange differences		20	-10
Change in net cash	24	127	39
Net cash at the beginning		454	581
Net cash at the end		581	620
Income taxes paid		62	83
Interests paid		79	105
Interests received		41	57

Statement of shareholders' equity

In million CHF	Share capital [•]	BPC capital [•]	Share premiums [•]	Treasury stock ^{••}	Translation exchange differences	Retained earnings	Total
December 31, 1998	76	61	311	-50	-31	645	1 012
Dividends						-60	-60
Additions/disposals treasury stock				-46			-46
Net profit						238	238
Translation exchange differences					41		41
December 31, 1999	76	61	311	-96	10	823	1 185
Dividends						-60	-60
Elimination of own shares and BPC	-1	-2	-52	55			-
Partial repayment of nominal value	-11	-9					-20
Additions/disposals treasury stock				3			3
Net profit						299	299
Translation exchange differences					-90		-90
December 31, 2000	64	50	259	-38	-80	1 062	1 317

[•] See also Note 16, page 25–26

^{••} The acquisition value of the shares and bearer participation certificates included in treasury stock is deducted openly from equity

Notes

to the consolidated financial statements 2000

1 Principles of consolidation and valuation

1.1 General principles

The accounting and reporting principles applied to these consolidated financial statements comply with Swiss corporation law as well as with "International Accounting Standards" (IAS).

The following new and/or revised IAS standards were already applied with the changeover to IAS in the previous year and in the restatement of 31.12.1998:

IAS 22 Business Combinations
IAS 36 Impairment of Assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IAS 38 Intangible Assets

1.2 Scope of consolidation

The consolidated financial statements include the annual financial statements of Schindler Holding Ltd., Hergiswil, and all subsidiaries in which Schindler Holding Ltd. directly or indirectly holds a majority of voting rights or which Schindler Holding Ltd. otherwise controls. The essential affiliated companies and unconsolidated subsidiaries are listed on pages 46 to 48.

During 2000 only some smaller companies of minor significance were added to the scope of consolidation. The effect on Group operating revenue and on operating profit is negligible.

For the first time, Elevadores Atlas Schindler S.A., São Paulo, is included for 12 months (previous year 7 months). This has a positive effect on both operating revenue and operating profit.

1.3 Method of consolidation

The consolidated accounts are based on the annual financial statements of the individual subsidiaries. All companies follow uniform valuation and reporting practices prescribed by the Group.

Applying the full consolidation method, the assets, liabilities, income, and expenses of all affiliates are included in their entirety. Minority interests in equity and profit are disclosed separately in the consolidated balance sheet and the consolidated profit and loss statement.

Intercompany revenues and expenses, as well as assets and liabilities, are eliminated in the consolidation process. Profits on intercompany inventory and supplies not yet realized through sales to third parties are eliminated within the framework of consolidation.

Investments in companies with voting rights between 20% and 50% are defined as "investments in associates" and are accounted for according to the equity method.

1.4 Acquisitions and goodwill

Companies are consolidated from the date at which control is acquired. The identifiable assets and accounts payable are revalued and included according to the purchase method. Any difference between the cost of acquisition and the net assets acquired constitutes goodwill and is amortized straight-line over 20 years. The value of recorded goodwill is reviewed periodically, and if management determines that an impairment in the net book value of the goodwill exists, an impairment loss is recognized if this should be necessary.

If a subsidiary is sold, the difference between the selling price and net assets plus the accumulated translation exchange differences is recognized as net profit on disposal of investments in the consolidated profit and loss statement.

1.5 Translation of foreign currency

Foreign currency transactions are recorded at the spot rate as of the transaction date. Gains and losses resulting from foreign currency transactions and from the adjustment of foreign currency assets and liabilities at the balance sheet date are recognized in the profit and loss statement.

The annual statements of the Group's foreign subsidiaries are translated into Swiss francs as follows:

- balance sheet at the year-end exchange rate
- profit and loss statement at the annual average exchange rate
- cash flow statement at the annual average exchange rate

Currency translation differences which arise when calculating the consolidated net profit at average and year-end exchange rates, or from transactions in shareholders' equity, are included in consolidated shareholders' equity.

The subsidiaries in hyperinflationary countries report in hard currencies (USD, EUR) to account for the substantial influence of currency devaluation. Monetary balance sheet items are converted at the year-end exchange rates; non-monetary items at historical rates. Revenues and expenses are translated at the rates of the transaction date.

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

			1999	2000	1999	2000
			Year-end exchange rates	Year-end exchange rates	Average exchange rates	Average exchange rates
USA	USD	1	1.60	1.64	1.50	1.69
Euro	EUR	1	1.60	1.52	1.60	1.56
Germany	DEM	100	82.05	77.82	81.86	79.77
France	FRF	100	24.46	23.20	24.41	23.78
Great Britain	GBP	1	2.58	2.44	2.43	2.57
Italy	ITL	100	0.0829	0.0786	0.0827	0.0806
Austria	ATS	100	11.66	11.06	11.63	11.34
Spain	ESP	100	0.96	0.91	0.96	0.94
Brazil	BRL	100	89.08	84.01	84.57	92.74
China	CNY	100	19.29	19.79	18.13	20.39

1.6 Segment reporting

The segment reporting reflects the structure of the Schindler Group.

The primary segmentation covers the business units "Elevators and Escalators (E & E)" and "ALSO" as well as central financing activities which are included in "Finance" (including eliminations). The unit "Elevators and Escalators" includes production and installations of new equipment as well as modernization, maintenance and repairs of existing installations. "ALSO" is active in the systems and distribution business for IT applications.

The secondary segmentation herein is the geographical split (continents). Because of the low volumes included in the scope of consolidation, the zone IMEA (India, Middle East, Africa) has been included in the zone Asia, Australia, Africa. The ALSO Group is only active in Europe; thus, this unit is excluded from the geographical segmentation.

Assets and liabilities cover all balance sheet positions which are directly, or on a reasonable basis, attributable to a segment.

1.7 Cash on hand

Cash on hand includes cash, bank deposits and time deposits with an original maturity of three months or less.

1.8 Securities

Marketable securities within current assets include all securities which can be readily realized, including time deposits with a maturity ranging from 3 to 12 months.

Time deposits in Swiss francs are recorded at original cost. Time deposits in foreign currencies are translated at the exchange rate on the date of the balance sheet.

Securities within non-current assets are composed of investments in companies in which there is an intention of lasting participation as well as time deposits with a maturity of more than 12 months.

Marketable securities are valued at market value as of the balance sheet date. Securities classified within non-current assets are valued at the lower of cost or market value as of the balance sheet date. Fluctuations in value are recognized in the profit and loss statement.

1.9 Accounts receivable

Trade accounts receivable, as well as other receivables, are reported at nominal values less adjustments necessary for commercial reasons.

1.10 Inventories

Inventories are valued at the lower of purchase or manufacturing cost and net realizable value.

Costs are evaluated according to the weighted average cost method. Pro rata direct overheads are included in inventories. Slow-moving items are partially amortized; obsolete items are fully written off.

1.11 Production orders in progress, revenue and profit recognition

Both in-plant and on-site production orders are accounted for according to the "percentage of completion" method. The respective stage of completion is evaluated via individual progress calculations or through cost estimates.

Accordingly, the pro rata revenue is recognized in the profit and loss statement. In the balance sheet, work in progress offset by customers' down payments is recognized as net assets or net liabilities of production orders in progress.

Foreseeable losses on production orders in progress are provided for immediately (see also Note 15, page 25).

Revenue from other customers' orders (e.g. service) is recognized as operating revenue at the time of performance.

1.12 Fixed assets

Fixed assets are carried at acquisition value less accumulated depreciation. The cost of liabilities is not included in the acquisition value.

Planned straight-line depreciation is allocated systematically over the estimated useful lives of the assets. As a rule, land is not depreciated.

Non-operating real estate is carried at acquisition value less accumulated depreciation.

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 fixed assets are as follows:

Buildings	20–40
Machines and tools	5–10
Furniture	10
EDP	3–5
Vehicles	5–10

1.13 Intangible assets

Intangible assets consist of goodwill, service contracts purchased from third parties, licenses, patents, trademarks and similar rights as well as software.

Goodwill and service contracts are normally amortized over a period of 20 years. Other classes of intangible assets are amortized straight-line over their estimated useful lives, which usually do not exceed 5 years.

Contract-related engineering costs are capitalized in work in progress. Other research and development expenses are immediately recognized in the profit and loss statement because they do not qualify for capitalization.

1.14 Provisions

Provisions for commitments and contingencies are recognized if the Group has a present obligation to a third party, which has arisen from a past event, and if a reasonable estimate of that obligation can be made. Possible losses from future events are not recognized in the balance sheet.

1.15 Employee benefits

There are various employee benefit plans in existence within the Group, which are individually aligned with local conditions in their respective countries. They are financed either by means of contributions to legally independent pension/insurance funds, or by recognition as employee benefit liabilities in the balance sheets of the respective Group companies.

For defined contribution plans as well as for multi-employer plans for which the costs associated with the defined benefit plan are not known, the net periodic cost to be recognized in the profit and loss statement equals the contributions made by the employer.

In the case of defined benefit plans the net periodic cost is determined by an actuarial valuation by external experts, performed at a minimum every three years, using the "projected unit credit" method. Obligations under defined benefit plans are covered either by plans with separate capital, in which the assets are managed separately from those of the Group by autonomous benefit funds, or by plans without capital but with corresponding liabilities in the balance sheet.

For defined benefit plans with separate capital, the under- or over-coverage of the cash value of the rights by the capital at market values is reported in the balance sheet as a liability or asset, taking into account any unrecorded 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 or repayments; liabilities, on the other hand, are included at their full value.

Actuarial gains and losses result mainly from changes in actuarial assumptions, or from differences between actuarial assumptions and effective values. Actuarial adjustments or effects resulting from changes to plans are credited or debited to employee benefit costs for a maximum of the average remaining working life of the insured employees.

Other employee benefits (e.g. service anniversary awards) are valued by the same method and included in the balance sheet under employee benefits.

1.16 Deferred taxes

Deferred taxes are recognized in accordance with the comprehensive liability method. Thus, 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, using the effective or the expected local tax rates. The change in deferred tax assets and liabilities is recognized as income tax.

Passive deferred taxes are calculated on all taxable temporary differences.

Deferred tax assets including assets for unused tax loss carryforwards and expected tax credits are only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

1.17 Financial Risk Management

Group accounting guidelines regulate all affiliates' management of liquidity as well as the procurement of short- and long-term financing. In order to optimize the Group's financing requirements, the management of non-operating liquidity as well as long-term Group financing is centralized. Schindler is thereby ensured both a means to cost-efficient financing as well as optimized liquidity levels based on the Group's overall payment obligations.

Interest rate risk

Interest rate risks result from changes in interest rates which could negatively affect the capital or income of the Group. Fluctuations in interest rates cause changes in the interest income and cost of interest-bearing assets or liabilities. They can also, as explained below under Market risk, affect the market value of certain financial assets, liabilities, and financial instruments. The management of long-term interest rate risk is achieved centrally. Presently, the most significant portion of the Group's long-term financing is set at fixed interest rates (see Note 14, page 23 and 24), thereby minimizing the effects of interest rate fluctuations on Group income. Local, short-term interest rate risk is generally not hedged by Group companies.

Foreign exchange risk

The Group is active all over the world and therefore exposed to fluctuations in exchange rates which affect the value of Group assets and income reported in Swiss francs.

Foreign exchange transaction rate risk is hedged and minimized via the Group-wide limitation to two internal invoicing currencies (EUR/USD); netting offsetting risks is thus achieved to the fullest possible extent. A significant portion of expenditures and revenues occur in local currencies, such that the entire transaction rate risk of the Group is markedly less than 10% of sales. Foreign exchange translation differences arising in consolidation are recorded and disclosed within shareholders' equity of the Group. Risks of such foreign exchange translation differences are not generally hedged.

Market risk

Changes in the market value of financial assets, liabilities, or financial instruments can affect the capital or income of the Group. Changes in the market value of long-term investments held for strategic reasons, except where a permanent loss in value can be foreseen, do not affect the book value of the investment. In connection with the management of its liquid resources, the Group holds securities. The risk of loss in value is minimized by very thorough analysis before purchase, and by continuously monitoring the performance and risks of the investments.

Credit loss risk

Credit risks arise from the possibility that the counterpartner to a transaction is unable or unwilling to fulfil its obligations and that the Group thereby suffers financial damage.

Counterparty risks are minimized and monitored via strictly limiting our associations to first-class business partners.

Trade receivables are monitored on an ongoing basis via Group management reporting procedures. Based on consistent Group accounting guidelines, the necessary valuation adjustments are made locally and reviewed by Group management.

Financial instruments

Derivative financial instruments are utilized in the scope of Group asset and liability management in order to optimize and hedge the flow of goods and financial income. The table on page 31 shows the contract value of financial instruments outstanding at the balance sheet date. The positive/negative gross repurchasing values are calculated by reference to the respective market parameters using price calculation models for options and the discounted cash flow method and reflect the market value of the financial instruments as of the balance sheet date. Income/expenses from financial instruments are reported under financing activities.

1.18 Shareholders' equity

The capital reserve comprises amounts paid in by shareholders and holders of bearer participation certificates in excess of the nominal value. It therefore includes the share premium account of Schindler Holding Ltd., other payments from shareholders and holders of bearer participation certificates, and income from the sale of treasury stock and bearer participation certificates.

Retained earnings consist of accumulated profits of the Group which are freely available.

1.19 Leases

Fixed assets acquired under leasing contracts which in relation to use and risk treat subsidiaries as the owner, are classified as finance leases. Such assets are recorded at the lower of the estimated net present value of future minimum lease payments and the estimated fair value of the asset at the inception of the lease. Assets under finance lease are amortized over their estimated useful lives. Unrealized gains on sale and leaseback transactions resulting in finance leases are deferred and amortized over the term of the lease.

Operating lease payments are treated as operating cost and charged to the income statement as incurred.

1.20 Impairment of assets

The value of fixed assets and other non-current assets, including goodwill and other intangible assets, is assessed to ensure the respective carrying value is no more than the recoverable amount. If it is determined that an asset is carried at more than its recoverable amount, the asset is depreciated (recognized as an impairment loss) to the extent that the resulting carrying value represents the expected estimated future cash flows.

2 Securities	1999	2000
In million CHF		
Marketable securities	13	25
Time deposits with a maturity ranging from 3 to 12 months	40	62
Total securities	53	87

3 Accounts receivable	1999	2000
In million CHF		
Supplies and services, gross	1 499	1 408
Allowance for doubtful accounts	-179	-145
Supplies and services, net	1 320	1 263
Associates and other related parties	7	9
Other accounts receivable	85	92
Total accounts receivable	1 412	1 364

4 Production orders in progress	1999	2000
In million CHF		
Work in progress	827	827
Down payments from customers	-342	-344
Net assets of production orders in progress	485	483
Work in progress	371	371
Down payments from customers	-788	-838
Net liabilities of production orders in progress	-417	-467

5 Inventories

1999 **2000**

In million CHF

Raw material and trading material	352	378
Semifinished and finished goods	143	122
Down payments to suppliers	19	26
Total inventories	514	526

Write-downs totaling CHF 146 million (in 1999: CHF 160 million) were recognized for slow-moving and obsolete items.

6 Fixed assets

In million CHF

Land Buildings Machines and tools Other fixed assets Total

Acquisition cost

December 31, 1999	102	599	626	533	1 860
Additions	1	31	48	77	157
Disposals	-6	-48	-40	-53	-147
Reclassifications	-10	28	-4	-15	-1
Change in scope of consolidation	-	1	-	2	3
Translation exchange differences	-2	-15	-21	-22	-60
December 31, 2000	85	596	609	522	1 812

Accumulated depreciation

December 31, 1999	15	273	414	337	1 039
Additions	1	25	47	70	143
Disposals	-3	-16	-33	-41	-93
Change in scope of consolidation	-	12	-9	-4	-1
Translation exchange differences	-	-6	-15	-13	-34
December 31, 2000	13	288	404	349	1 054

Net book value

as of December 31, 2000	72	308	205	173	758
Fire insurance value					2 592
Net book value					
of fixed assets under finance lease	-	18	-	14	32

Other fixed assets include EDP equipment, furniture, vehicles and assets currently under construction. Assets under construction amounted to CHF 24 million in the year under review (in 1999: CHF 33 million).

Gains and losses resulting from the sale of fixed assets have been directly included in depreciation. In the year under review, a gain of CHF 10 million was recognized (in 1999: CHF 18 million).

Additional write-downs due to impairment losses amounted to CHF 2 million (in 1999: CHF 1 million).

7 Intangible assets

In million CHF	Goodwill	Other intangible assets [•]	Total
Net book value			
December 31, 1999	943	55	998
Additions	22	16	38
Disposals	–	–1	–1
Amortization	–53	–16	–69
Reclassifications	–	1	1
Translation exchange differences	–48	–1	–49
December 31, 2000	864	54	918
Overview as of December 31, 1999			
Gross carrying amount	1 037	123	1 160
Accumulated amortization	94	68	162
Net book value	943	55	998
Overview as of December 31, 2000			
Gross carrying amount	1 001	134	1 135
Accumulated amortization	137	80	217
Net book value	864	54	918

[•] Other intangible assets consist of service contracts, patents, licenses and software

The net book value of goodwill consists to approximately 70% of the goodwill acquired with the purchase of Elevadores Atlas Schindler S.A., São Paulo, in 1999. The remaining life for the goodwill of Elevadores Atlas Schindler S.A. is 18 years.

8 Investments in associates1999 **2000**

In million CHF

Net book value

January 1	42	77
Additions	13	34
Disposals	-1	-6
Share of profit/loss	-	1
Dividends	-8	-7
Change in scope of consolidation	28	-11
Translation exchange differences	3	-2
December 31	77	86

In the consolidated profit and loss statement, the Group's share in the profit of associates is reported as income from investing activities (equity method).

9 Financial assets1999 **2000**

In million CHF

Loans to associates and other related parties	20	6
Securities	45	22
Other financial assets	65	279
Total financial assets	130	307

Other financial assets in the reporting year comprise time deposits of CHF 200 million with a lifetime of more than 12 months (previous year 0).

10 Deferred taxes

10.1 Net book values of deferred tax assets and liabilities

1999 **2000**

In million CHF

Deferred taxes on account of temporary differences

Current assets	-14	-9
Fixed assets	-21	-17
Provisions	-19	16
Employee benefits	19	16
Tax loss carryforwards	56	58
Other deferred taxes	35	4
Total net book value	56	68
Thereof recognized in the balance sheet as deferred tax liabilities	-83	-86
Thereof recognized in the balance sheet as deferred tax assets	139	154

No material additional tax liabilities due to dividend payments from subsidiaries and associates are expected.

10.2 Statement of changes in net deferred tax assets and liabilities

1999 **2000**

In million CHF

January 1	31	56
Set up and reversal of temporary differences	17	15
Change in scope of consolidation	3	-
Translation exchange differences	5	-3
December 31	56	68

10.3 Unrecognized deferred tax assets

Deferred tax assets including assets for unused tax loss carryforwards and expected tax credits are only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The temporary differences for which no deferred tax assets have been recognized amounted to CHF 561 million (in 1999: CHF 637 million). In addition, unrecognized available tax loss carryforwards have the following amounts and dates of expiration:

	1999	2000
In million CHF		
Within one year	7	4
Within two to five years	135	120
Greater than five years	56	47
Total tax loss carryforwards	198	171

11 Employee benefit plans

11.1 Defined benefit plans

				1999
In million CHF	Funded	Unfunded	Others	Total
Net assets at market value	1 644	–	–	1 644
Present value of defined benefit obligation	–1 647	–182	–137	–1 966
Financial surplus/shortfall	–3	–182	–137	–322
Unamortized actuarial gains and losses/past service cost	–19	–	9	–10
Total net book value 1999	–22	–182	–128	–332
Thereof recognized in the balance sheet as employee benefits assets				54
Thereof recognized in the balance sheet as employee benefits liabilities				–386

11.1 Defined benefit plans

In million CHF	Funded	Unfunded	Others	2000 Total
Net assets at market value	1 685	–	–	1 685
Present value of defined benefit obligation	–1 671	–179	–144	–1 994
Financial surplus/shortfall	14	–179	–144	–309
Unamortized actuarial gains and losses/past service cost	–20	–	9	–11
Total net book value 2000	–6	–179	–135	–320
Thereof recognized in the balance sheet as employee benefits assets				56
Thereof recognized in the balance sheet as employee benefits liabilities				–376

There are no shares or bearer participation certificates of Schindler Holding Ltd. included in net plan assets. The Group uses net plan assets (fixed assets) of the defined benefit plans amounting to CHF 8 million (in 1999: CHF 8 million).

11.2 Statement of changes

In million CHF	1999	2000
January 1	–247	–332
Periodic pension cost	–67	–63
Contributions paid	53	61
Change in scope of consolidation	–55	–
Translation exchange differences	–16	14
December 31	–332	–320

11.3 Periodic pension cost for defined benefit plans

In million CHF	1999	2000
Current service cost	88	80
Interest cost on present value of defined benefit obligation	86	94
Expected return on plan assets	–87	–90
Amortization of actuarial gains/losses or past service cost	2	1
Less employee contributions	–22	–22
Periodic pension cost	67	63
Actual return on plan assets	7.1%	7,0%

11.4 Basis of actuarial calculations

1999 **2000**

Weighted averages

Technical interest rate	5.6 %	5.7 %
Expected return on assets	5.9 %	5.8 %
Increase in salaries/wages	3.5 %	3.5 %
Increase in pensions	1.9 %	2.1 %
Fluctuation rate	4.5 %	4.6 %

11.5 Capital participation plans

There is a capital participation plan for the top management employees of the Group. This plan was introduced in the reporting year and applies for the first time to the financial results for 31.12.2000. The plan has a lifetime of six years and provides for entitled employees to receive a predefined portion of their bonus in the form of shares or bearer participation certificates of Schindler Holding Ltd. at a predetermined valuation. These shares and bearer participation certificates carry all associated rights, but are subject to the restriction that for a period of three years they may not be sold. The first awards under the participation plan to be made in April 2001 for the financial results of 31.12.2000 will require approximately 700 shares or bearer participation certificates with a market value on December 31, 2000, of approximately CHF 1.8 million. These will either be taken from treasury or purchased on the stock exchange. The corresponding expenses will be charged to personnel costs.

In addition, starting in 2001 the Board of Directors can decide on an annual basis whether, and to what extent, the group of employees mentioned above shall be awarded additional option rights for the purchase of shares or bearer participation certificates of Schindler Holding Ltd. at a predetermined price. This plan, which will be renewed each year, has a lifetime of six years, and the option rights can only be exercised after a waiting period of three years. To hedge this obligation, i. e. to cover all potentially outstanding shares and bearer participation certificates, the Group holds the necessary number of shares and bearer participation certificates in treasury until the options are exercised or expire. This capital participation plan does not require the issue of any additional shares or bearer participation certificates.

12 Accounts payable	1999	2000
In million CHF		
Supplies and services	548	660
Associates and other related parties	12	11
Social security institutions	53	55
Indirect taxes and capital taxes	70	71
Other accounts payable	82	81
Total accounts payable	765	878

13 Accrued expenses and deferred income	1999	2000
In million CHF		
Personnel cost	189	191
Late cost	66	54
Service contracts	36	48
Other accrued expenses and deferred income	304	327
Total accrued expenses and deferred income	595	620

14 Financial debts	1999	2000
14.1 Current financial debts		
In million CHF		
Bank overdrafts	155	117
Current portion of non-current financial debts of bank loans	24	35
Current portion of non-current financial debts of financial leases	8	8
Total current portion of non-current financial debts	32	43
Total current financial debts	187	160

14.2 Non-current financial debts1999 **2000**

In million CHF

4% debenture 1997–2004, nominal value CHF 200 million	200	185
3½% debenture 1999–2009, nominal value CHF 300 million	295	296
4⅛% debenture 1999–2006, nominal value CHF 300 million	295	295
2½% bond issue with warrants 1996–2003, nominal value CHF 170 million (Schindler Finance, Cayman Islands)	161	120
0% convertible loan 1999–2004, nominal value CHF 51 million (ALSO Holding Ltd.)	46	48
Total outstanding debentures and bonds	997	944
Bank loans	168	176
Finance leases	30	24
Other non-current financial debts	20	5
Total non-current financial debts	1 215	1 149
Thereof CHF portion	81.9%	80.8%

During the reporting year, parts of the 4% debenture and 2½% bonds with warrants issues were repurchased. The nominal value (CHF 15 million) and cash value (CHF 43 million) of the repurchased items are offset against the corresponding value of the debentures.

The individual Group companies are in compliance with all “debt covenants”.

Synopsis of maturity**14.3 and average interest rate on financial debts**

In million CHF	1999	2000	1999	2000
	Book value	Book value	Effective interest rate in %	Effective interest rate in %
Within one year	187	160	5.8	5.4
Within two to five years	453	529	3.8	4.5
Greater than five years	762	620	3.9	4.1
Total financial debts	1 402	1 309	4.1	4.4

15 Provisions

In million CHF	Loss jobs	Guarantees	Structure adaptation cost	Product liabilities	Other provisions	Total
Current provisions	33	43	29	36	35	176
Non-current provisions	43	13	19	84	77	236
Total December 31, 2000	76	56	48	120	112	412
Statement of changes						
December 31, 1999	102	32	95	141	128	498
Statement of profit and loss						
Set up	27	36	29	32	34	158
Usage	-50	-11	-58	-57	-39	-215
Reversal	-2	-1	-18	-	-10	-31
Translation exchange differences	-1	-	-	4	-1	2
December 31, 2000	76	56	48	120	112	412

Provisions for loss jobs are made to cover losses on production orders contained in the order backlog.

Provisions for structure adaptation cost are only recognized if a formal social plan has been communicated to all concerned.

Provisions for product liabilities for existing but not yet reported damages are based on actuarial valuations of independent actuaries.

16 Share capital and bearer participation certificate capital

16.1 Number of shares and bearer participation certificates

The share capital as of December 31, 2000, amounts to CHF 64 million (1999: CHF 76 million) and consists of 752 866 (1999: 763 066) registered shares with a nominal value of CHF 85 (1999: CHF 100) per share.

As of December 31, 2000, the bearer participation certificate capital consists of 592 424 (1999: 605 425) bearer participation certificates with a nominal value of CHF 85 (1999: CHF 100) each, and thereby amounts to CHF 50 million (1999: CHF 61 million).

16.2 Treasury stock

In million CHF	Registered shares Number	Registered shares Value	Bearer participation certificates Number	Bearer participation certificates Value
December 31, 1998	20 170	41	4 004	9
Additions	6 870	18	11 440	28
December 31, 1999	27 040	59	15 444	37
Redemptions	-50	-	-1 033	-3
Elimination	-10 200	-24	-13 001	-31
December 31, 2000	16 790	35	1 410	3

17 Operating revenue

In million CHF	1999	2000
Billings	7 513	8 399
Sundry operating revenue	33	99
Change in balance of work in progress	106	28
Capitalized own production of fixed assets	5	4
Total operating revenue	7 657	8 530

CHF 2 910 million (1999: CHF 2 753 million) of the operating revenue in 2000 were calculated according to the percentage of completion-method.

18 Personnel cost and headcount

18.1 Personnel cost

In million CHF	1999	2000
Salaries and wages	2 137	2 360
Social charges	663	719
Total personnel cost	2 800	3 079

18.2 Headcount

	1999	2000
Average headcount	44 165	43 471
Headcount at year-end	43 654	43 334

19 Other operating cost1999 **2000**

In million CHF

Special cost	366	441
Employee-related expenses	202	235
Rent, maintenance and repairs	179	211
Energy supply, consumables and packing material	108	121
Insurance, fees and capital taxes	83	99
General administration and advertising	210	217
Other operating expenses	130	156
Total other operating cost	1 278	1 480

Research and development cost of CHF 130 million in 2000 (in 1999: CHF 115 million) have been charged to the profit and loss statement.

20 Financing activities1999 **2000**

In million CHF

Interest income from third parties	41	66
Interest expense from third parties	87	109
Net interest income/expense	-46	-43
Foreign exchange income/loss	-37	-5
Other financial income/expense	-3	-5
Total financing activities	-86	-53

21 Investing activities1999 **2000**

In million CHF

Income from investments in associates	-	1
Other investing activities	29	4
Total investing activities	29	5

Other investing activities comprise gains and losses from the sale of subsidiaries and holdings in associates.

22 Income taxes	1999	2000
In million CHF		
Current income taxes of the reporting period	79	83
Current income taxes of previous period	1	-
Deferred income taxes	-13	-12
Total income taxes	67	71

22.1 Reconciliation of income taxes	1999	2000
In million CHF		
Net profit before taxes	325	374
Weighted average income tax rate in %	31	31
Expected income tax expense	99	116
Set up/use of unrecognized tax loss carryforwards	-13	-10
New inclusion of deferred taxes	-6	-31
Other	-13	-4
Effective income taxes	67	71
Effective income taxes in % of profit before taxes	21	19

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

23 Earnings per share and bearer participation certificate	1999	2000
In CHF		
Net profit	238 000 000	299 000 000
Outstanding number of shares and BPC	1 368 491	1 345 290
Less number of treasury stock (weighted average)	37 763	18 973
Outstanding number of shares and BPC (weighted average) for calculation	1 330 728	1 326 317
Basic earnings per share and BPC	178.85	225.44
Diluted net profit	237 980 635	299 000 000
Diluted number of shares and BPC	1 330 728	1 326 317
Diluted earnings per share and BPC	178.83	225.44

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

The dilution in 1999 results from the convertible bond issue of ALSO Holding Ltd., none of which was purchased by Schindler Holding Ltd.

24 Additional information concerning the consolidated cash flow statement

24.1 Additions/Disposals of subsidiaries

When calculating the cash flow from additions/disposals of subsidiaries, the value of the net cash inflow resulting from a new consolidation is deducted from the respective purchase price.

At the date of acquisition, the market value of the net assets acquired was:

	1999	2000
In million CHF		
Current assets	188	1
Fixed assets	130	3
Current liabilities	-297	-10
Non-current liabilities	-103	-8
Net assets acquired	-82	-14
Goodwill	654	22
Total acquisition	572	8
Less acquired cash	-22	-1
Cash used for the acquisition	550	7

The previous year's values mainly reflect the addition of Elevadores Atlas Schindler S.A., São Paulo.

24.2 Total net cash

	1999	2000
In million CHF		
Cash on hand	736	737
Less bank overdrafts (see also Note 14, page 23)	-155	-117
Total net cash	581	620

25 Proposal by the Board of Directors

The Board of Directors proposes to the General Meeting a dividend for the year 2000 of CHF 50 (in 1999: CHF 45) per registered share and bearer participation certificate.

26 Off-balance sheet transactions

26.1 Contingent liabilities

1999 **2000**

In million CHF

Total value of guarantees,

pledges and guarantee obligations in favor of third parties

11 **19**

All contingent liabilities which will probably result in an obligation are included in the balance sheet under provisions.

26.2 Other commitments

1999 **2000**

In million CHF

Irrevocable payment commitments resulting

from contracts not to be shown in the balance sheet

86 **89**

26.3 Synopsis of maturity of rental and lease payments 1999

In million CHF

	Rental contracts	Operating leases	Finance leases
Within one year	18	15	11
Within two to five years	38	20	21
Greater than five years	25	8	18
Total payments	81	43	50
Less interests			-12
Total finance lease borrowings 1999			38

26.4 Synopsis of maturity of rental and lease payments 2000

In million CHF

	Rental contracts	Operating leases	Finance leases
Within one year	21	46	10
Within two to five years	42	92	19
Greater than five years	23	47	13
Total payments	86	185	42
Less interests			-10
Total finance lease borrowings 2000			32

27 Financial instruments

27.1 Market value of financial assets and liabilities

In million CHF	1999	1999	2000	2000
	Net book value	Fair value	Net book value	Fair value
Financial assets				
Cash on hand	736	736	737	737
Marketable securities	53	53	87	87
Accounts receivable	1 412	1 412	1 364	1 364
Prepaid expenses and accrued income	101	101	150	150
Financial assets (non-current)	130	132	307	310
Financial liabilities				
Current and non-current financial debts	1 402	1 424	1 309	1 308
Accounts payable	838	838	936	936
Accrued expenses and deferred income	595	595	620	620

Open derivative

27.2 financial instruments

In million CHF	1999	1999	1999	2000	2000	2000
	Contract values	Gross replacement values positive	Gross replacement values negative	Contract values	Gross replacement values positive	Gross replacement values negative
Forward	864	1	24	1 079	18	19
Options	309	1	1	18	-	-
Foreign exchange	1 173	2	25	1 097	18	19
Forward	161	1	7	-	-	-
Options	-	-	-	-	-	-
Interest	161	1	7	-	-	-
Forward	-	-	-	-	-	-
Options	6	-	-	-	-	-
Other derivatives	6	-	-	-	-	-
Total derivatives	1 340	3	32	1 097	18	19

In accordance with the activities of the Group, most forward transactions have maturities of less than one year. The main currencies are the Swiss franc, the US dollar, and the EURO.

28 Assets pledged or assigned as security against the company's own liabilities (pledged assets)	1999	2000
In million CHF		
Securities	7	4
Accounts receivable	26	21
Inventories	24	24
Fixed assets	70	64
Total pledged assets	127	113

29 Related parties

According to information published under stock exchange law (SHAB 9.01.2001), the Schindler and Bonnard families hold within the scope of a stockholder retainer contract 61.8% of the voting rights of the share capital of Schindler Holding Ltd. entered in the Register of Companies.

A further aspect of the shareholding structure is that other persons who have a close relationship with the parties to the stockholder retainer contract hold, together with these, more than two thirds of the voting rights. These other persons are not bound by a stockholder retainer contract. The voting rights held by shareholders who are not bound by a stockholder retainer contract are in each case less than 3%.

In total the members of the Board of Directors were remunerated for their activities with CHF 1.1 million during the period reported (in 1999: CHF 1.3 million). In addition, the members of the Executive Committee of the Board of Directors as well as the Management Committee receive a fixed salary plus an industry and performance-related compensation.

Receivables and payables due from and to associated companies and other related parties are disclosed separately in the respective notes. All business transactions with related parties have been held "at arm's length". Neither with the major shareholders nor with other related parties have unusual transactions taken place during the periods reported.

30 Segment reporting

The Group consists of the traditional core business of "Elevators and Escalators", and the ALSO Group, which is active in the business of systems and distribution for IT applications.

The results of the business segments have been presented on a management reporting basis (Management-Approach). They include all revenues and expenses which are directly attributable to a segment plus a Group overhead cost which has been assigned to each segment.

Intercompany charges have been included in the individual values and are based on market prices (at arm's length). "Services/Eliminations E & E" contains values of management and service companies as well as eliminations within the "Elevators and Escalators" business. Intercompany sales of ALSO to "Elevators and Escalators" are included in "Finance/Eliminations".

Allocation of operating revenue to geographical regions is based on the location where invoicing occurs.

The assets include cash, trade accounts receivable, inventories, tangible fixed assets, and intangible assets. The liabilities comprise trade accounts payable, provisions, and assignable financial debt. Assets and liabilities which cannot be divided between the two segments, especially financial liabilities for Group financing, are reported under "Finance/Eliminations".

Segment information 1999

In million CHF	Europe	Americas	Asia, Australia, Africa	Services/ Eliminations E & E	Elevators and Escalators	ALSO	Finance/ Eliminations	Group
Operating revenue								
third parties	3 058	2 015	911	12	5 996	1 661	–	7 657
Intercompany sales	775	34	41	–850	–	6	–6	–
Total operating revenue	3 833	2 049	952	–838	5 996	1 667	–6	7 657
Operating profit								
					342	36	4	382
Assets								
	2 199	1 626	808	12	4 645	440	469	5 554
Liabilities								
	1 392	763	507	97	2 759	300	1 160	4 219
Additions of fixed assets								
	69	34	31	3	137	21	–	158
Depreciation								
and amortization	95	36	22	–13	140	10	–	150
Share in profits of								
associated companies					–	–	–	–
Personnel at year-end	19 871	14 020	8 015	234	42 140	1 514	–	43 654

Segment information 2000

In million CHF	Europe	Americas	Asia, Australia, Africa	Services/ Eliminations E & E	Elevators and Escalators	ALSO	Finance/ Eliminations	Group
Operating revenue								
third parties	3 236	2 497	920	16	6 669	1 861	–	8 530
Intercompany sales	860	32	63	–955	–	5	–5	–
Total operating revenue	4 096	2 529	983	–939	6 669	1 866	–5	8 530
Operating profit								
					422	6	–6	422
Assets								
	2 057	1 693	758	20	4 528	476	656	5 660
Liabilities								
	1 359	797	500	117	2 773	343	1 090	4 206
Additions of fixed assets								
	76	30	15	5	126	31	–	157
Depreciation								
and amortization	88	68	31	3	190	12		202
Share in profits of								
associated companies					1	–	–	1
Personnel at year-end	20 039	13 858	7 624	242	41 763	1 571	–	43 334

Report of the Group auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

As auditors of the Group, we have audited the consolidated financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity and notes, pages 2 to 34) of Schindler Holding Ltd., Hergiswil, for the year ended December 31, 2000.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made, and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Accounting Standards (IAS), and comply with the Swiss law.

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

Basel, February 26, 2001

ERNST & YOUNG LTD.

Peter Bühler
Certified accountant
(In charge of the audit)

Roland Ruprecht
Certified accountant

Balance sheet

of Schindler Holding Ltd. before appropriation of profits

Assets		31. 12. 1999		31. 12. 2000	
In 1000 CHF	Notes		%		%
Current assets					
Cash and cash equivalents	1	239 707		178 060	
Securities	1	95 762		38 368	
Accounts receivable from subsidiaries	2	328 830		223 552	
Accounts receivable from third parties	3	13 552		18 290	
Prepaid expenses	4	961		6 797	
Total current assets		678 812	31.7	465 067	22.5
Non-current assets					
Investments in subsidiaries	5	1 338 000		1 301 000	
Loans to subsidiaries	6	119 991		97 515	
Financial assets	7	4 080		202 570	
Total non-current assets		1 462 071	68.3	1 601 085	77.5
Total assets		2 140 883	100.0	2 066 152	100.0

Liabilities and shareholders' equity

In 1000 CHF	Notes	31.12.1999		31.12.2000	
			%		%
Liabilities					
Accounts payable to subsidiaries	8	119 075		112 390	
Accounts payable to third parties	9	11 603		12 479	
Debentures	10	800 000		784 530	
Provisions	11	79 588		69 843	
Accrued liabilities	12	18 570		13 954	
Total liabilities		1 028 836	48.1	993 196	48.1
Shareholders' equity					
Share capital	13	76 307		63 994	
Bearer participation capital	13	60 542		50 356	
Statutory reserves	14	317 121		317 121	
Reserves for treasury stock	15	95 528		38 020	
Other reserves	16	461 380		492 845	
Brought forward from previous year		6 141		6 497	
Net profit for the year		95 028		104 123	
Total shareholders' equity	17	1 112 047	51.9	1 072 956	51.9
Total liabilities and shareholders' equity		2 140 883	100.0	2 066 152	100.0

Profit and loss statement

of Schindler Holding Ltd.

Revenue		1999	2000
In 1000 CHF	Notes		
Income from subsidiaries	18	179 226	200 864
Extraordinary income	19	18 307	9 435
Income from financial operations	20	18 543	25 196
Total revenue		216 076	235 495
Expenses			
Financial expenses	21	55 049	40 609
Depreciation and adjustments	22	56 969	85 029
Extraordinary depreciation on investments			
in affiliated and associated companies	23	456 751	-
Extraordinary elimination of other reserves	23	-456 751	-
Administration expenses and taxes	24	9 030	5 734
Total expenses		121 048	131 372
Net profit for the year		95 028	104 123

Appropriation of profits

Proposals to the General Meeting

	31.12.1999	31.12.2000
In 1000 CHF		
Total available profit		
Net profit for the year	95 028	104 123
Brought forward from previous year	6 141	6 497
Profits as per balance sheet	101 169	110 620
Appropriation of net profit		
Gross dividends proposed		
per registered share CHF 50 (previous year CHF 45)	33 123*	37 644**
per bearer participation certificate CHF 50 (previous year CHF 45)	26 549*	29 621**
Total dividend proposed	59 672	67 265
Appropriation to other reserves	35 000	40 000
Total appropriation of net profit	94 672	107 265
Balance carried forward to new account	6 497	3 355

- Distribution excludes dividend on treasury stock (see also Note 27, page 44)
- The proposed dividend applies to all outstanding registered shares and bearer participation certificates. However, the treasury stock still held at the date of the dividend proposal is not eligible for dividend payments. This may, as in the previous year, reduce the reported total dividend accordingly

Notes

to the financial statements of Schindler Holding Ltd.

Principles of valuation

The financial statements as at December 31, 2000, comply with Swiss corporation law. Regarding 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.

Notes and explanations

The numbering corresponds to the numbering under "Notes" in the balance sheet and in the profit and loss statement.

1 Cash, cash equivalents and securities

At the end of the year under review the value of cash, cash equivalents, and securities amounted to CHF 216.4 million, representing 10.5% of total assets. On 31.12.1999 the comparable value was CHF 335.5 million or 15.7% of total assets. In the year under review, the increase resulting from cash flow earned, and from the lower level of financing required by subsidiaries than in the previous year, was offset by an outflow of funds for increasing equity in subsidiaries, transfers from term deposits to financial assets, and the reduction in securities held in treasury resulting from transactions in shareholders' equity (see Note 13).

On the date of the balance sheet, Schindler Holding Ltd. held 16790 own registered shares (previous year 16840) and 1410 own bearer participation certificates (previous year 2443), which will be used primarily for the stock plan and stock option plan for the top management of the Group which was introduced during the reporting year. All items in treasury are valued at acquisition value.

By decision of the Annual General Meeting on May 8, 2000, the additional 10200 registered shares and 13001 bearer participation certificates held in treasury on 31.12.1999 were eliminated to reduce the equity value. The program for repurchase of a maximum of 6% of the total nominal capital extended until March 30, 2001, has been further prolonged until March 29, 2002, subject to approval of the Swiss Takeover Board.

2 Accounts receivable from subsidiaries

Accounts receivable from affiliated and associated companies amount to CHF 223.6 million compared with CHF 328.8 million at the end of 1999. The reduction of CHF 105.2 million per year-end is attributable to decreased use of current account borrowing by the operating subsidiaries. At the end of the reporting year, there were no subordinated accounts receivable (previous year CHF 24.6 million).

3 Accounts receivable from third parties

Accounts receivable from third parties, which relate mainly to tax credits for taxes collected at source, premiums paid on derivative financial instruments, and tax credits for withholding taxes, which were higher than in the previous year, closed at CHF 18.3 million (previous year CHF 13.6 million).

4 Prepaid expenses

Prepaid expenses, consisting mainly of accrued interest, amount to CHF 6.8 million (previous year CHF 1.0 million).

5 Investments in subsidiaries

In the reporting year, the balance sheet value of investments in subsidiaries is CHF 1301.0 million. This is a reduction of CHF 37.0 million on the previous year's value of CHF 1338.0 million. The gross increase of CHF 47.7 million includes acquisition of a subsidiary from a finance company, strengthening of the shareholders' equity base in subsidiary companies, and the purchase of additional shares in existing affiliated and associated companies. The net amount of the depreciation described in the notes to the profit and loss statement results in the reported value for investments in subsidiaries.

The companies in which Schindler Holding Ltd. has a direct or indirect interest are listed on pages 46 to 48 of the Financial Statements.

6 Loans to subsidiaries

Loans to subsidiaries and associated companies amounted to CHF 97.5 million compared with CHF 120.0 million at the end of the previous year.

7 Financial assets

In the financial statements for 31.12.2000, financial assets comprise time deposits with a term longer than 12 months (CHF 200.0 million) as well as loans and other financial assets of CHF 2.6 million (previous year CHF 4.1 million). In the reporting year there were adjustments of CHF 1.5 million to the value of loans.

8 Accounts payable to subsidiaries

Accounts payable to subsidiaries, including associated companies, amount to CHF 112.4 million, which is CHF 6.7 million below the previous year's value of CHF 119.1 million.

9 Accounts payable to third parties

At CHF 12.5 million, accounts payable to third parties were only slightly above the previous year's value of CHF 11.6 million.

10 Debentures

1999 2000

In 1000 CHF

4% debenture 1997–2004, due 28.05.2004*	200 000	184 530
3½% debenture 1999–2009, due 02.06.2009	300 000	300 000
4⅛% debenture 1999–2006, due 26.10.2006	300 000	300 000
Total debentures outstanding	800 000	784 530

* Early redemption possible on 28.05.2002 or 28.05.2003

During the reporting year there was a partial repurchase of the 4% debenture. The nominal value of CHF 15.5 million of this partial repurchase was offset against the previous year's debenture value of CHF 200.0 million.

11 Provisions

The existing provisions to cover financial risks in conjunction with international business commitments amount to CHF 69.8 million (previous year CHF 79.6 million). They consist to a large extent of provisions for guarantees, bad debts, and currency risks, as well as provisions to cover commitments entered into.

12 Accrued liabilities

Accrued liabilities amount to CHF 14.0 million (previous year CHF 18.6 million) and mainly comprise accrued interest for the outstanding debentures.

13 Share capital

At the Annual General Meeting on May 8, 2000, it was decided to reduce the share and bearer participation certificate capital by eliminating the shares and bearer participation certificates so far acquired under the repurchase program, as well as repaying part of their nominal value. This results in the following changes relative to the previous year:

	Number	Nominal value CHF	Share capital CHF
31.12.1999	763 066	100	76 306 600
Elimination on July 27, 2000	-10 200		-1 020 000
Partial repayment of nominal value on July 27, 2000		-15	-11 292 990
31.12.2000	752 866	85	63 993 610

	Number	Nominal value	Bearer participation certificate capital CHF
31.12.1999	605 425	100	60 542 500
Elimination on July 27, 2000	-13 001		-1 300 100
Partial repayment of nominal value on July 27, 2000		-15	-8 886 360
31.12.2000	592 424	85	50 356 040

14 Statutory reserves

The value of the statutory reserves – including unchanged share premiums of CHF 311.3 million – is CHF 317.1 million, the same as in the previous year.

15 Reserves for treasury stock

The reserves for treasury stock, which stood at CHF 95.5 million at the end of the previous year, fell to CHF 38.0 million on 31.12.2000. This was the result of eliminating own shares (CHF 24.4 million) and own bearer participation certificates (CHF 30.5 million) as well as a reduction in other securities held in treasury. This amount covers the purchase value of the holdings in treasury of registered shares of CHF 34.6 million (previous year CHF 59.1 million) and bearer participation certificates of CHF 3.4 million (previous year CHF 36.4 million).

16 Other reserves

Other reserves, which amounted to CHF 496.4 million at the end of 1999 after the approved appropriation of profits, stood at CHF 492.8 million on 31.12. 2000. The reduction of CHF 3.6 million reflects the net effects of merging a finance company, the change in reserves for treasury stock mentioned above, and the amount of the reduction in nominal value of the shares and bearer participation certificates held in treasury.

17 Shareholders' equity

Including the balance brought forward from the previous year, and the reduction in nominal value and elimination of shares and bearer participation certificates described in Note 13, as well as the net profit for 2000, shareholders equity prior to appropriation of net profits amounts to CHF 1 073.0 million as against the previous year's value of CHF 1 112.0 million. Due to the stated transactions in shareholders' equity, there was a reduction in shareholders' equity of CHF 39.0 million or 3.5%. The equity ratio remained unchanged at 51.9%.

18 Income from subsidiaries

The income from subsidiaries totaling CHF 200.9 million (previous year CHF 179.2 million) includes the ordinary dividends of the subsidiaries and associated companies, in addition to contractually agreed compensation for loss of use paid to the holding company.

19 Extraordinary income

Extraordinary income includes income from the sale of subsidiaries and holdings in associated companies, as well as an extraordinary elimination of provisions for bad debts, and amounts to CHF 9.4 million which is CHF 8.9 million lower than in the previous year.

20 Income from financial operations

Income from financial operations, consisting of interest on investments in third parties and in subsidiaries, together with income received from other financial investments, amounts to CHF 25.2 million. This is CHF 6.7 million (36.2%) higher than the previous year's level of CHF 18.5 million. The increase is mainly due to higher interest income.

21 Financial expenses

The financial expenses of CHF 40.6 million (previous year CHF 55.0 million) include payment of interest to subsidiaries for current account loans, interest on long-term liabilities in the form of outstanding debentures, charges for short-term bridging loans, together with losses and adjustments on derivative financial instruments. Interest expense itself was higher than in the previous year. The previous year's financial expenses were negatively affected by one-time expenses associated with the issue and repayment of debentures. Absence of this expense item results in lower expense in the period being reported.

22 Depreciation and adjustments

The depreciation and adjustments on investments in subsidiaries, loans, and accounts receivable amount to CHF 85.0 million in the year under review by comparison with CHF 57.0 million in the previous year. The increase in depreciation is mainly due to the need for higher depreciation on subsidiaries in Asia.

23 Extraordinary depreciation on investments in affiliated and associated companies

The extraordinary item of CHF 456.8 million reported in the previous year consists of extraordinary depreciation charged on investments in affiliated and associated companies on 31.12.1999. In compensation, free reserves for the same amount of CHF 456.8 million were eliminated.

24 Administrations expenses and taxes

The main items included under this heading are personnel costs, general business expenses, and taxes accrued to the period under review.

25 Contingent liabilities

1999 **2000**

In 1000 CHF

Total contingent liabilities in favor of

affiliated companies for bank guarantees,

loans, and supply contracts

657 800 **611 400**

In addition, there is an unconditional and irrevocable guarantee in favor of the 2½% warrant 1996–2003 issued by Schindler Finance (Cayman Islands) Ltd. to the value of CHF 170 million.

26 Liabilities to employee benefit schemes

1999 **2000**

In 1000 CHF

Total liabilities

1 631 **1 142**

The liabilities to employee benefit schemes consist entirely of current account overdrafts.

27 Treasury stock

Information concerning the inventory of shares and bearer participation certificates held in treasury by Schindler Holding Ltd., together with details of the purchases and redemptions made, is contained in the notes to the consolidated financial statements. There is a "reserve for treasury stock" to cover the holdings in treasury as at 31.12.2000 of 16790 registered shares (previous year 27040) and 1410 bearer participation certificates (previous year 15444).

28 Significant shareholders

According to information published under stock exchange law (SHAB 9.01.2001), the Schindler and Bonnard families hold within the scope of a stockholder retainer contract 61.8% of the voting rights of the share capital of Schindler Holding Ltd. entered in the Register of Companies.

A further aspect of the shareholding structure is that other persons who have a close relationship with the parties to the stockholder retainer contract hold, together with these, more than two thirds of the voting rights. These other persons are not bound by a stockholder retainer contract. The voting rights held by shareholders who are not bound by a stockholder retainer contract are in each case less than 3%.

Report of the statutory auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, profit and loss statement, and notes) of Schindler Holding Ltd., Hergiswil, for the year ended December 31, 2000.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession in Switzerland, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made, and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements, as well as the proposed appropriation of available earnings, comply with Swiss law and the company's articles of incorporation.

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

Basel, February 26, 2001

ERNST & YOUNG LTD.

Peter Bühler
Certified Accountant
(In charge of the audit)

Roland Ruprecht
Certified Accountant

Essential affiliated companies and unconsolidated subsidiaries

Status December 31, 2000

Europe

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)	Elevators	Escalators	Other products	Sales, Installation, Maintenance	Other services
Austria	Ternitz	Ternitz Druckguss GmbH	80	4 000 ATS	●				
	Vienna	Köberl-Haushahn GmbH	100	4 000 ATS				○	
		Schindler Aufzüge und Fahrtreppen AG	96.9	60 000 ATS	●		○		
Belgium	Brussels	S.A. Schindler N.V.	100	250 000 BEF	●			○	
Czech Republic	Prague	Vytahy Schindler A.S.	88	227 408 CZK	●			○	
Denmark	Herlev	Schindler Elevatorer A/S	100	1 000 DKK				○	
	Kibaek	Kibaek Specialfabrik Aps	100	200 DKK				○	
Finland	Helsinki	Schindler Oy	100	400 FIM				○	
France	Illzach	Elevator Car System	99.9	10 000 FRF	●			○	
	Melun	Etablissements Henri Peignen S.A.	99.9	8 000 FRF	●			○	
	Vélizy-Villacoublay	Roux Combaluzier Schindler	99.9	150 000 FRF				○	
Schindler		99.9	50 000 FRF	●		○			
Germany	Berlin	Schindler Deutschland Holding GmbH	100	100 000 DEM				○	
		Schindler Aufzügefabrik GmbH	100	19 000 DEM				○	
	Stuttgart	C. Haushahn GmbH & Co.	100	13 587 DEM				○	
Great Britain	Feltham	Schindler Ltd.	100	31 800 GBP				○	
		Schinvest Ltd.	100	54 460 GBP				○	
Greece	Athens	Schindler Hellas S.A.	99.8	200 000 GRD				○	
Hungary	Budapest	Schindler Hungária KFT	100	460 000 HUF				○	
Iceland	Reykjavik	HÉDINN Schindler Lyftur hf.	51	20 000 ISK				○	
Ireland	Dublin	Schindler Ltd.	100	20 IEP				○	
Italy	Concorezzo	Schindler S.p.A.	100	6 250 000 ITL	●			○	
Jersey	St. Helier	Schinvest (Jersey) Ltd.	100	213 EUR				○	
Latvia	Riga	A.S. Latvijas Lifts Schindler	97	123 LAT				○	
Liechtenstein	Vaduz	Reassur AG	100	5 000 CHF				○	
Lithuania	Vilnius	UAB Schindler Liftas	100	1 365 LIT				○	
Luxembourg	Luxembourg	Schindler S.à.r.l.	100	7 000 LUF				○	
Monaco	Fontvieille	Schindler Monaco	98	500 FRF				○	
Netherlands	The Hague	Hovanes B.V.	100	147 NLG				○	
		Schinac B.V.	100	263 040 NLG				○	
		Schindler Liften B.V.	100	1 246 NLG				○	
Norway	Bergen	Stahl Heiser A/S	100	550 NOK				○	
	Vennesla	Reber-Schindler Heis A/S	100	8 000 NOK				○	
Poland	Warsaw	Schindler Polska sp. z. o.o.	100	5 000 PLZ				○	
Portugal	Lisbon	Schindler S.A.	100	801 928 PTE				○	
Rumania	Bucharest	Schindler Romania S. R. L.	100	1 250 000 LEI				○	

● Production
○ Services

Europe

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)	Elevators	Escalators	Other products	Sales, Installation, Maintenance	Other services
Slovakia	Bratislava	Schindler vyťahy a eskalatory a.s.	100	29 000 SKK					○
Spain	Zaragoza	Schindler S.A.	99.5	3 004 683 ESP	●				○
Sweden	Stockholm	Schindler Hiss AB	100	9 440 SEK					○
		Schindler Scandinavian Holding AB	100	28 000 SEK					○
Switzerland	Ebikon	Schindler Aufzüge AG	100	25 000 CHF	●				○
		SchindlerConsulting AG	100	250 CHF					○
		Schindler Informatik AG	100	1 000 CHF					○
		Schindler Management AG	100	1 000 CHF					○
		SchindlerRepro AG	52	150 CHF					○
	Hergiswil	ALSO Holding AG	62.3	5 948 CHF					○
		Inventio AG	100	11 000 CHF					○
		Pars Handel AG	100	5 000 CHF					○
		Schindler Trading AG	100	50 CHF					○
	Locarno	Schindler Elettronica S.A.	100	2 000 CHF	●				○
	Pratteln	Schindler Technik AG	100	1 000 CHF			●		○
	Schlatt	SchindlerMobile AG	100	5 000 CHF	●				○
	Zug	AS Aufzüge AG	100	7 000 CHF					○
Turkey	Istanbul	Schindler Türkeli Asansör san. a.s.	100	18 738 000 TRL	●				○

The Americas

Argentina	Buenos Aires	Ascensores Schindler S.A.	90	1 372 ARS					○
Brazil	Rio de Janeiro	Administração e Comercio Jaguar Ltda.	100	686 680 BRL					○
	São Paulo	Elevadores Atlas Schindler S.A.	99.4	377 969 BRL	●	●			○
British Virgin Islands, Tortola		Jardine Schindler Holdings Ltd.	50	100 USD					○
Canada	Scarborough	Schindler Elevator Corporation	100	35 000 CAD					○
Cayman Islands, George Town		Schindler Finance (Cayman Islands) Ltd.	100	1 CHF					○
Chile	Santiago de Chile	Ascensores Schindler (Chile) S.A.	99.7	866 828 CLP					○
Colombia	Bogotá	Ascensores Schindler de Colombia S.A.	100	120 139 COP					○
Mexico	Mexico City	Elevadores Schindler S.A. de C.V.	100	69 376 MXP	●				○
Paraguay	Asunción	Elevadores Atlas Schindler S.A.	100	3 150 PYG					○
Peru	Lima	Ascensores Schindler del Perú S.A.	100	2 035 PEN					○
Uruguay	Montevideo	Ascensores Schindler S.A.	100	124 URU					○
USA	Guaynabo	Schindler Corp. of Puerto Rico	100	4 039 USD					○
	Morristown	Schindler Elevator Corporation	100	142 954 USD	●	●			○
	New York City	Millar Elevator Industries, Inc.	100	13 692 USD					○
	Niles	Adams Elevator Equipment Company	100	1 625 USD	●				○
	Philadelphia	Schindler Enterprises, Inc.	100	488 434 USD					○
	Wilmington	Horizon Investment Corp.	100	344 176 USD					○
		Universal Technology Corp.	100	3 286 USD					○
Venezuela	Caracas	Ascensores Schindler de Venezuela S.A.	100	40 000 VEB					○

● Production
○ Services

Africa

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)	Elevators	Escalators	Other products	Sales, Installation, Maintenance	Other services
Botswana	Gaborone	Schindler Lifts (Botswana) (PTY) Ltd.	100	0.1 BWP					○
Egypt	Kairo	Schindler Lifts Ltd.	100	2 500 EGP					○
Ghana	Accra	Elesca Engineering Ltd.	20	28 000 GHC					○
Kenya	Nairobi	Schindler Ltd.	100	5 000 KES					○
Morocco	Casablanca	Schindler Maroc S.A.	98.5	10 MAD					○
Mozambique	Maputo	Schindler Moçambique Lda	49	1 535 500 MZM					○
Namibia	Windhoek	Schindler Lifts (Namibia) (PTY) Ltd.	100	0.001 ZAR					○
South Africa	Johannesburg	Schindler Lifts (S.A.) (PTY) Ltd.	100	4 250 ZAR					○
Zimbabwe	Harare	Schindler Lifts (Zimbabwe) (PVT) Ltd.	100	4 ZWD					○

Asia/Australia

Australia	Sydney	Deve Hydraulic Lifts Pty. Ltd.	100	2 AUD					○
		Schindler Lifts Australia Pty. Ltd.	100	22 950 AUD					○
Brunei, Bandar Seri Begawan		Schindler Liftec Sdn. Bhd.*	50	1 000 B\$					○
China	Beijing/Shanghai	China-Schindler Elevator Co. Ltd.	62.7	868 618 CNY	●	●			○
	Shanghai	Shanghai Schindler Elevator Technology Service Co. Ltd.	100	90 330 CNY					○
	Suzhou	Suzhou Schindler Elevator Co. Ltd.	55	155 373 CNY	●	●			○
		Suzhou Esca Step Co. Ltd.	100	38 914 CNY			●		
		Schindler Electronics (Suzhou) Co. Ltd.	100	13 000 CNY	●				
Hong Kong	Hong Kong	Schindler Lifts (Hong Kong) Ltd.*	100	25 000 HKD					○
India	Bombay	Schindler India PVT Ltd.	100	428 875 RS					○
Iran	Tehran	Iran Schindler Lift Manufacturing Company Ltd.	15	1 000 IRR	●				○
Israel	Kfar Yona	Schindler Nechushtan Elevators Ltd.	100	7 045 ILS	●				○
Japan	Tokyo	Schindler Elevator K.K.	96.7	500 000 JPY	●				○
Lebanon	Sin El Fil/Beirut	Schindler Lebanon S.A. L.	70	600 000 LBP					○
Malaysia	Ipoh	Schindler Manufacturing (Malaysia) Sdn. Bhd.	50	78 245 MYR	●	●			
	Kuala Lumpur	Antah Schindler Sdn. Bhd.*	70	10 450 MYR					○
Myanmar	Yangon	Myanmar Jardine Schindler Ltd.*	100	300 KYAT					○
New Zealand	Auckland	Schindler Lifts NZ Ltd.	100	1 010 NZD					○
Philippines	Manila	Jardine Schindler Elevator Corp.*	100	121 000 PHP					○
Singapore	Singapore	Schindler Lifts (Singapore) Pte. Ltd.*	100	11 764 SGD					○
		Jardine Schindler Logistics Pte. Ltd.*	100	1 000 SGD					○
Taiwan	Taipei	Jardine Schindler Lifts*	100	276 000 TWD					○
Thailand	Bangkok	Jardine Schindler (Thai) Ltd.*	100	90 268 THB					○
Vietnam	Ho Chi Minh City	SGE-Schindler Ltd.*	70	1 000 USD					○

* Participations of Jardine Schindler Holdings Ltd., BVI

● Production

○ Services

The Annual Report of the Schindler Group for 2000 consists of the Activity Report and the Financial Statements.

The original German language version is binding. English, French, and Spanish translations of the Activity Report are also available. The Financial Statements is published in German and English only.

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