

Shaping the future
with leading technology.
Group Review 2011



Schindler

Shaping the future with leading technology.

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

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

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



Our products and services

Passenger elevators

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

Freight elevators

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

Escalators and moving walks

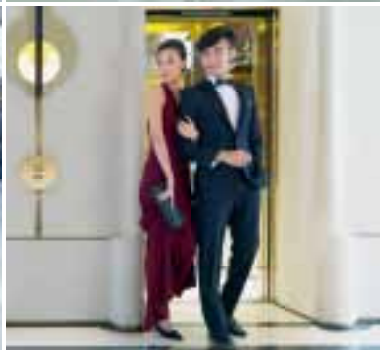
Escalators for all applications, from shopping malls, offices, hotels, and entertainment centers, to busy airports, subways, and railway stations. Moving walks – inclined and horizontal – for efficient transportation in public areas.

Modernization

Elevator and escalator modernization products.

Services

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



Milestones



Milestones



Ladies and Gentlemen

2011 was a year in which we saw our modern society pushed to its very limits virtually month after month. I am referring to the tsunami and nuclear catastrophe in Japan, revolutions and wars, economic and currency crises with far-reaching consequences, state finances that have spiraled out of control and hastily arranged bailouts – the outcome of which is uncertain. The natural environment, the economy and politics – everything is suffering and the risk of contagion is great. Governments are struggling to cope, the battle for resources is intensifying and financial systems have reached a turning point. For the last 35 years, the economy has been built on debt. To avoid leaving a crippling legacy for future generations, we must face the burden of deficit reduction and abandon our credit-fueled lifestyle. Values such as moderation, loyalty, responsibility and commitment will become vital for our survival. For all too long, we have been generous at the cost of others and blindly believed in the state. But we are all part of the state – which is why we now all have a responsibility to put things right.

What does this mean for Schindler? The answer can be found in our actions. Schindler transports one billion people each day, which is equivalent to the world's entire population in a single week. We have less than one million customers and close to 44,500 employees in over 100 countries. Based on these facts, I have derived the following three overriding priorities for our business:

1. Safety and quality are our primary objective at all times and everywhere.
2. Creating long-term value for customers: we have been committed to serving them for decades.
3. Our employees drive our performance – we want to motivate them.

Everything else is of secondary importance – even key issues such as our earnings power and market share. If we focus consistently on these priorities, we will be doing what we need to do to master the challenges we face in the same way that Schindler has navigated difficult times – including periods of war – over the last 137 years.

Despite the adverse environment, there were many positive developments at Schindler in 2011. The merger of ALSO and Actebis that was completed in February 2011 will enable us to focus on our core business

Elevators & Escalators in the future. Since we now have only one autonomous business unit, our two-tier Group Management has become obsolete – enabling us to streamline our management structure. Effective October 1, 2011, the Board of Directors named Jürgen Tinggren as CEO. I will remain the full-time Chairman of the Board of Directors and its Executive Committee.

Schindler also delivered good results despite the “hocus-pocus” on the currency front: we achieved pleasing profits in growth markets in particular – but on the journey back to Switzerland, these profits decrease in value with each kilometer that brings them closer to the Swiss franc! At Schindler, the strength of the Swiss currency results in exchange rate losses of CHF 110 million at the level of operating profit and of CHF 900 million in turnover (compare this with 1974 – the year in which Schindler celebrated its centenary – when our total turnover was CHF 1.24 billion).

While demand is continuing to weaken in Europe and the US, markets such as China and India are growing. This is the context in which this year's results are to be viewed. Our net profit of CHF 611 million was impacted by structural adjustment costs of CHF 98 million, which have arisen in the Old World in particular. In contrast, Schindler is investing over CHF 200 million in production and development capacity in strategic growth markets.

Our performance is driven by our employees. The Board of Directors would like to express its sincere thanks to each one of our employees for all that they have accomplished. We know the pressure they are under and the challenges they face in the current environment. Against this backdrop, our ambition is not to achieve a short-term increase in our market capitalization. Instead – and in the best tradition of a family-run company that is managed responsibly and has grown continuously – we want to offer our employees a secure, innovative and motivating working environment over the long term. By doing so, we can create adequate value for all stakeholders.

Alfred N. Schindler

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www.schindler.com

Schindler in brief

Group

The company was founded in 1874 in Lucerne, Switzerland. Today, the Schindler Group – including its local companies – is one of the world's leading providers of elevators, escalators, and moving walks and is active in the areas of production, installation, maintenance, and modernization. In 2011, the Group employed over 44 000 people worldwide and reported sales of CHF 7 854 million.

Strategic orientation

"Leadership through Customer Service" is our vision, since one billion people use Schindler products every day. We want to ensure that our customers and passengers can rely on high-quality mobility solutions and services at all times.

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

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

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

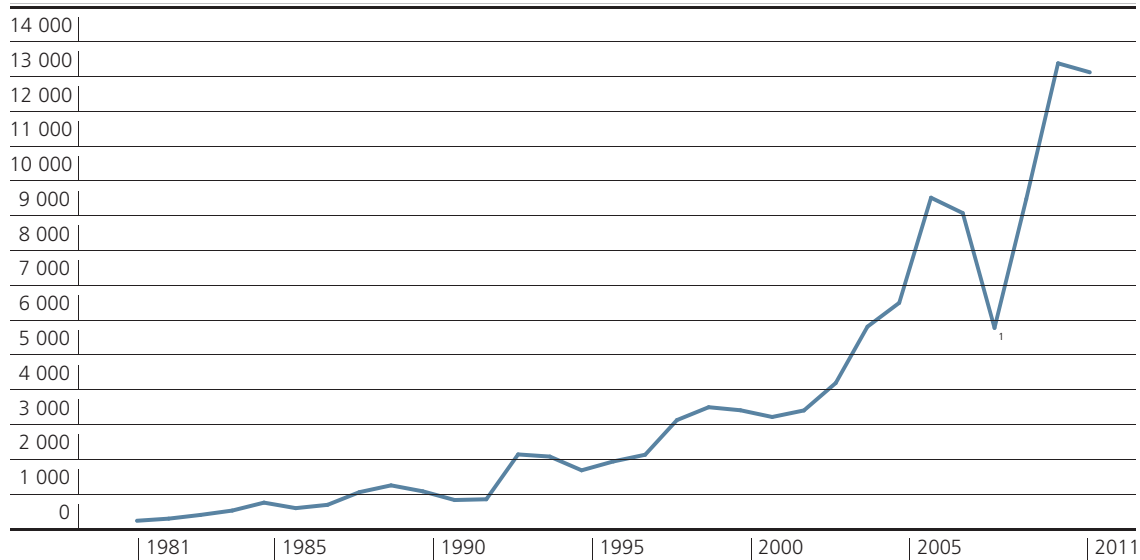
Examples of recent innovations include: the first patent for elevators without a machine room, the Miconic 10 hall call destination system; its successor, the Schindler ID, incorporating personalized access control; the Schindler 7000 global high-rise elevator; and the fully synthetic aramid rope and modern traction belt technology. In 2009, an entirely new concept for managing the transit of passengers through buildings was rolled out. It comprises the third generation hall call destination system PORT technology, which has attracted enormous interest among customers. In 2011, the US business magazine "Forbes" included Schindler on its list of the world's 100 most innovative companies.

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

We create value

Market capitalization 1981 to 31.12.2011

In CHF million



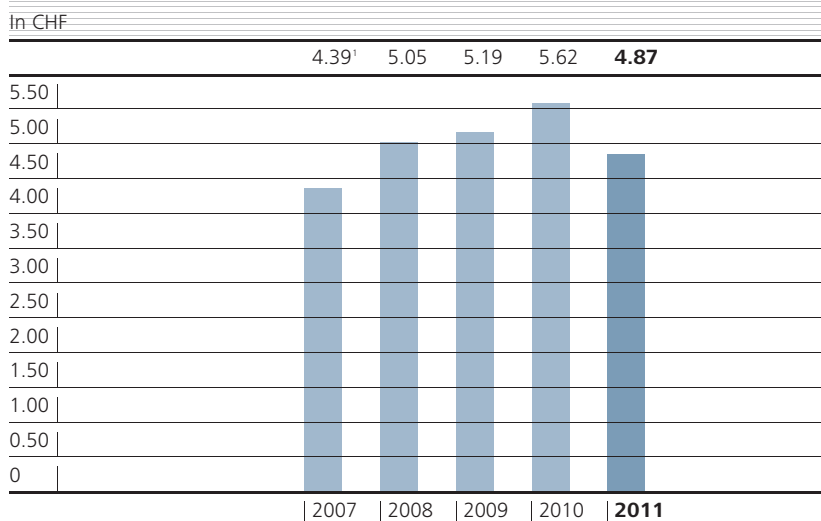
¹In 2008, market capitalization decreased by 36% as a result of the financial crisis, although earnings per share increased; see page 4 for details.

Key figures 2011

Group				
In CHF million	2011	2010	Δ %	Δ % local currencies
Orders received	8 249	8 778	-6.0	4.8
Revenue	7 854	8 187	-4.1	6.9
Operating profit (EBIT) - Elevators & Escalators	828	980	-15.5	
in %	10.5	12.0		
Operating profit (EBIT)	790	950	-16.8	
Profit from continuing operations	576	679	-15.2	
Profit of the disposal group ALSO	35	32	9.4	
Net profit	611	711	-14.1	
Cash flow ¹	811	861	-5.8	
Return on equity in %	21.7	26.6		
Consolidated equity	2 817	2 819		
Order backlog	6 438	6 075	6.0	8.3
Headcount at year-end	44 387	43 010	3.2	

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

Net profit per registered share and participation certificate



¹ Before antitrust fines

Dividends proposed by the Board of Directors of Schindler Holding Ltd.			
In CHF	2011		2010
	ordinary	additional	ordinary
Registered share	2.00	1.00	2.00
Participation certificate	2.00	1.00	2.00

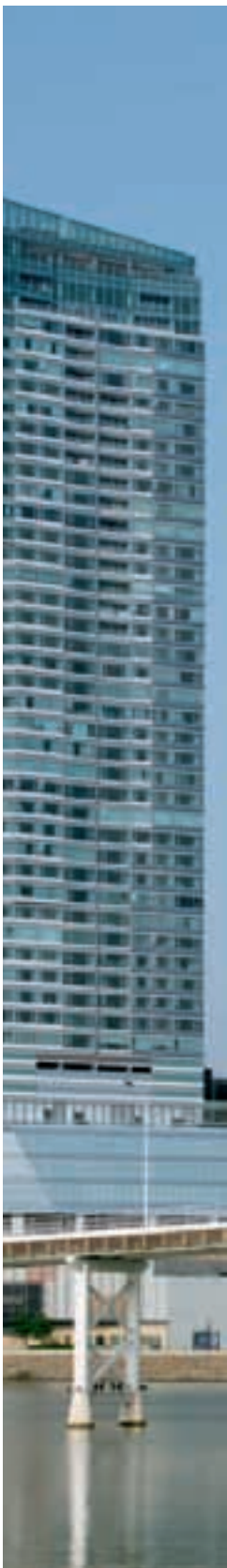
Subject to approval by the General Meeting, the dividend will be paid on March 26, 2012.

Organization

Board of Directors Schindler Holding Ltd.		
Status December 31, 2011		
Alfred N. Schindler	Chairman	Member of the Executive Committee of the Board
Luc Bonnard	Vice Chairman	Member of the Executive Committee of the Board
Prof. Dr. Peter Athanas	Member	Member of the Executive Committee of the Board
Prof. Dr. Pius Baschera	Member	
Dr. Hubertus von Grünberg	Member	
Prof. Dr. Karl Hofstetter	Member	
Lord Charles Powell	Member	
Dr. Alexander Schaub	Member	
Rolf Schweiger	Member	
Prof. Dr. Klaus W. Wellershoff	Member	

Management Committee	
Status December 31, 2011	
Jürgen Tinggren	CEO
Miguel A. Rodríguez	Deputy CEO, Global Business, India and Gulf
Erich Ammann	CFO
Dr. Rudolf W. Fischer	Corporate Human Resources
Didier Gaudoux	Europe South
Albert Haffert	Field Quality & Excellence
Silvio Napoli	Asia/Pacific
Thomas Oetterli	Europe North
Jakob Züger	North, Central, and South America

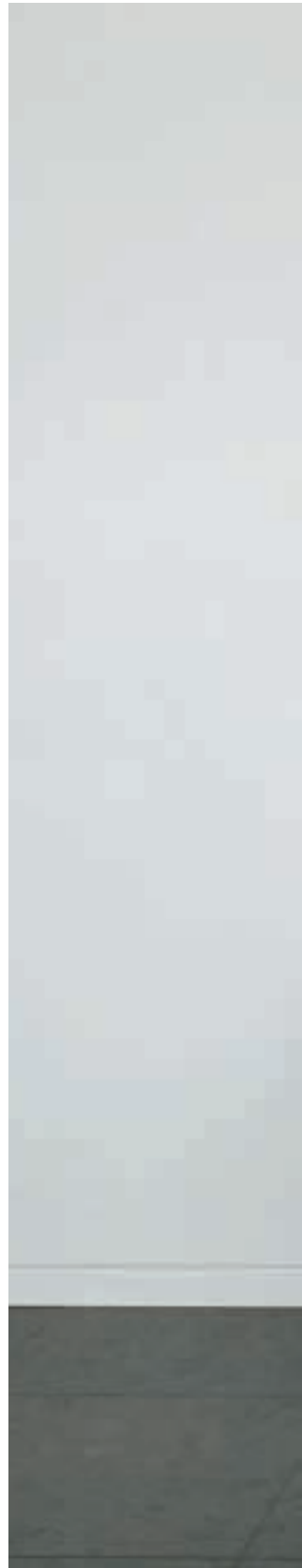
For details see Corporate Governance starting on page 105.



In a world of bliss
everything runs smoothly.



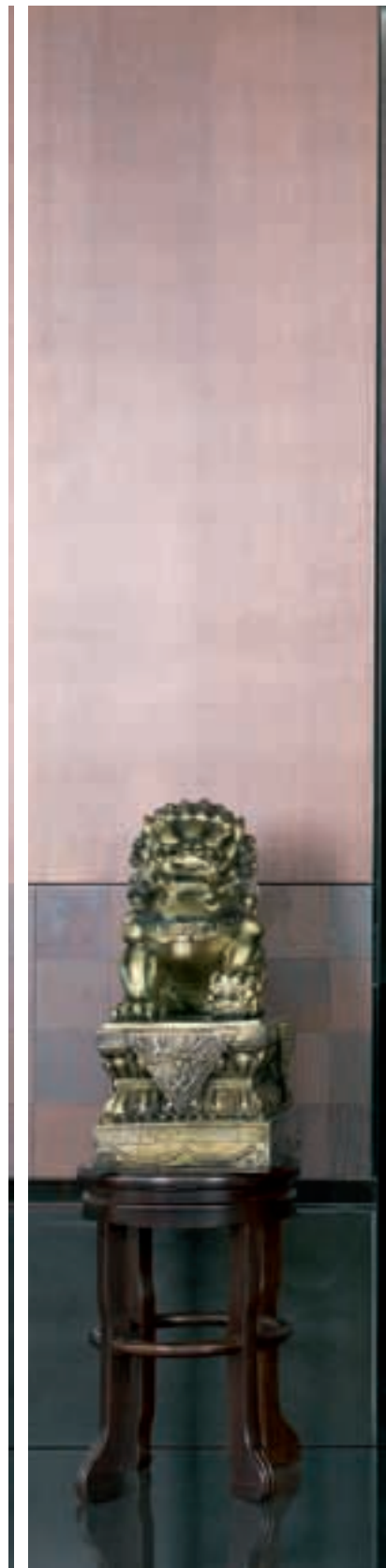
With its blend of European and Asian culture, **Macao** has long been a mecca for tourists. Now dubbed the “Las Vegas of the East”, it is attracting large numbers of visitors. The 42-story complex **One Central** not only offers guests an unlimited shopping experience but also features a five-star hotel, luxury apartments, restaurants, and office space. Numerous efficient high-rise elevators and escalators supplied by Schindler ensure the smooth transportation of people around the complex.



When sustainable ideas
start to pay off.



The **Deutsche Bank** head office in **Frankfurt** has been modernized and is now one of the greenest high-rise buildings in the world – earning it LEED Platinum and DGNB Gold certificates. Schindler’s innovative elevator technologies contributed to the achievement of these ambitious targets: depending on the direction of travel and rated load, the electricity generated by the installations is fed back into the electricity network – similar to the process of energy recovery in the latest generation of e-bikes. The revolutionary new PORT transit management system also promotes energy efficiency.



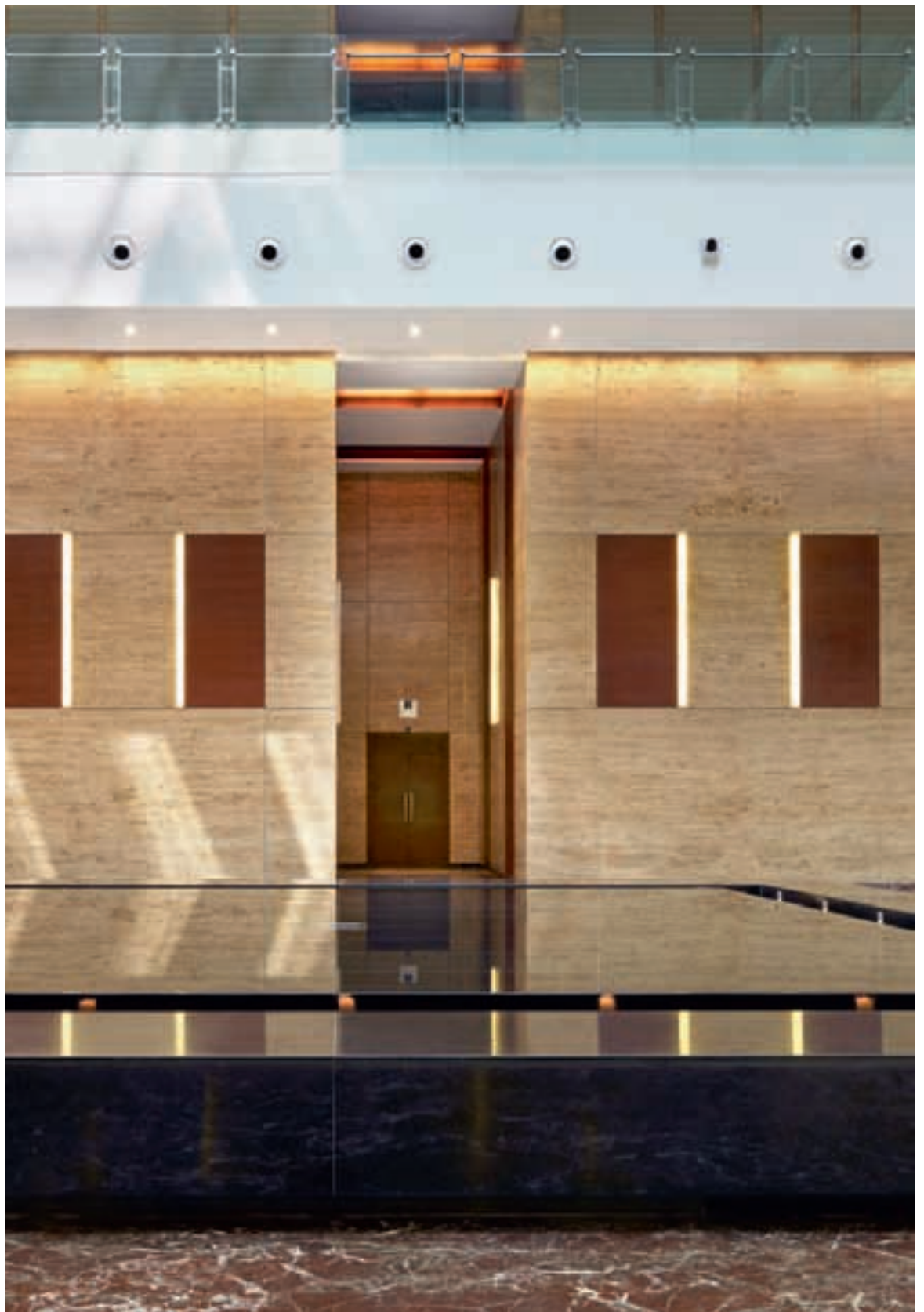
Tradition and new technology
in perfect balance.



The **Jumeirah Himalayas Hotel** in the heart of **Shanghai** is the first Jumeirah hotel to be built in Asia and is part of the Himalayas Center, which includes a congress center, theater, art museum, and countless luxury boutiques. Reflecting the philosophy of Feng Shui, the world-famous Japanese architect Arata Isozaki has created a dramatic juxtaposition of tradition and modernity. Schindler elevators and escalators are integrated into this concept – in complete harmony with the building and the philosophy behind it.



Boosting business
with efficiency.



Kalpataru Square, a luxury office building at a prime location in Andheri, **Mumbai**, is setting new standards in terms of sustainability and energy efficiency – in recognition of which it has been awarded the LEED Platinum certificate. Schindler has made an important contribution towards its energy efficiency with its Miconic 10 hall call destination system: passengers travelling to the same destination are assigned to the same elevator car, thus significantly reducing their journey time and eliminating unnecessary stops. This also ensures that elevator trips without passengers are minimized and that transport capacity is significantly increased.

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To the shareholders

Statement of the Board of Directors

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To the shareholders

Pleasing performance in a difficult environment

Market developments vary between regions

The reporting year was shaped to a significant extent by the financial and debt crisis, as well as by numerous other events such as the downgrading of the USA's credit rating, the nuclear catastrophe in Japan, the floods that affected Japan, Thailand, and Australia, the uprising in North Africa during the Arab Spring and the war in Libya. In addition, the strengthening of the Swiss franc had a negative impact on Schindler's performance.

The construction sector that is relevant to Schindler displayed strong growth in India, Latin America and Asia/Pacific. However, demand in North America, stabilized and signs of an upward trend are visible. Several markets in southern Europe experienced further declines. The economic outlook for the whole of Europe has deteriorated and the numerous important political decisions that have yet to be reached make it difficult to predict how the global economy will develop.

Against this backdrop, Schindler expects to see a stagnating and very difficult environment in weaker markets and anticipates that strategically important emerging markets will experience a slight slowdown in growth.

Based on this assessment, Schindler decided to implement additional measures to further enhance the positioning of the company and make it even more competitive – thus ensuring it can achieve its mid-term targets. The package of measures referred to as "LEAP" (Leading in Execution and Accelerating Performance) that was launched in the reporting year comprises the following initiatives:

- Stronger growth in operating revenue
- New products and reduction of material costs
- Increased growth and productivity in the service area
- Enhanced productivity in the back office and support functions

On the one hand, LEAP is focused on strategic growth markets. In view of the strong levels of demand in China and India, around CHF 200 million will be invested in the expansion of production and R&D capacity in these markets over the coming months.

On the other hand, the structures of Group companies in Europe and the USA will be adapted where necessary in line with sustained lower levels of demand to maintain or enhance competitiveness and productivity. Restructuring costs of CHF 135 million before taxes were incurred in the reporting year as a result of these projects.

Orders received and order backlog

Despite different market trends, Schindler achieved growth in all regions – particularly in Asia/Pacific. Orders received totaled CHF 8 249 million, a decline of 6.0% compared to the previous year. In local currencies, an increase of 4.8% was recorded. Schindler was once again selected as a partner for a number of notable major projects in the reporting year, which are described in detail in the business review starting on page 23.

The order backlog at end-2011 amounted to CHF 6 438 million, corresponding to an increase of 6.0% compared to the previous year (+8.3% in local currencies). Thanks to the strong order backlog, a further rise in revenue in local currencies is expected.

Revenue

Revenue totaled CHF 7 854 million, a decrease of 4.1% compared to the previous year, reflecting substantial negative foreign exchange impacts in the amount of CHF 900 million. In local currencies, operating revenue rose by 6.9%. This strong growth was achieved primarily in the new installations business in the Asia/Pacific region.

Operating profit

The elevators and escalators business generated an operating profit (EBIT) of CHF 828 million. Weaker exchange rates had a negative impact in the amount of CHF 110 million or 11.2%. Despite the previously mentioned strength of the Swiss franc, the considerable pressure on margins and the strong growth in the new installations business, Schindler achieved an EBIT margin of 10.5% as a result of enhanced productivity and improvements in its cost structure (previous year: 12.0%).

Restructuring costs of CHF 135 million before taxes were recorded in the fourth quarter of 2011. Excluding these costs, operating profit (EBIT) was CHF 963 million and the EBIT margin was 12.3% for the reporting year. In the fourth quarter, the EBIT margin excluding restructuring costs was 12.6% or 6.4% after charging these costs.

Group

Net income from financing and investing

Net income from financing and investing amounted to CHF 0 million (previous year: CHF –12 million). This result was driven primarily by pleasing net income from currency hedging.

ALSO-Actebis

The merger of ALSO and Actebis that was completed in February 2011 and the resulting revaluation of ALSO-Actebis led to a one-off accounting gain of CHF 35 million. Schindler's participation in the net profit of ALSO-Actebis, which is now classified as an associated company, has been reported as income from associates since the deconsolidation.

Net profit

After restructuring costs of CHF 98 million after taxes, net profit totaled CHF 611 million. Excluding these restructuring costs, Schindler almost achieved the same level of profit as in the previous year despite substantial negative foreign exchange impacts.

Headcount

The number of employees totaled 44 387 at end-2011. Although adjustments had to be made in several markets in response to weaker demand, the headcount grew by 3.2%. This increase reflects the integration of 547 employees following the acquisitions in Colombia and in Switzerland, as well as the recruitment of additional staff in growth markets in Latin America and Asia/Pacific.

Management changes

As already announced at the annual results press conference of February 17, 2011, Alfred N. Schindler has handed over the role of CEO – and consequently operational responsibility for the company – to Jürgen Tinggren. At its meeting of September 22–23, 2011, the Board of Directors of Schindler Holding Ltd. appointed Jürgen Tinggren, formerly President of the Management Committee, as CEO with effect from October 1, 2011, thus approving the functional handover. Alfred N. Schindler remains full-time Chairman of the Board of Directors of Schindler Holding Ltd. as well as Chairman of the Executive Committee of the Board of Directors.

Luc Bonnard, Vice Chairman of the Board of Directors of Schindler Holding Ltd., will step down from the Executive Committee of the Board of Directors at the General Meeting of March 19, 2012, upon reaching the retirement age. However, he remains Vice Chairman of the Board of Directors.

Furthermore, Dr. Alexander Schaub, a Member of the Board of Directors of Schindler Holding Ltd., will step down from the Board of Directors on March 19, 2012, after already indicating in 2011 that he was willing to extend his mandate by one year beyond the relevant age limit.

The Board of Directors has also decided to propose the election of Dr. Rudolf W. Fischer, Head of Corporate Human Resources and a Member of the Management Committee, to the Board of Directors at the General Meeting of March 19, 2012. Following his election, it is intended that Dr. Rudolf W. Fischer will join the Executive Committee of the Board of Directors.

David Clymo has been appointed Head of Corporate Human Resources and a Member of the Management Committee, as of January 1, 2012, thus succeeding Dr. Rudolf W. Fischer.

Schindler Holding Ltd.

Dividend and capital structure

Schindler Holding Ltd. closed the financial year 2011 with a net profit of CHF 671 million (previous year: CHF 670 million). The payment of an ordinary dividend of CHF 2.00 per registered share and per participation certificate will be proposed to the forthcoming General Meeting on March 19, 2012.

Bonds

In the fourth quarter of 2011, Schindler successfully issued a three-year bond of CHF 200 million with a coupon of 0.625% as well as a five-year bond of CHF 400 million with a coupon of 1.25%.

The proceeds will be used to finance growth, additional investments in growth markets, acquisitions and the repurchasing of treasury shares, thus preserving Schindler's strategic flexibility and independence.

Repurchase program

In 2011, Schindler continued to implement the repurchase program launched by the Board of Directors in December 2009. Between January 1, 2011 and February 6, 2012, a total of 336 644 registered shares and 1 714 600 participation certificates were repurchased. This represents 1,70% of all securities outstanding. The Board of Directors will propose a corresponding reduction in the nominal capital of Schindler Holding Ltd. to the General Meeting on March 19, 2012.

Strategic partnerships

China

Schindler acquired a 46% stake in Xuchang Xiji Elevator Co. Ltd. in the reporting year. XJ Schindler (Xuchang) Elevator Co. Ltd. is headquartered in Henan Province in the center of the country. Schindler's participation in the company strengthens its position in the rapidly growing Chinese market.

Saudi Arabia

In Saudi Arabia, Olayan Financing Company (OFC) acquired a 10% minority stake in Saudi Elevator Company Ltd. from Schindler, which believes that the partnership will enable it to exploit growth opportunities in this market even more effectively.

Colombia

Schindler acquired Colombia's leading elevator manufacturer in 2011. The new company will operate under the name Schindler Andino in future, offering elevator and escalator products from both providers.

Switzerland

Schindler acquired the Swiss elevator company H. Henseler AG, which is the owner of a unique elevator system without a shaft head that holds several international patents and will set new standards in the field of architecture. It is authorized for sale in Switzerland and the European Union but is currently only offered in Switzerland.

Solar Impulse

Schindler became one of the four main partners of Solar Impulse in 2011 and – through its collaboration with the company – is thus at the forefront of efforts to develop new technologies to achieve clean and sustainable mobility. See page 54 for further information.

Outlook

As stated above, it is difficult to predict how global economic conditions will develop. However, Schindler is well positioned to succeed even in this adverse environment. Excluding any unforeseeable events, Schindler expects to achieve a significantly higher net profit for 2012.

Schindler thanks its employees and clients

The different developments in individual markets and the unfavorable economic outlook required employees at all levels of the company to demonstrate dedication, perseverance, and a willingness to approach essential changes to the business in a constructive manner. Their determination to achieve constant improvements and their innovative strength represent key success factors. The Board of Directors and the Management Committee wish to express their considerable thanks to Schindler's employees for their efforts. They would also like to thank all of the Group's clients around the world for their loyalty and continuing trust in the company.



Alfred N. Schindler
Chairman of the Board
of Directors

Luc Bonnard
Vice Chairman of the Board
of Directors

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Elevators & Escalators

Highlights

- Pleasing level of orders received, especially in Asia/Pacific
- 6.9% rise in revenue in local currencies; after conversion into Swiss francs, a currency-related decline of 4.1% was recorded
- Operating profit of CHF 963 million before restructuring costs of CHF 135 million – virtually in line with the previous year; lower exchange rates had a negative impact of CHF –110 million
- Operating margin of 12.3% (10.5% after restructuring costs)
- Strong order backlog of CHF 6 438 million
- New strategic partnerships in China and Saudi Arabia
- Acquisition of market leader in Colombia
- Acquisition of H. Henseler AG in Switzerland

Developments in the construction sector varied from market to market in 2011. China, India, and Latin America achieved strong growth. In North America, demand stabilized and signs of an upward trend are visible. Several markets in Southern Europe experienced further declines.

Despite these different market trends, Schindler achieved growth in all regions – particularly in Asia/Pacific.

This was underpinned by:

- The global availability of the new Schindler 3300 product line
- The gradual introduction of the new Schindler 5500 product line
- The very positive response to Schindler's new PORT technology that manages the transit of passengers through buildings using a highly sophisticated communication system
- Annual investments of over CHF 100 million in research and development
- A focus on further improving energy efficiency and the use of even more environmentally friendly materials in all product lines
- Improvements in efficiency and systematic cost discipline
- A focus on strategically meaningful acquisitions
- Strong customer orientation, enhanced through regular surveys and the implementation of measures in response to customer needs
- Strengthening of the Schindler brand based on a uniform presence in over 1 000 branches across more than 100 countries

Europe

Revenue:	CHF 3 902 million
Headcount at year-end:	19 963
Number of countries:	36
Number of production sites:	6

Europe

Satisfactory level of orders received

There was a further downturn in construction activity in several Southern European markets. In the rest of Europe, growth remained low or stagnated at 2010 levels. Weak demand led to fierce competition and the resulting pricing pressure. For Europe as a whole, however, orders received rose slightly in local currencies compared to the previous year. In addition, Schindler secured a number of major orders in the public transportation segment, including: a contract to supply 56 Schindler 9300 AE escalators for the cross-city rail link in Zurich, which is the central element of a major project initiated by Swiss Federal Railways (SBB); various projects for Deutsche Bahn (27 Schindler 9300 escalators and 22 Schindler 9700 escalators); an order to supply 29 Schindler 9700 escalators for Vienna Main Station; and a contract to equip Canary Wharf Crossrail station in London with 17 Schindler 9700 escalators, 2 Schindler 9300 AE escalators and 7 elevators.

North, Central, and South America

North, Central, and South America

Revenue:	CHF 2 233 million
Headcount at year-end:	12 573
Number of countries:	12
Number of production sites:	3

North America: launch of new products

In North America, demand stabilized and signs of an upward trend are visible. The Schindler 3300 elevator was introduced in this market and was already recognized as the 2011 Top Money Saving Product by Buildings magazine in the first year following its launch. It also received the Product Innovation Award from the specialist publication Architectural Products. The principal criteria behind the accolades were the energy savings generated by the Schindler 3300, its minimal environmental impact and its low life cycle costs.

Schindler's innovative PORT technology also received the Product Innovation Award from Architectural Products magazine.

PORT technology, which centers on a Personal Occupant Requirement Terminal (PORT) – a universal communication system that is interconnected throughout the building – was successfully installed in a number of premises, including the Capital Bank Plaza office building in Raleigh, North Carolina. In Dallas, Texas, Schindler won a modernization order for the well-known building The Crescent. A total of 50 passenger elevators in its 19-story tower and two 18-story towers will be modernized, 24 of which will be equipped with PORT technology. The elevators will also feature energy recovery technology (with frequency-converter drive), which makes a valuable contribution towards reducing the environmental impact of the installations.

In connection with a patent violation lawsuit, a court in New York ruled in the reporting year that a world-renowned competitor is not permitted to offer or sell the hall call destination system featuring radio-frequency identification (RFID) technology developed by Schindler to identify passenger destinations. The hall call destination system is very popular in the market and is used today in Schindler's PORT technology.

Latin America: further strengthening of market position

Latin America has continued on its growth path, with a positive impact on construction activity. This led to a pleasing level of orders received throughout Latin America. The projects won by Schindler in this market include a contract to deliver 16 Schindler 7000 high-rise elevators and 2 Schindler 3300 elevators for the Parque Titanium complex in Santiago, Chile.

In Mexico City, Schindler will supply 2 escalators, 10 Schindler 7000 high-rise elevators and 5 further elevators for the Insurgentes 1460 tower. To ensure the optimal vertical flow of passengers throughout the building, the high-rise elevators will be equipped with the innovative PORT technology.

In Colombia, Schindler acquired a leading elevator manufacturer. In future, the new company – which will operate under the name Schindler Andino – will offer elevator and escalator products from both providers.

Asia and Middle East

Revenue:
 CHF 1 719 million

Headcount at year-end:
 11 851

Number of countries:
 30

Number of production sites:
 4

Asia and Middle East

Very good level of orders received

China and India were the strongest growth markets in Asia. In the Middle East, Saudi Arabia displayed a good level of growth. Schindler strengthened its market position throughout the region and recorded a very good level of orders received.

China

The Chinese market experienced a very good level of growth. China remains by far the most important market worldwide.

Schindler acquired a 46% stake in Xuchang Xiji Elevator Co. Ltd. The new joint venture XJ Schindler (Xuchang) Elevator Co. Ltd. is headquartered in Henan Province in the center of the country. Schindler’s participation in the company strengthens its position in the rapidly growing affordable housing segment. It also boosts Schindler’s presence in the country’s second- and third-tier cities, which have high urbanization rates and are the fastest growing elevator and escalator markets.

Schindler also secured orders for a number of notable projects such as the Jin Hongqiao International Center in Shanghai, which it will supply with a total of 24 Schindler 7000 high-rise elevators, including 20 with PORT technology. In addition, a total of 20 elevators will be installed in the People’s Daily office building in Beijing, including 14 Schindler 7000 high-rise elevators with PORT technology to optimize the transit of passengers within the building.

India and other markets

In Pune City, southwest of Mumbai, India, Schindler established a new Corporate Research & Development center to address the needs of this dynamic growth market even more effectively.

Schindler also won a number of major contracts in Pune, such as an order to supply 71 Schindler 3300 AP elevators to the Mhada Malwani and Mhada Shimpoli residential complex, as well as an order for 43 Schindler elevators for Nanded City. In Mumbai, the Sir Harkisandas Narottamdas (H.N.) Hospital will be equipped with a total of 9 Schindler 7000 high-rise elevators.

In Melbourne, Australia, the elevators in the 90 Collins Street office building will be upgraded with innovative PORT technology. In addition, AMP – one of the largest Australian owners of commercial real estate – awarded Schindler a maintenance contract for 155 installations in 23 commercial properties across the country.

In Singapore, the south tower of Marina View will be equipped with 34 high-rise elevators and 6 further elevators.

In Incheon, South Korea, four towers at Cheongra The Lake Park will be equipped with 17 Schindler 7000 high-rise elevators.

In Saudi Arabia, Schindler entered into a partnership with Olayan, under which Olayan Financing Company (OFC) acquired a 10% minority stake in Saudi Elevator Company Ltd. from Schindler. The company was renamed Schindler Olayan Elevator Company Ltd. In Riyadh, Schindler was awarded a follow-up contract to supply the ITCC Convention Hotel with 14 elevators. The King Abdullah Center for Tumors and Liver Diseases will be equipped with 19 elevators.

Outlook

Schindler expects the economies of China, India, and Latin America to achieve further growth. In North America, signs of an upward trend are visible. Developments in Europe vary from market to market. Based on this assessment, Schindler has decided to implement LEAP – a package of measures designed to expand its structures or to adapt them to lower levels of demand in its different regions in order to further enhance the positioning of the company and to make it more competitive. See page 15 for further details.

Europe

Austria	G3 Shopping Resort, Gerasdorf	12 Schindler 2400 elevators and 12 Schindler 9300 escalators
	Main Station, Vienna	29 Schindler 9700 escalators
	Aistgasse, residential buildings, Vienna	41 Schindler 3300 elevators
	Forum 1, shopping mall, Salzburg	4 elevators, including 2 Schindler 6300 and 1 Schindler 2400; as well as 6 Schindler 9300 escalators
	OBI Markt Nord, shopping mall, Graz	2 Schindler 2600 elevators and 2 Schindler 9500 moving walks
Belgium	London Tower & North Tower, office buildings, Antwerp	9 Schindler 5400 elevators
	Justice Court, Hasselt	9 Schindler 5400 elevators
Croatia	Supernova Buzin, shopping mall, Zagreb	19 elevators, including 10 Schindler 5400 and 9 Schindler 2400
	Colosseum, shopping mall, Slavonski Brod	7 elevators, including 2 Schindler 5400 and 5 Schindler 2400; as well as 8 Schindler 9300 escalators and 2 Schindler 9500 moving walks
Czech Republic	Gomel Hotel, České Budejovice	9 elevators, including 6 Schindler 5300, 2 Schindler 3300 and 1 Schindler 2200
	Výhledy Barrandov, residential buildings, Prague	8 Schindler 3300 elevators
France	Galleries Lafayette, shopping malls, various cities	41 Schindler 9300 escalators
	Auchan, shopping mall, Epinay	17 elevators, including 15 Schindler 5400 and 2 Schindler 2600; as well as 1 Schindler 9300 AE escalator and 13 Schindler 9500 moving walks
	BNP Paribas, office building, Paris	13 elevators, including 10 Schindler 5400, 2 Schindler 2400 and 1 Schindler 5300
	Le Nexans, office building, Lyon	9 elevators, including 6 Schindler 5400 and 3 Schindler 5300
	Louis-Daniel Beauperthuy Hospital, Pointe-Noire, Guadeloupe	13 elevators, including 6 Schindler 5400, 3 Schindler 5300 and 4 Schindler 2500
Germany	Kapstadtring, office building, Hamburg	2 elevators, including 1 Schindler 5500; as well as 17 Schindler 9300 AE escalators
	Deutsche Bahn, various railway stations	49 escalators, including 27 Schindler 9300 and 22 Schindler 9700
	Arneken Galerie, shopping mall, Hildesheim	15 elevators, including 8 Schindler 5400, 4 Schindler 5300, 2 Schindler 2600 and 1 Schindler 2400; as well as 8 Schindler 9300 AE escalators
	Sevens, shopping mall, Düsseldorf	4 elevators, including 1 Schindler 5400 and 1 Schindler 3300; as well as 14 Schindler 9300 AE escalators
	Carlebach Park, residential buildings, Lübeck	20 Schindler 3300 elevators
Hungary	Neues Berlin, residential buildings, Berlin	Modernization of 33 elevators
	Green House, office buildings, Budapest	6 elevators, including 4 Schindler 5400 and 2 Schindler 2600
	Mercedes-Benz, automobile factory, Kecskemét	4 freight elevators
	Akadémia Park Officium, office buildings, Budapest	5 elevators, including 4 Schindler 5400 and 1 Schindler 5300
	Skála, shopping mall, Székesfehérvár	4 Schindler 9300 escalators
Iceland	Sætun 8, office building, Reykjavik	2 Schindler 5300 elevators
	Húsgagnahöllin, shopping mall, Reykjavik	2 Schindler 9300 escalators
	Hotel Klettur, Reykjavik	3 Schindler 5300 elevators

Europe

Italy	Milan-Malpensa Airport, Terminal 1, Milan	39 elevators, including 26 Schindler 5400, 6 Schindler 2400 and 3 Schindler 2500; as well as 18 Schindler 9300 AE escalators and 10 Schindler 9500 moving walks
	Città dei Giovani, office and commercial buildings, Rome	21 elevators, including 13 Schindler 5300; as well as 12 Schindler 9300 AE escalators
	Rome Metro, Jonio Station, Rome	6 Schindler 5400 elevators and 22 Schindler 9300 AE escalators
	Italian Post, various cities	Maintenance contract for 920 elevators
Kazakhstan	History Museum, Astana	15 elevators, including 13 Schindler 3300 AP and 2 Schindler S20; as well as 18 Schindler 9300 AE escalators
Lithuania	Beta Business Centre, office building, Vilnius	6 Schindler 5400 elevators
	Klaipeda Hospital, Klaipeda	Modernization of 10 elevators with Schindler 5400
	Siauliai Hospital, Siauliai	Modernization of 7 elevators with Schindler 5400
Netherlands	ProRail, transport interchanges, Utrecht, Delft and Zwolle	33 Schindler 9700 escalators
Poland	Millenium Hall, shopping mall, Rzeszów	15 elevators, including 4 Schindler 5400, 2 Schindler 5300, 8 Schindler 3300 and 1 Schindler 2400; as well as 24 Schindler 9300 escalators and 4 Schindler 9500 moving walks
	Oligo Park, residential buildings, Pruszków	18 Schindler 3300 elevators
	Zespół Budynów Mieszkalnych Myśliwska, residential buildings, Kraków	14 Schindler 3300 elevators
	Hala Widowiskowo-Sportowa, commercial buildings, Szczecin	13 elevators, including 11 Schindler 5300 and 1 Schindler 5400
	Spółdzielnia Mieszkaniowa Pojezierze, residential buildings, Olsztyn	87 Schindler 6300 elevators
Portugal	Lagoa das Garças, residential buildings, Algarve	30 Schindler 3300 elevators
	Urbanização do Espartal, residential buildings, Algarve	21 Schindler 3100 elevators
	Holiday Inn Hotel, Lisbon	4 Schindler 3300 elevators
	Edifícios Sache, residential buildings, Porto	14 Schindler 3300 elevators
	Corinthia Hotel, Lisbon	Modernization of 4 elevators with Miconic 10 and Schindler ID
Romania	Floreasca City, shopping mall, office and commercial buildings, Bucharest	16 elevators, including 10 Schindler 7000 and 6 Schindler 5400
	National Library, Bucharest	16 Schindler 5400 elevators and 14 dumbwaiters; as well as 2 Schindler 9300 escalators
	Uvertura City Mall, Botosani	6 elevators, including 3 Schindler 3400 and 3 Schindler 5400; as well as 10 Schindler 9300 escalators
Russia	Moscow Domodedovo Airport, Moscow	20 Schindler 9300 escalators
	Country Park, office building, Moscow	12 Schindler 5400 elevators
	Sukhanovo Park, residential buildings, Moscow	29 Schindler 3300 elevators
	Hotel for the International Olympic Committee (IOC), Sochi	19 elevators, including 10 Schindler 5400, 4 Schindler 5300, and 3 Schindler 2600
	Gemma, shopping mall and office building, Moscow	2 Schindler 5300 elevators and 14 Schindler 9300 escalators

Europe

Serbia	Raiffeisen Bank, head office, Belgrade	6 elevators, including 5 Schindler 5400 and 1 Schindler 2400
	Falkensteiner Hotel, Belgrade	8 elevators, including 3 Schindler 5400 and 5 Schindler 5300
	Jabučko Ravnište Hotel, Stara Planina	8 elevators, including 4 Schindler 5400 and 4 Schindler 5300
	Metropol Palace Hotel, Belgrade	12 elevators, including 4 Schindler 5400, 6 Schindler 5300 and 2 Schindler 6300
	Serbian Government building, Belgrade	Modernization of 2 Schindler 5400 elevators with Miconic 10
Slovakia	Centrál, shopping mall, hotel, office and commercial complex, Bratislava	24 elevators, including 12 Schindler 5400, 4 Schindler 2400, 8 Schindler 2600; as well as 20 Schindler 9300 escalators and 4 Schindler 9500 moving walks
	3nity LifeStyle Residence, shopping mall, office, commercial and residential buildings, Bratislava	12 Schindler 5400 elevators and 4 Schindler 9300 escalators
	BBC 1 Plus, shopping mall, office and commercial building, Bratislava	10 elevators, including 6 Schindler 5400 and 4 Schindler 3300
Slovenia	Residential buildings, Borovnica	14 Schindler 6300 elevators
Spain	El Corte Inglés, shopping mall, La Coruña	5 elevators, including 3 Schindler 2400 and 2 Schindler 2600; as well as 12 Schindler 9300 AE escalators and 6 Schindler 9500 moving walks
	Ministry of Economy and Finance, government building, Madrid	Modernization of 4 elevators with Miconic 10
	Airport extension, Las Palmas de Gran Canaria	26 elevators, including 19 Schindler 5300, 5 Schindler 2400 and 2 Schindler 5400; as well as 6 Schindler 9300 AE escalators and 8 Schindler 9500 moving walks
	Mutua Madrileña, office building, Madrid	Modernization of 4 elevators with Miconic 10
	Barcelona Design Centre, commercial building, Barcelona	9 elevators, including 3 Schindler 5300, 3 Schindler 5400 and 2 lifting platforms; as well as 12 Schindler 9300 AE escalators
	Shopping mall, Mahón, Palma de Mallorca	12 elevators, including 4 Schindler 5300, 7 Schindler 5400 and 1 lifting platform; as well as 6 Schindler 9300 AE escalators and 6 Schindler 9500 AE moving walks
Sweden	Bromma Blocks, shopping mall, Stockholm	23 Schindler 9300 AE escalators
	Skattehuset, office building, Stockholm	10 Schindler 5400 elevators with Miconic 10 and Schindler ID
Switzerland	Cross-city link, railway project, Zurich	56 Schindler 9300 AE escalators
	InterContinental Resort & Spa, Davos	13 elevators, including 4 Schindler 5400, 7 Schindler 5500 and 2 Schindler 2400
	SkyKey, commercial and office building, Zurich	17 elevators, including 14 Schindler 5500, 2 Schindler 2600 and 1 Schindler 3300
	RailCity, shopping mall, Berne	Modernization of 11 elevators
Turkey	Four Winds, residential buildings, Istanbul	19 elevators, including 16 Schindler 7000 and 3 Schindler 3300
	Buyaka, shopping mall and office building, Istanbul	18 elevators, including 11 Schindler 5400 AP, 4 Schindler 3300 AP, 2 Schindler 5400 and 1 Schindler 3300; as well as 28 Schindler 9300 AE escalators
	Ninova, shopping mall, Diyarbakir	4 elevators, including 2 Schindler 5400 AP and 2 Schindler 3300 AP; as well as 10 Schindler 9300 AE escalators and 4 Schindler 9500 moving walks
United Kingdom	Canary Wharf Crossrail station, London	7 Schindler 2600 elevators, 2 Schindler 9300 escalators and 17 Schindler 9700 escalators
	Tyne and Wear Metro, various stations, North East England	5 Schindler 9300 escalators

Museum Novecento; Milan, Italy



Technopôle de Bouygues Telecom, office building; Meudon, France



Bromma Blocks, shopping mall; Stockholm, Sweden



SkyTower, Floreasca City, high-rise office building; Bucharest, Romania



Hotel Falkensteiner; Belgrade, Serbia



Hafenspitze, hotel and office buildings; Düsseldorf, Germany



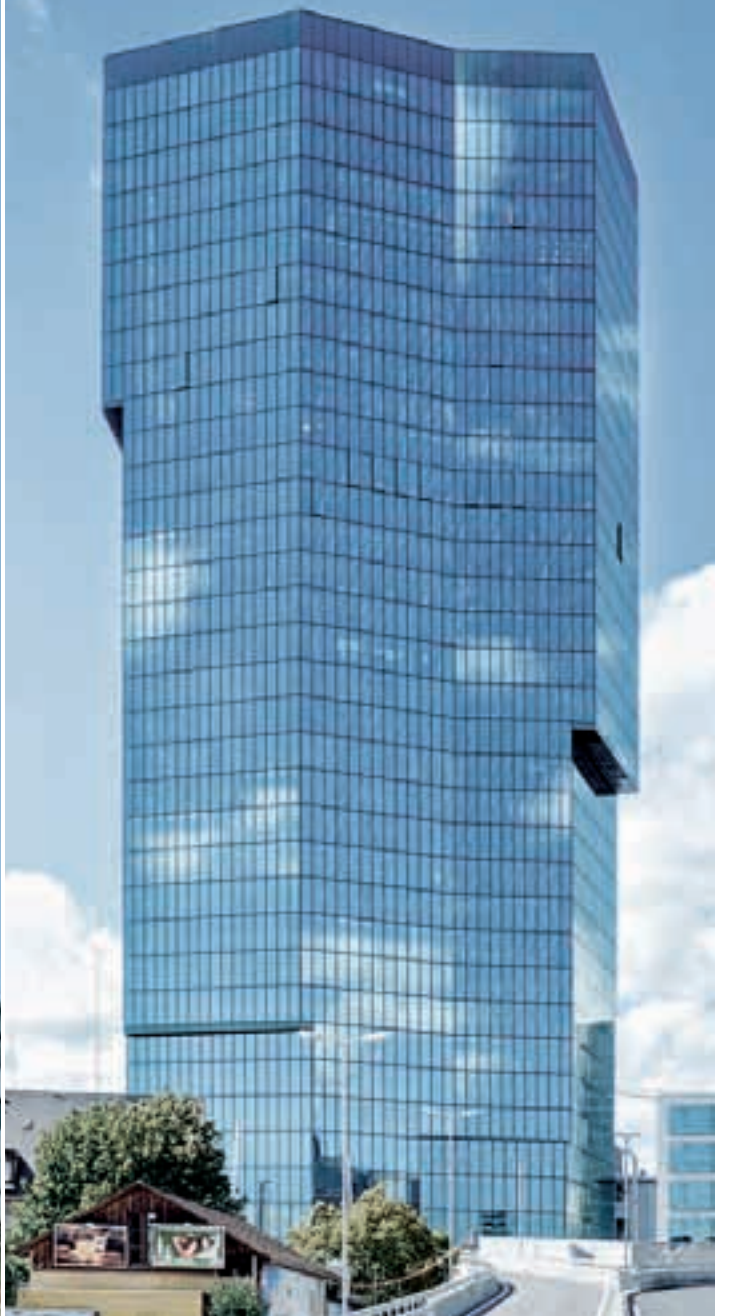
Millenium Hall, shopping mall; Rzeszów, Poland



Torre Iberdrola, office building; Bilbao, Spain



Prime Tower, commercial and office buildings; Zurich, Switzerland



Vienna Main Station; Austria



North, Central, and South America

Alabama	Birmingham Shuttlesworth International Airport, Birmingham	15 elevators, including 3 Schindler 400A, 11 Schindler 330A and 1 hydraulic elevator; as well as 7 Schindler 9300 escalators
Arkansas	University of Arkansas for Medical Sciences, Little Rock	Maintenance contract for 88 elevators
California	650 Newport Center Drive, office building, Newport Beach	7 Schindler 7000 elevators with Schindler ID
	Bay Area Rapid Transit, Warm Springs Station, Newark	6 Schindler 9700 escalators
	Community Regional Medical Center, Fresno	Maintenance contract for 29 elevators
Connecticut	Pfizer, Central Research Facility, Groton	Maintenance contract for 52 elevators and 2 escalators
District of Columbia		
Columbia	Columbia Square, office building, Washington D.C.	Modernization of 15 elevators
Florida	Miami-Dade Transit, six Metromover stations	7 Schindler 9300 escalators
	Miami International Airport, Miami	Maintenance contract for 62 elevators, 67 escalators and 2 moving walks
Nevada	Caesars Entertainment Corporation headquarters, hotels and casinos, Las Vegas	National maintenance contract for 1 041 elevators and 239 escalators
	MGM Grand, hotel and casino, Las Vegas	Maintenance contract for 54 escalators
	New York	World Trade Center Retail, shopping mall, New York
Ohio	Delta Terminal, John F. Kennedy International Airport, New York	6 elevators, including 5 Schindler 330A; as well as 2 Schindler 9300 escalators and 11 Schindler 9500 moving walks
	Albany Medical Center, Patient Tower, New York	18 elevators, including 9 Schindler 400A, 3 Schindler 500A, 2 hydraulic elevators and 4 lifting platforms
	The New School, university and dormitories, New York	9 elevators, including 8 Schindler 7000 and 1 Schindler 330A
	W New York – Times Square, hotel, New York	Maintenance contract for 13 elevators
	The InterContinental Hotel, New York	Maintenance contract for 11 elevators and 2 escalators
	1290 Avenue of the Americas, office building, New York	Modernization of 32 elevators with Schindler ID
	Ohio	Cleveland Medical Mart & Convention Center, Cleveland
Pennsylvania	Consol Energy Center, sports and entertainment venue, Pittsburgh	Maintenance contract for 11 elevators and 13 escalators
Tennessee	One Commerce Square, office building, Memphis	Modernization of 10 elevators
Texas	University Hospital, San Antonio	35 elevators, including 27 Schindler 400A and, 3 Schindler 330A and 3 dumbwaiters
	Lincoln Center, office buildings, Dallas	Maintenance contract for 47 elevators
	Four Oaks Place, office building, Houston	Modernization of 32 elevators
	Four Houston Center, office building and shopping mall, Houston	Modernization of 12 elevators
	JP Morgan Chase Building, 712 Main Street, office building, Houston	Modernization of 9 elevators with Schindler ID
	Overton Center Tower, office building, Dallas	Modernization of 10 elevators
	Washington	Sound Transit, University of Washington railway station, Seattle

North, Central, and South America

Canada	Calgary International Airport, Calgary	38 elevators, including 5 Schindler 400A and 17 Schindler 330A; as well as 23 Schindler 9300 escalators and 8 Schindler 9500 moving walks; and maintenance contract for 42 elevators, 37 escalators and 3 moving walks
	Altitude, residential building, Montreal	7 elevators, including 5 Schindler 7000 and 2 Schindler 400A
	Toronto Transit Commission, various subway stations, Toronto	20 Schindler 9700 escalators
	High Street, shopping mall, Vancouver	11 elevators, including 9 Schindler 330A; as well as 8 Schindler 9300 escalators
	IKEA, Richmond	13 elevators and 3 Schindler 9300 escalators
	University of Alberta, Edmonton	Maintenance contract for 187 elevators
	Metrotower 1, shopping mall, office and commercial building, Vancouver	Modernization of 6 elevators with Schindler ID
	Yorkdale Shopping Centre, Toronto	2 elevators, including 1 Schindler 330A; as well as 4 Schindler 9300 escalators
Argentina	Sanatorio Finochietto, hospital, Buenos Aires	11 elevators, including 9 Schindler 5400 and 2 Schindler 2600
Brazil	Edificio-Sede da Odebrecht, office building, São Paulo	20 elevators, including 11 Schindler 7000 with Miconic 10 and Schindler ID, 4 Schindler 5500, 1 Schindler 3300, 3 Schindler 300L and 1 hydraulic elevator
	Club Life Morumbi, residential buildings, São Paulo	34 elevators, including 32 Schindler 300L and 2 Schindler 3100
	Centro Tecnológico Itaú Unibanco, bank, São Paulo	Modernization of 21 Schindler 300L elevators
	Boulevard Londrina Shopping, shopping mall, Londrina	12 Schindler 300L elevators, 12 Schindler 9300 escalators and 2 Schindler 9500 moving walks
	Edificio Grande São Paulo, office building, São Paulo	Modernization of 10 Schindler 300L with Miconic 10 and 1 Schindler 5300
Chile	Parque Titanium, Towers B and C, office buildings, Santiago	18 elevators, including 16 Schindler 7000 and 2 Schindler 3300 AP
	Cerro El Plomo, office building, Santiago	13 elevators, including 10 Schindler 7000 and 3 Schindler 5400 AP; as well as 2 Schindler 9300 escalators
	Apoquindo 5400, office building, Santiago	7 Schindler 7000 elevators
	Security II, office building, Santiago	6 Schindler 7000 elevators
Mexico	Lomas Verdes, shopping mall, Mexico City	5 elevators, including 3 Schindler 5400 and 2 Schindler 330A; as well as 4 Schindler 9300 AE escalators and 8 Schindler 9500 moving walks
	Centro Civico, office building, Tulancingo	2 Schindler 3300 AP elevators and 4 Schindler 9300 AE escalators
Uruguay	Ocean Drive, residential building, Punta del Este	6 Schindler 5400 elevators
	One, residential building, Punta del Este	6 Schindler 5400 elevators

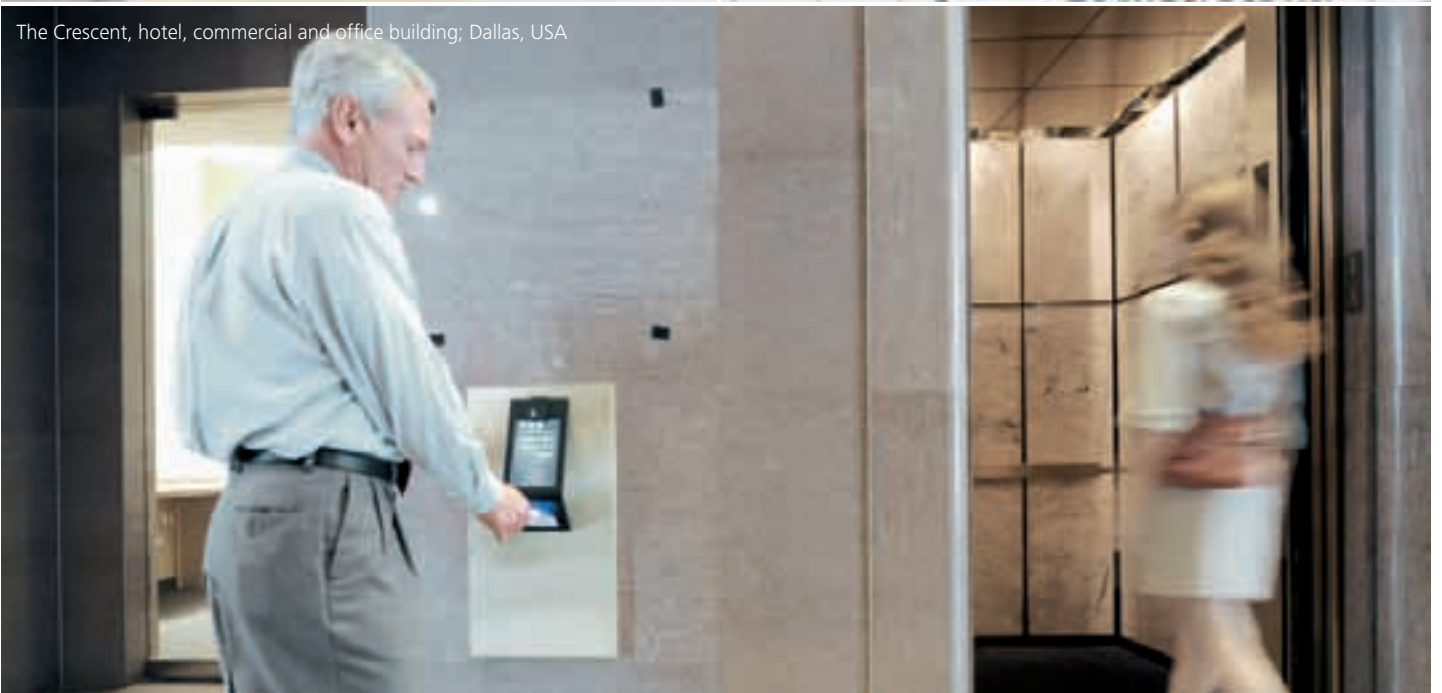
Core, shopping mall; Calgary, Canada



Metrotower 1, shopping mall, commercial and office building; Vancouver, Canada



The Crescent, hotel, commercial and office building; Dallas, USA



Torre del Ángel, office building; Mexico City, Mexico



Costanera Center, shopping mall, commercial and office buildings; Santiago, Chile



Pátio Faria Lima, office buildings; São Paulo, Brazil



Asia, Australia, and Africa

China	Culture Center, shopping mall, Tianjin	100 Schindler 9300 AE escalators
	Jiangbeizui Commercial Business District, Finance City 2, office and commercial buildings, Chongqing	49 elevators, including 39 Schindler 7000 and 10 Schindler 5400 AP
	Banghua International, office building, Guangzhou	20 elevators, including 16 Schindler 7000, 3 Schindler 5400 AP and 1 Schindler 80L
	Jiangyin Hongjia Heyuan, residential buildings, Wuxi	216 Schindler 3300 AP elevators
	Shenzhen Bay Sports Center, hotel and sports venue, Shenzhen	31 elevators, including 3 Schindler 7000, 25 Schindler 5400 AP and 3 Schindler 80L; as well as 10 Schindler 9300 AE escalators
	Hyatt Hotel, Shenyang	14 elevators, including 11 Schindler 7000 and 3 Schindler 5400 AP; as well as 6 Schindler 9300 AE escalators
	Hyatt Hotel, Dalian	28 elevators, including 21 Schindler 7000 and 7 Schindler 5400 AP; as well as 4 Schindler 9300 AE escalators
	West Harbin Railway Station, Haxi district, Harbin	26 elevators, including 14 Schindler 5400 AP and 12 Schindler 3300 AP; as well as 63 Schindler 9300 AE escalators and 6 Schindler 9500 moving walks
	Shenglong Phoenix City, commercial building, Zhengzhou	108 Schindler 9300 AE escalators
	International Expo Center, Guiyang	128 Schindler 9300 AE escalators and 4 Schindler 9500 moving walks
	Aviation Plaza, shopping mall and office building, Ningbo	20 Schindler 7000 elevators
	Tsuen Wan Town Lot 403 at Tsuen Wan West Station, residential buildings, Hong Kong	37 elevators, including 28 Schindler 7000 and 8 Schindler 5400
	Tai Tong 116, residential buildings, Hong Kong	39 Schindler 3500 elevators
	Lohas Park, Package 2, Stage 3, residential buildings, Hong Kong	18 Schindler 7000 elevators
	Tseung Kwan O Area 85, Site A, residential buildings, Hong Kong	25 elevators, including 24 Schindler 3500 and 1 Schindler 3400; as well as 2 Schindler 9300 AE escalators
	Sha Tin Area 52, Phase 1, public housing development, Hong Kong	17 elevators, including 3 Schindler 7000 and 2 Schindler 3400; as well as 8 Schindler 9300 AE escalators
	Three Hong Kong Housing Authority estates, Hong Kong	Modernization of 93 elevators
	One Oasis, residential buildings, Macau	62 elevators, including 40 Schindler 7000 and 22 Schindler 3400
India	Mhada Malwani and Mhada Shimpoli, residential buildings, Mumbai	71 Schindler 3300 AP elevators
	Nanded City, residential buildings, Pune	43 elevators, including 32 Schindler 3300 IN and 11 Schindler 3300 AP
	Haridwar Greens, residential buildings, Haridwar	50 Schindler 3100 IN elevators
Indonesia	Alam Sutera Mall, shopping mall, Serpong, Tangerang	40 Schindler 9300 AE escalators
Japan	Canal City Hakata, East Building, shopping mall, Fukuoka	15 Schindler 9300 AE escalators
Korea	Cheongra The Lake Park, residential buildings, Incheon	18 elevators, including 17 Schindler 7000 and 1 Schindler 5300
	IT Valley, office buildings, Yongin	23 elevators, including 10 Schindler 7000, 9 Schindler 5400 and 2 Schindler 5300; as well as 6 Schindler 9300 escalators
	Homeplus, shopping malls, various locations	20 elevators and 56 Schindler 9500 moving walks

Asia, Australia, and Africa

Malaysia	Sunsuria 7th Avenue, office building, Setia Alam	57 Schindler 5300 elevators
	Kinrara Residence, residential buildings, Puchong, Kuala Lumpur	29 Schindler 3300 elevators
	The Atmosphere, Phases 1 and 2D, office buildings, Petaling Jaya	28 Schindler 5300 elevators and 4 Schindler 9300 AE escalators
	E and O Semi D, residential buildings, Penang	28 Schindler 3300 elevators
	University College Sedaya International, Port Dickson	20 Schindler 5400 elevators and 4 Schindler 9300 AE escalators
	Capital Square, office building, Kuala Lumpur	Modernization of 16 elevators
Philippines	One Shangri-La Place, shopping mall and residential buildings, Mandaluyong City	21 elevators, including 14 Schindler 7000 and 6 Schindler 5400; as well as 40 Schindler 9300 AE escalators
	Shangri-La at the Fort, hotel and shopping mall, Taguig	33 elevators, including 20 Schindler 7000 and 12 Schindler 5400; as well as 12 Schindler 9300 AE escalators
	Jazz Residences, shopping mall and residential buildings, Makati City	27 elevators, including 20 Schindler 7000, 5 Schindler 5400 and 2 Schindler 2600
	Gateway Tower, office building, Quezon City	9 Schindler 7000 elevators and 8 Schindler 9300 AE escalators
	Twin Oaks Place, shopping mall and residential buildings, Mandaluyong	7 elevators, including 5 Schindler 7000 and 2 Schindler 3300; as well as 8 Schindler 9300 AE escalators
Singapore	Asia Square Tower 2, office building	40 elevators, including 34 Schindler 7000 and 5 Schindler 5400; as well as 10 Schindler 9300 AE escalators and 4 Schindler 9500 moving walks
	University Hospital	28 elevators, including 22 Schindler 7000 and 6 Schindler 5400; as well as 10 Schindler 9300 AE escalators
	Institute of Technical Education, College Central	19 elevators, including 18 Schindler 5400; as well as 14 Schindler 9300 AE escalators
	The Greenwich, residential building	20 elevators, including 19 Schindler 3400; as well as 1 Schindler 9300 AE escalator
	Chinatown Point, shopping mall	2 Schindler 5400 elevators and 12 Schindler 9300 AE escalators; as well as modernization of 29 elevators
Taiwan	Mei-Fu-Tan Mei, Phases 1 & 2, commercial buildings, Taipei	59 elevators, including 40 Schindler 5400 and 19 Schindler 5300; as well as 10 Schindler 9300 AE escalators
	Tai Xi, residential building, Taichung	25 Schindler 3300 elevators
Thailand	Ten residential developments by Sansiri, Bangkok	53 elevators, including 37 Schindler 3500 and 16 Schindler 3300
	Five residential developments by Preuksa, Bangkok	28 elevators, including 23 Schindler 3500 and 5 Schindler 3300
	Airport Link Square, hotel and commercial building, Bangkok	13 elevators, including 6 Schindler 5400 and 7 Schindler 5300; as well as 38 Schindler 9300 AE escalators
	Seven residential developments by Regent Green Power, Bangkok	22 Schindler 3300 elevators
	Plaza Athenee Hotel, Bangkok	Modernization of 4 elevators
Vietnam	Vincom Eden Center, shopping mall and commercial building, Ho Chi Minh City	12 Schindler 5500 elevators and 40 Schindler 9300 AE escalators
	Cantavil Premier, residential buildings, Ho Chi Minh City	13 elevators, including 6 Schindler 5400 and 7 Schindler 5500; as well as 14 Schindler 9300 escalators
	Quang Trung Software Park, Ho Chi Minh City	6 Schindler 5400 elevators and 20 Schindler 9300 AE escalators
	VinMedicare Hospital, Hanoi	18 Schindler 5500 elevators
	Angsana Hotel & Resort, Hue	12 elevators, including 7 Schindler 5300 and 4 Schindler 5400

Asia, Australia, and Africa

Australia	AMP Limited, office and commercial buildings, various locations	Maintenance contract for 155 elevators
New Zealand	Auckland University of Technology, WG Learning Precinct, Auckland	4 Schindler 5400 elevators and 6 Schindler 9300 escalators
	ASB Bank, Auckland	5 elevators, including 3 Schindler 5400, 1 Schindler 3300 AP and 1 Schindler 2600; as well as 2 Schindler 9300 escalators
	Taranaki Base Hospital, New Plymouth	3 Schindler 2500 elevators
Morocco	Tikida Beach Hotel, Agadir	14 Schindler 5300 elevators
	International University, Rabat (UIR)	9 Schindler 3400 elevators
	International University Hospital Cheikh Zaid, Rabat	9 elevators, including 7 Schindler 5400 and 2 Schindler 2500; as well as modernization of 6 elevators
South Africa	115 West Street, office building, Sandton	11 elevators, including 9 Schindler 5400 AP and 2 Schindler 5400 EU; as well as 14 Schindler 9300 AP escalators
	The Cascades Sun City Hotel, Pilanesberg	Modernization of 3 elevators
	North Beach Hotel, Durban	Modernization of 9 elevators
Iran	Isfahan City Center, hotel, shopping mall and commercial buildings, Isfahan	21 Schindler 5400 elevators, 70 Schindler 9300 escalators and 8 Schindler 9500 moving walks
Israel	Grand Mall, Beer Sheeva	23 elevators, including 14 Schindler 5400 and 9 Schindler 2600; as well as 14 Schindler 9300 escalators
	Vita Tower, office building, Tel Aviv	5 Schindler 7000 elevators
	Kiryat Migdal, office buildings, Petah Tikva	17 elevators, including 4 Schindler 7000 and 13 Schindler 5400
Qatar	Falcon Tower, residential building, Doha	17 elevators, including 8 Schindler 7000 and 5 Schindler 5300
	Barwa City, commercial and residential buildings, Doha	25 elevators, including 19 Schindler 3300 AP and 5 Schindler 5400 AP
Saudi Arabia	Le Prestigious Mall, Jeddah	12 elevators and 6 Schindler 9300 EU escalators
	Al Magaliya, shopping mall, Riyadh	30 elevators and 16 Schindler 9300 EU escalators
	King Faisal Specialist Hospital & Research Center, Phase II, Riyadh	66 elevators
	King Abdullah Center for Tumors and Liver Diseases, Riyadh	19 elevators

161 Castlereagh Street, office building; Sydney, Australia



Court building; Riyadh, Saudi Arabia



Canal City Hakata, East Building, shopping mall; Fukuoka, Japan



Dubai Mall, shopping mall; Dubai, United Arab Emirates



Kai Yuan International Center, hotel, commercial and office buildings; Hebei, China



Orchard Central, shopping mall; Singapore



West Harbin Railway Station, Haxi District; Harbin, China



Run Hua International Center, shopping mall and office building; Nantong, China



Grand Indonesia Shopping Town, shopping mall; Jakarta, Indonesia



D-Cube City, shopping mall; Seoul, Korea



Groundbreaking new technology to manage the flow of passengers

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

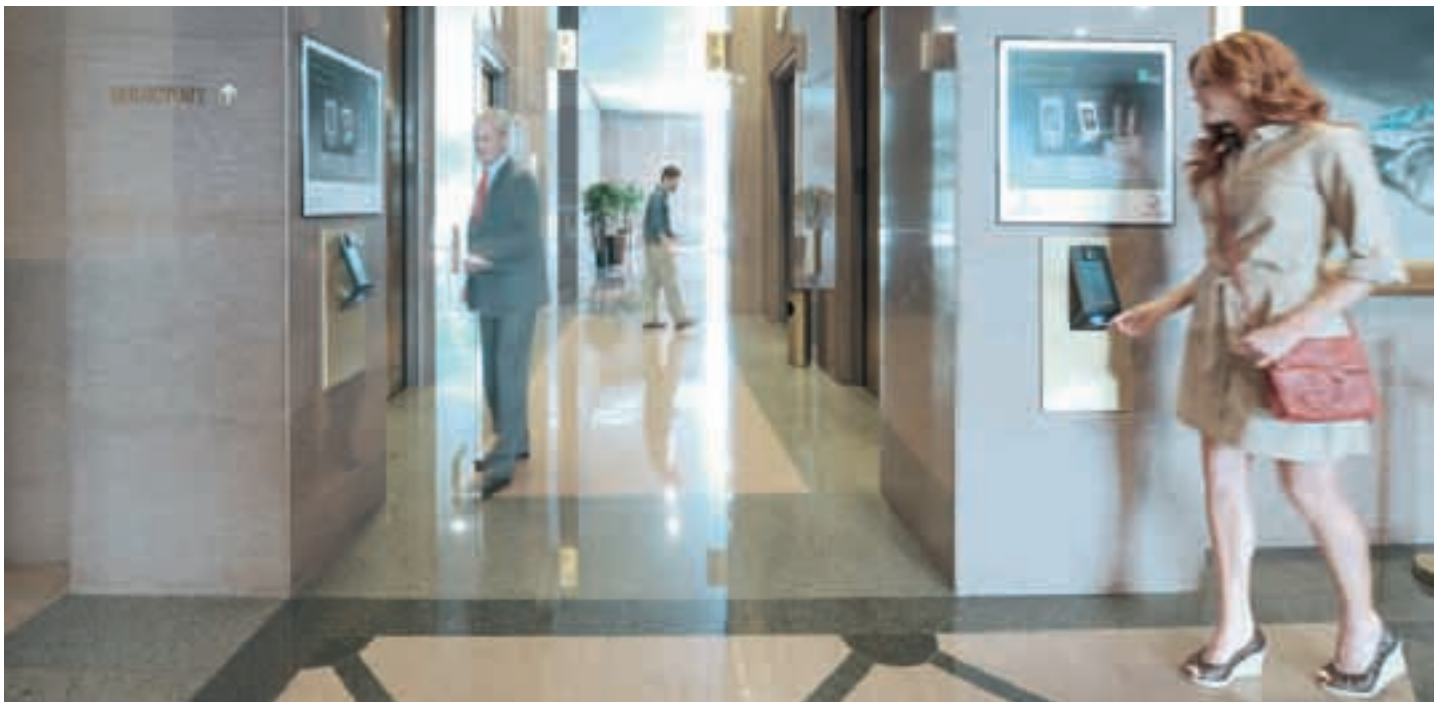
In 2009, Schindler launched its PORT technology, which centers on a Personal Occupant Requirement Terminal (PORT) – a universal communication system that is interconnected throughout the building. This communication platform makes it possible to calculate the optimal route to any destination in the building while ensuring a high level of security: residents, visitors and delivery agents are identified and their authorization is checked at the entrance to the building using a preprogrammed access card. This individual identification process also enables the hall call destination system to calculate the swiftest route from any point in the building to the door of the individual's apartment or office. All passengers are automatically directed to the elevator with the shortest waiting time.

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

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

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

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



The most important orders worldwide

Australia	90 Collins Street, office and commercial building, Melbourne	Modernization of 10 Schindler 5400 elevators with PORT technology
	C7 Docklands, office and commercial building, Melbourne	4 Schindler 5400 elevators with PORT technology
Canada	World on Yonge, shopping mall, hotel, office and residential buildings, Toronto	29 elevators, including 19 Schindler 7000 – 5 with PORT technology, 5 Schindler 330A and 2 Schindler 400A; as well as 4 Schindler 9300 escalators
	Hyatt Regency Hotel, Vancouver	Modernization of 5 elevators with PORT technology
China	Hua Zhi Plaza, shopping mall, hotel, office and residential buildings, Chengdu	76 elevators, including 43 Schindler 7000 with PORT technology, 32 Schindler 5400 AP, and 1 hydraulic elevator; as well as 50 Schindler 9300 AE escalators
	People's Daily, office building, Beijing	20 elevators, including 16 Schindler 7000 – 14 with PORT technology, 3 Schindler 5400 MRL and 1 Schindler 80L
	Jin Hongqiao International Center, hotel and office buildings, Shanghai	28 elevators, including 24 Schindler 7000 – 20 with PORT technology, and 4 Schindler 5400 AP
Indonesia	Ciputra World Jakarta, shopping mall and office buildings, Jakarta	20 elevators, including 18 Schindler 7000 with PORT technology and 2 Schindler 5400; as well as 94 Schindler 9300 AE escalators
	Rasuna Tower, office building, Jakarta	31 elevators, including 25 Schindler 7000 with PORT technology and 5 Schindler 5400; as well as 2 Schindler 9300 AE escalators
	The Convergence, office building, Jakarta	14 elevators, including 9 Schindler 7000 with PORT technology, 2 Schindler 5300 and 2 Schindler 5400; as well as 16 Schindler 9300 AE escalators
	Gudang Garam Tower, office building, Jakarta	12 elevators, including 8 Schindler 7000 with PORT technology and 4 Schindler 3300
	Menara Prima II, office building, Jakarta	14 elevators, including 10 Schindler 7000 with PORT technology and 4 Schindler 3300

The most important orders worldwide

Italy	SACE Spa, office building, Rome	Modernization of 4 elevators with PORT technology
Mexico	Reforma Rhin, office building, Mexico City	19 elevators, including 12 Schindler 7000 with PORT technology, 6 Schindler 5400 AP and 1 Schindler 5400 EU
	Insurgentes 1460, office building, Mexico City	15 elevators, including 10 Schindler 7000 with PORT technology, and 5 Schindler 5400 EU; as well as 2 Schindler 9300 AE escalators
Switzerland	Roche headquarters, Basel	14 Schindler 7000 elevators with PORT technology
Singapore	HSBC, bank, 21 Collyer Quay	Modernization of 7 elevators with PORT technology
United Arab Emirates	Concorde Tower, office building, Dubai	Modernization of 6 elevators with PORT technology
	Damas Towers, residential buildings, Dubai	Modernization of 5 elevators with PORT technology
United Kingdom	60 Holborn Viaduct, commercial building, London	11 elevators, including 7 Schindler 5400 with PORT technology and 1 Schindler 2400
	5–6 St James’s Square, office and residential buildings, London	15 elevators, including 9 Schindler 5400 with PORT technology and 3 Schindler 2400
United States of America	One California Plaza, office building, Los Angeles	Modernization of 28 elevators, of which 19 with PORT technology and Schindler ID; as well as maintenance contract for 28 elevators
	1800 Century Park East, office buildings, Los Angeles	Modernization of 17 elevators, of which 14 with PORT technology
	1500 K Street, office building, Washington D.C.	Modernization of 6 elevators with PORT technology
	500 North Lake Shore Drive, residential building, Chicago	5 Schindler 7000 elevators – 4 with PORT technology, and 2 Schindler 400A
	One Worldwide Plaza, office building, New York	Modernization of 27 elevators with PORT technology
	Fifth Avenue Place, office and commercial building, Pittsburgh	Modernization of 15 elevators with destination interface and PORT technology
	The Crescent, hotel, office and commercial building, Dallas	Modernization of 50 elevators, of which 24 with PORT technology; as well as 6 escalators
	8435 Stemmons Freeway, office building, Dallas	Modernization of 4 elevators with PORT technology
	Hilton Palacio del Rio Hotel, San Antonio	Modernization of 4 elevators with PORT technology

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Corporate Citizenship

Wide-ranging corporate commitments

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Corporate Citizenship

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

A dedicated corporate citizenship website

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

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

The following topics are examined in detail on the site:

Environment

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

Operational ecology performance indicators reveal that almost 60% of the company's environmental impact is attributable to the fleet of over 17 000 service vehicles in use globally. Particular attention is therefore being paid to reducing fuel consumption by optimizing scheduled journeys, and by selecting more environmentally friendly models when purchasing new vehicles.

Safety

The safety of over 44 000 employees, as well as of one billion passengers who use Schindler products each day, is the core element of our corporate responsibility. Consequently, our quality and safety standards are not restricted to our products: they apply to the entire company. A comprehensive internal and external risk and safety management system was therefore established at an early stage, since Schindler does not wish to – and cannot – make any compromises in the field of safety.

Employees

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

Values and social responsibility

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

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

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

Access for all

Barrier-free mobility for all members of society

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

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

Architecture students and schools throughout Europe who wish to participate in the Schindler Award 2012 can register until April 30, 2012, and subsequently submit their designs.

Further information can be found on the website:
www.schindleraward.com.

In view of the success of the Schindler Award to date, it is planned that it will no longer be limited to Europe in future and will, instead, also be open to participants in China and the Asia region.

“Green” elevators

LEED certification of buildings

Builders are increasingly seeking to obtain green certification for their buildings to document the fact that they have been designed and constructed according to sustainable principles. This is due, in particular, to the fact that these certifications increase both the value and the attractiveness of these properties. The American assessment system LEED (Leadership in Energy and Environmental Design) is a sustainability certification introduced by the US Green Building Council in 1998. The strict criteria applied under LEED are recognized throughout the world. The certification is based on a holistic view that encompasses the entire lifecycle of the buildings and their components. Energy-efficient elevators make an important contribution in this context.

Schindler has, for many years, been taking environmental standards into account when developing innovative and future-oriented technologies. For example, the reduction of energy consumption forms an integral part of the product development process. There are therefore large numbers of LEED-certified buildings around the globe featuring energy-efficient Schindler elevators.

Energy efficiency ratings

It is possible to determine just how energy-efficient an elevator is using the system of ratings which ranges from “A” (top level of energy efficiency) to “G.” The evaluation takes account of the amount of energy consumed by the elevator when operating and in standby mode. The measurements are based on the VDI 4707 standard, which was introduced in March 2009 by the Association of German Engineers to assess the energy efficiency of elevators.

Schindler 7000 high-rise elevator – “A” rating for energy efficiency

The consideration of ecological requirements is best illustrated by the Schindler 7000 global high-rise elevator, which is used in skyscrapers and other high-rise buildings throughout the world and has achieved an “A” rating for energy efficiency – meaning it belongs to the “greenest” category of elevators.

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

Schindler uses solar energy

Schindler has now developed the first solar elevator, which can operate using pure solar energy or a mix of solar energy and conventional electricity. This means that the elevator can run continuously – irrespective of weather conditions or the time of day. Any surplus solar energy is fed back into the building's electricity network.

Schindler's longstanding commitment to investing in the development of new technologies to achieve clean and sustainable mobility is underscored by its partnership with Solar Impulse. Schindler expects that the interdisciplinary cooperation between its engineers and the researchers and technical experts from leading technology firms will give rise to entirely new approaches that can subsequently be applied to the development of future products.

Further information on product ecology is available at:
http://ccr.schindler.com/product_ecology_intro_en,3619.html

Solar Impulse

Taking action today to address the challenges of tomorrow

The need for mobility is increasing, while energy resources are becoming scarcer and more expensive. Technology will have a significant part to play in solving this problem. Schindler and Solar Impulse share a common goal: to develop cutting-edge technologies that are capable of breaking through supposed technological limits to show an entirely new way forward. Solar Impulse is a pioneering initiative: the aircraft, which has the wingspan of an Airbus but is around 100 times lighter, will attempt to circle the globe in 2014 – travelling day and night without fuel and with sunlight as its only source of energy.

Schindler has also repeatedly set new standards in the elevator industry with its innovative technology – especially when it comes to achieving maximum energy efficiency. Examples include its machine room-less elevator, the hall call destination system, its drive without steel ropes, and PORT technology, as well as the recently launched solar elevator.

Clean and sustainable mobility

Solar Impulse is one of the most inspiring clean-tech projects of our time. It features groundbreaking technology: targeted innovations are revolutionizing the structure of the materials used in the aircraft, as well as improving its strength and reducing its weight.

These innovations will also benefit Schindler: Its engineers are part of an interdisciplinary team of researchers and technical experts from leading technology firms who are participating in an intensive exchange of knowledge about composite materials and their structures as part of the Solar Impulse project. The specialists' work is focused on tubular designs, new honeycomb structures with an extremely high torsional strength, and sophisticated solar technology. The resulting insights will be applied to Schindler's own future technological developments.

An innovative spirit is the key to the future

The power to innovate is derived from a willingness to embrace new approaches that go beyond mere linear advances. The Solar Impulse project is not simply aimed at using less fossil fuel – its goal is to dispense it entirely. Solar Impulse thus sends out a strong message about the potential of groundbreaking innovations. We share this pioneering spirit at Schindler – today and in the future.

Further information:

http://www.schindler.com/group-index/group-kg-about/group_kg_solar.htm
and <http://www.solarimpulse.com>



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Overview of
financial results

Consolidated income statement

In CHF million	2011	2010	2009 ¹	2009	2008	2007
Revenue	7 854	8 187	8 281	12 691	14 027	13 835
Operating expenses	7 064	7 237	7 347	11 717	13 138	13 005
Operating profit	790	950	934	974	889	830
Antitrust fines						293
Financial result	1	-17	-44	-64	-12	-51
Income from associates	-1	5	-6	-6	1	-
Profit before taxes	790	938	884	904	878	486
Income taxes	214	259	248	251	244	208
Profit from continuing operations	576	679	636			
Profit of the disposal group ALSO	35	32	17			
Net profit	611	711	653	653	634	278
Net profit attributable to:						
The owners of Schindler Holding Ltd.	586	677	625	625	615	254
Non-controlling interests	25	34	28	28	19	24
Profit from continuing operations attributable to:						
The owners of Schindler Holding Ltd.	551	654	613			
Non-controlling interests	25	25	23			

¹ Adjusted retrospectively in the 2010 financial statements due to the separate reporting of the disposal group ALSO.

Balance sheet December 31

In CHF million	2011	2010	2009	2008	2007
Current assets	5 098	5 402	5 103	4 956	4 927
Non-current assets	2 546	2 028	1 977	1 855 ¹	2 214
Total assets	7 644	7 430	7 080	6 811	7 141
Current liabilities	3 345	3 671	3 466	3 726	3 827
Non-current liabilities	1 482	940	1 093	1 049 ¹	1 232
Total liabilities	4 827	4 611	4 559	4 775	5 059
Equity	2 817	2 819	2 521	2 036 ¹	2 082
Owners of Schindler Holding Ltd.	2 782	2 715	2 412	1 925 ¹	1 957
Non-controlling interests	35	104	109	111	125
Total liabilities and equity	7 644	7 430	7 080	6 811	7 141

¹ Retrospective adjustment in the financial statements 2009

Cash flow statement

In CHF million	2011	2010	2009	2008	2007
Cash flow from operating activities	690	1 114	1 052	1 062	602
Cash flow from investing activities	-464	-361	215	-525	-11
Cash flow from financing activities	-102	-339	-624	-264	-511
Exchange differences	-41	-13	22	-45	-28
Change in cash and cash equivalents	83	401	665	228	52

Summary financial statements Schindler Holding Ltd.

Income statement

In CHF million	2011	2010	2009	2008	2007
Income from Group companies	683	766	553	520	398
Other revenue	60	10	26	44	546
Total revenue	743	776	579	564	944
Write-down, value adjustment, and change to provisions	27	73	54	82	28
Other expenses	45	33	34	54	42
Total expenses	72	106	88	136	70
Net profit for the year	671	670	491	428	874

Balance sheet December 31

In CHF million	2011	2010	2009	2008	2007
Current assets	2 359	1 483	1 135	1 219	1 052
Non-current assets	1 613	1 637	1 604	1 604	1 615
Total assets	3 972	3 120	2 739	2 823	2 667
Bonds	600	–	–	300	300
Other liabilities	439	503	553	528	404
Total liabilities	1 039	503	553	828	704
Share capital	7	7	7	7	7
Participation capital	5	5	5	5	5
Reserves	2 250	1 935	1 683	1 555	1 077
Net profit for the year	671	670	491	428	874
Total equity	2 933	2 617	2 186	1 995	1 963
Total liabilities and equity	3 972	3 120	2 739	2 823	2 667

Dividend payment

In CHF million	2011	2010	2009	2008	2007
Registered shares	144 ¹	211 ²	141	141	114
Participation certificates	97 ¹	144 ²	97	97	78
Total dividend payment	241¹	355²	238	238	192

¹ Proposal by the Board of Directors

² Total ordinary and additional dividend

Dividend policy

The dividend policy approved and communicated by the Board of Directors is earnings-related and provides for a payout ratio of 35% to 45% of the consolidated net profit (excluding non-controlling interests) (see also page 67).

Key figures Group

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financial results

Group						
In CHF million	2011	2010	2009 ¹	2009	2008	2007
Orders received	8 249	8 778	8 418	12 865	14 479	14 116
Revenue	7 854	8 187	8 281	12 691	14 027	13 835
EBITDA ²	909	1 082	1 054	1 124	1 018	958
in %	11.6	13.2	12.7	8.9	7.3	6.9
EBITA ³	826	998	965	1 028	926	865
in %	10.5	12.2	11.7	8.1	6.6	6.3
EBIT ⁴	790	950	934	974	889	830
in %	10.1	11.6	11.3	7.7	6.3	6.0
Antitrust fines						293
Net income from financing and investing activities	–	–12	–50	–70	–11	–51
Profit before taxes	790	938	884	904	878	486
Net profit	611	711	653	653	634	278
in %	7.8	8.7	7.9	5.1	4.5	2.0
Net profit before antitrust fines						571
in %						4.1
Net profit attributable to owners of Schindler Holding Ltd.	586	677	625	625	615	254
Cash flow ⁵	811	861	813	813	733	391
Cash flow (continuing operations) ⁵	810	823	774			
Capital expenditure	124	147	103	103	120	103
Order backlog	6 438	6 075	6 200	6 341	6 396	6 752
Headcount at year-end	44 387	43 010	41 962	43 437	45 063	45 208
Total equity	2 817	2 819	2 521	2 521	2 036 ⁶	2 082
Equity ratio in %	36.9	37.9	35.6	35.6	29.9	29.2

¹ Retrospective adjustment in the financial statements 2010 resulting from separate reporting of the disposal group ALSO

² EBITDA: Operating profit + depreciation/amortization

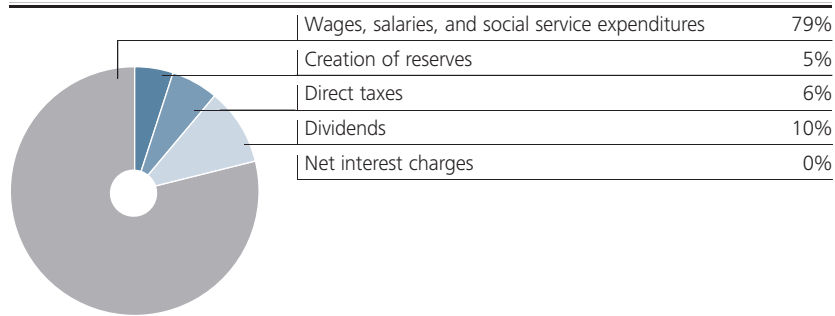
³ EBITA: Operating profit + amortization

⁴ EBIT: Operating profit

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

⁶ Retrospective adjustment in the financial statements 2009

Allocation of the Group's net value added 2011



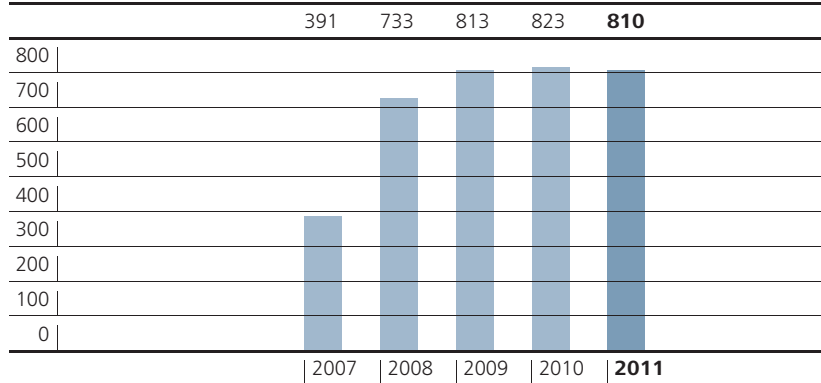
The Group's total value added is the increase in value achieved by the whole Group within a certain period of time.

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

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

Cash flow¹

In CHF million (since 2010: continuing operations only)

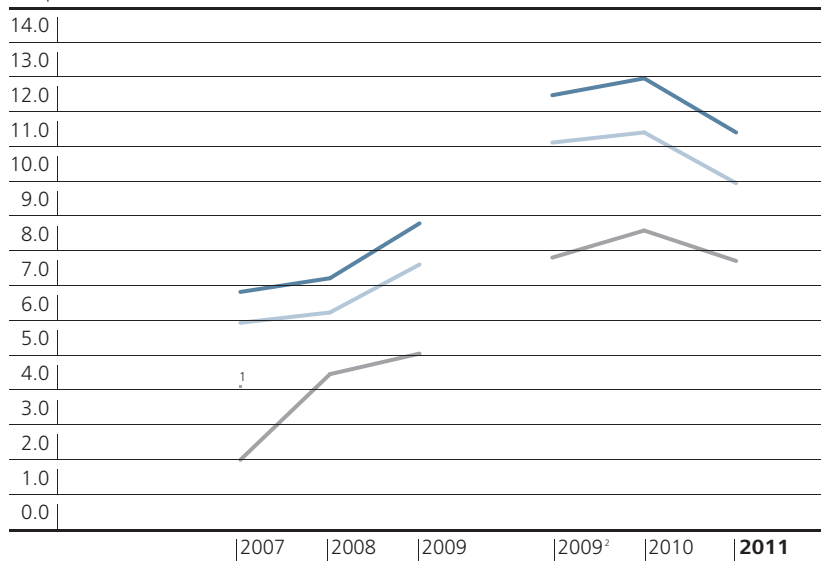


¹ Net profit + depreciation/amortization +/- change in provisions

EBITDA, EBIT, net profit

As % of revenue

EBITDA	6.9	7.3	8.9	12.7	13.2	11.6
EBIT	6.0	6.3	7.7	11.3	11.6	10.1
Net profit	2.0	4.5	5.1	7.9	8.7	7.8

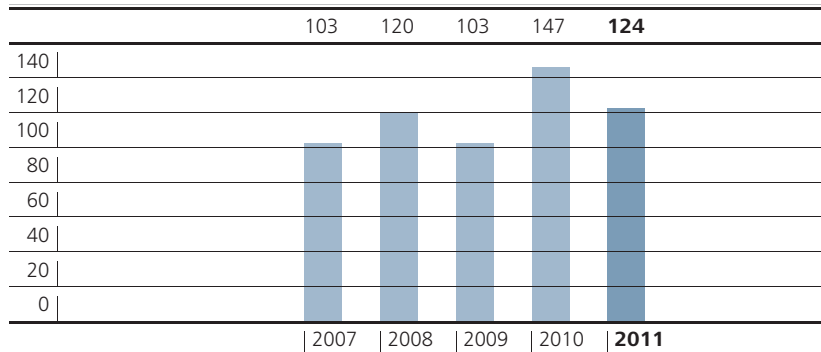


¹ Before antitrust fines

² Adjusted retrospectively in the 2010 financial statements due to the separate reporting of the disposal group ALSO.

Capital expenditure¹

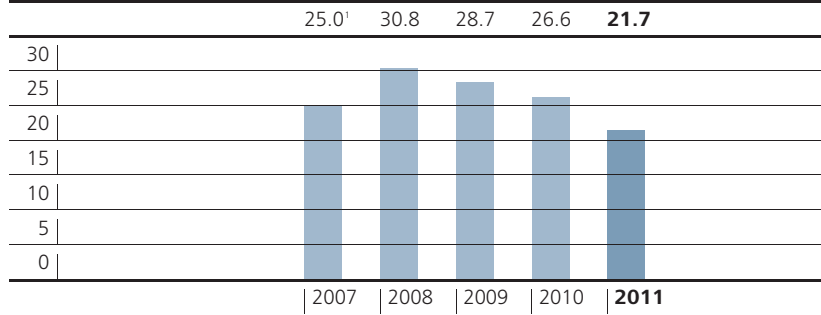
In CHF million



¹ Including investment properties

Return on equity

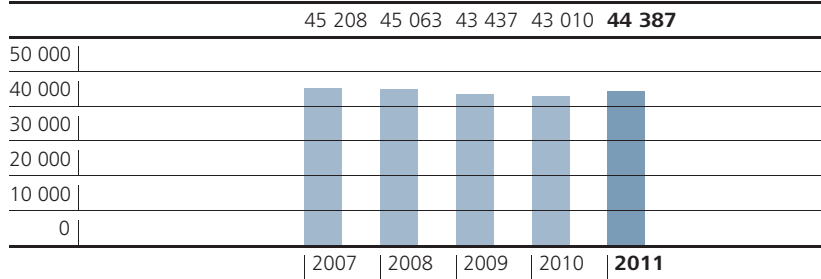
In %



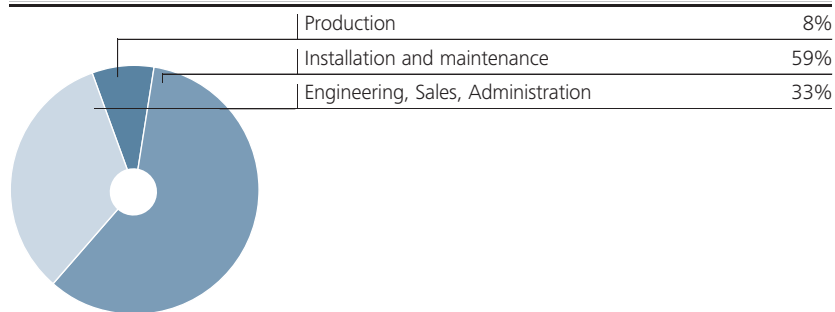
¹ Before antitrust fines

Headcount at year-end

Number (since 2010: continuing operations only)



Headcount 2011 by sector



Key figures Elevators & Escalators

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Elevators & Escalators

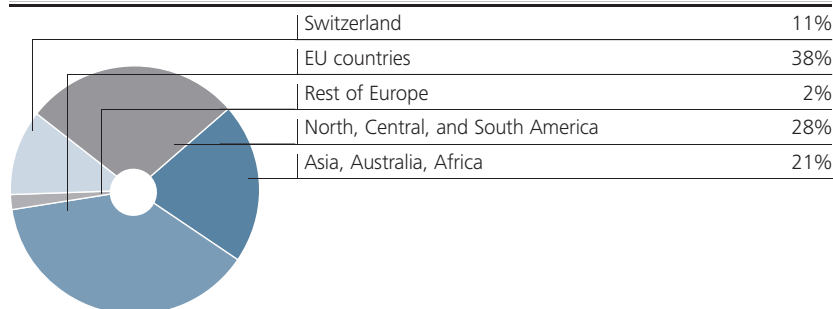
In CHF million	2011	2010	2009	2008	2007
Orders received	8 249	8 778	8 418	9 259	9 023
Revenue	7 854	8 187	8 281	8 761	8 752
EBITDA ¹	947	1 112	1 081	1 007	917
in %	12.1	13.6	13.1	11.5	10.5
EBITA ²	864	1 028	992	926	832
in %	11.0	12.6	12.0	10.6	9.5
EBIT ³	828	980	962	895	802
in %	10.5	12.0	11.6	10.2	9.2
Order backlog	6 438	6 075	6 200	6 291	6 602
Research & development	113	109	109	100	109
Headcount at year-end	44 387	43 010	41 962	43 226	43 221

¹ EBITDA: Operating profit + depreciation/amortization

² EBITA: Operating profit + amortization

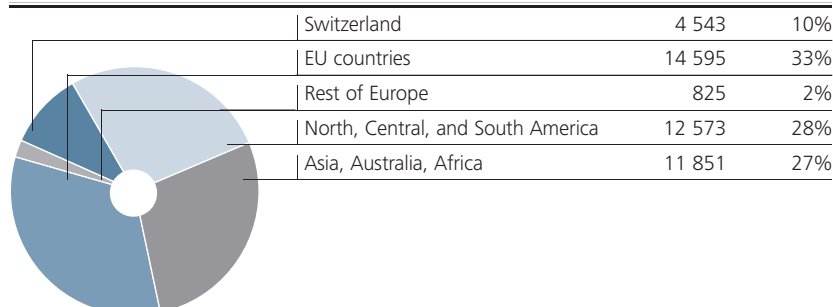
³ EBIT: Operating profit

Invoiced sales 2011 by market



Headcount 2011

Total 44 387



Key figures ALSO

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ALSO						
In CHF million	2011	2010	2009 ¹	2009	2008	2007
Orders received	–	–	–	4 447	5 220	5 093
Revenue	–	–	–	4 410	5 266	5 083
EBITDA ²	–	–	–	70	40	66
in %				1.6	0.8	1.3
EBITA ³	–	–	–	63	29	58
in %				1.4	0.6	1.1
EBIT ⁴	–	–	–	40	24	54
in %				0.9	0.5	1.1
Headcount at year-end	–	–	–	1 475	1 837	1 987
Profit of the disposal group ALSO	35	32	17			

¹ Adjusted retrospectively in the 2010 financial statements due to the separate reporting of the disposal group ALSO.

² EBITDA: Operating profit + depreciation/amortization

³ EBITA: Operating profit + amortization

⁴ EBIT: Operating profit

Key figures Schindler Holding Ltd.

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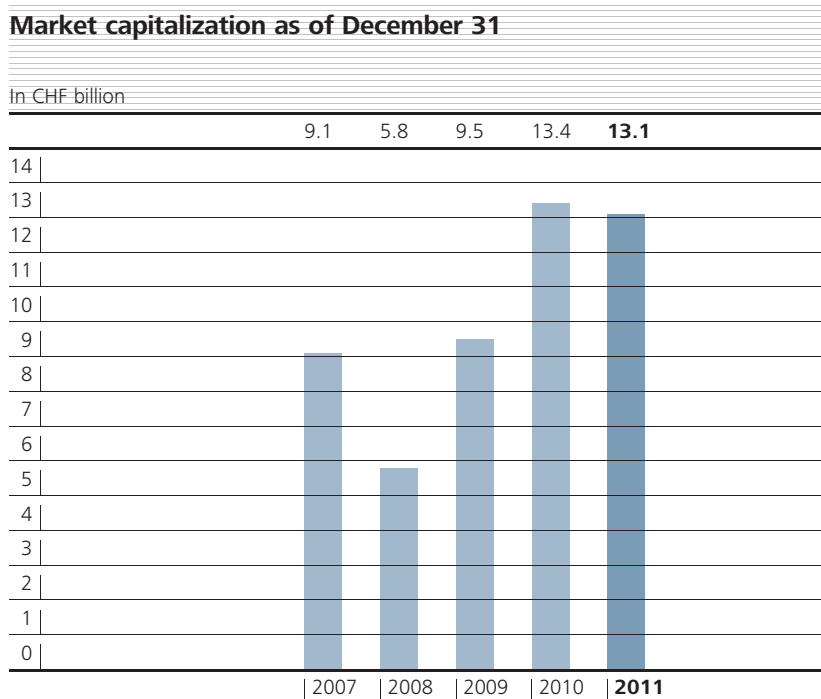
Schindler Holding Ltd.

In CHF million	2011	2010	2009	2008	2007
Share capital	7	7	7	7	7
Participation capital	5	5	5	5	5
Equity	2 933	2 617	2 186	1 995	1 963
Bonds	600	–	–	300	300
Net profit for the year	671	670	491	428	874
Dividend payment	241 ¹	355 ²	238	238	192

¹ Proposal by the Board of Directors

² Total ordinary and additional dividend

Key figures registered share/ participation certificate



Registered share

In CHF	2011	2010	2009	2008	2007
Number of registered shares outstanding	71 776 700	71 776 700	71 776 700	72 451 200	73 568 200
thereof in treasury stock	1 388 971	1 327 102	1 271 425	2 002 896	1 799 250
Nominal value	0.10	0.10	0.10	0.10	0.10
Price high	114.50	118.00	79.40	87.10	84.50
Price low	79.25	76.60	45.80	42.00	65.50
Year-end rate	109.10	111.90	78.35	47.05	73.00
P/E ratio December 31	22.4	19.9	15.1	9.3	35.8

Participation certificate

In CHF	2011	2010	2009	2008	2007
Number of certificates outstanding	48 609 400	48 609 400	48 609 400	49 256 900	50 936 400
thereof in treasury stock	2 543 219	404 831	120 826	964 458	1 633 177
Nominal value	0.10	0.10	0.10	0.10	0.10
Price high	113.70	118.40	80.60	87.90	85.85
Price low	78.10	76.05	47.10	41.30	66.00
Year-end rate	109.40	110.60	79.65	48.10	73.00
P/E ratio December 31	22.5	19.7	15.3	9.5	35.8

Information per registered share and participation certificate					
In CHF	2011	2010	2009	2008	2007
Net profit	4.87	5.62	5.19	5.05	2.04
Cash flow	6.74	7.15	6.75	6.02	3.14
Equity at year-end	23.89	22.88	20.27	16.21	16.16
Gross dividend – ordinary	2.00¹	2.00	2.00	2.00	1.60
Gross dividend – additional		1.00			
Pay-out ratio	in % 41.1	53.3 ²	38.5	39.6	36.4 ³
Market capitalization (in CHF million)	13 149	13 408	9 495	5 778	9 089

¹ Proposal by the Board of Directors

² Relative to total dividend, ordinary and additional

³ Before antitrust fines

Ticker and security number

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

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

Significant shareholders

At the end of 2011, registered shares of Schindler Holding Ltd. were held by 4 622 shareholders (previous year: 4 418).

On the same date, the Schindler and Bonnard families, together with parties related to these families, held within the scope of a shareholders' agreement 50 073 638 registered shares (previous year: 50 999 418) of Schindler Holding Ltd., corresponding to 69.8% (previous year: 71.1%) of the voting rights of the share capital entered in the Commercial Register.

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Financial calendar

Financial calendar

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Financial calendar

	2012	2013
Annual results media conference	February 21	February 19
Ordinary General Meeting Schindler Holding Ltd.	March 19	March 15
First trading date ex-dividend	March 21 ¹	
Date of Schindler Holding Ltd. dividend payment	March 26 ¹	
Publication of selected key figures as of March 31	April 19	April
Publication of Interim Report as of June 30	August 14	August
Publication of selected key figures as of September 30	October 23	October

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

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The Annual Report of the Schindler Group for 2011 consists of the Group Review, and the Financial Statements and Corporate Governance Report.

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

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Interbrand Zurich, Switzerland

Premedia and printing

Swissprinters Zurich AG
Schlieren, Switzerland

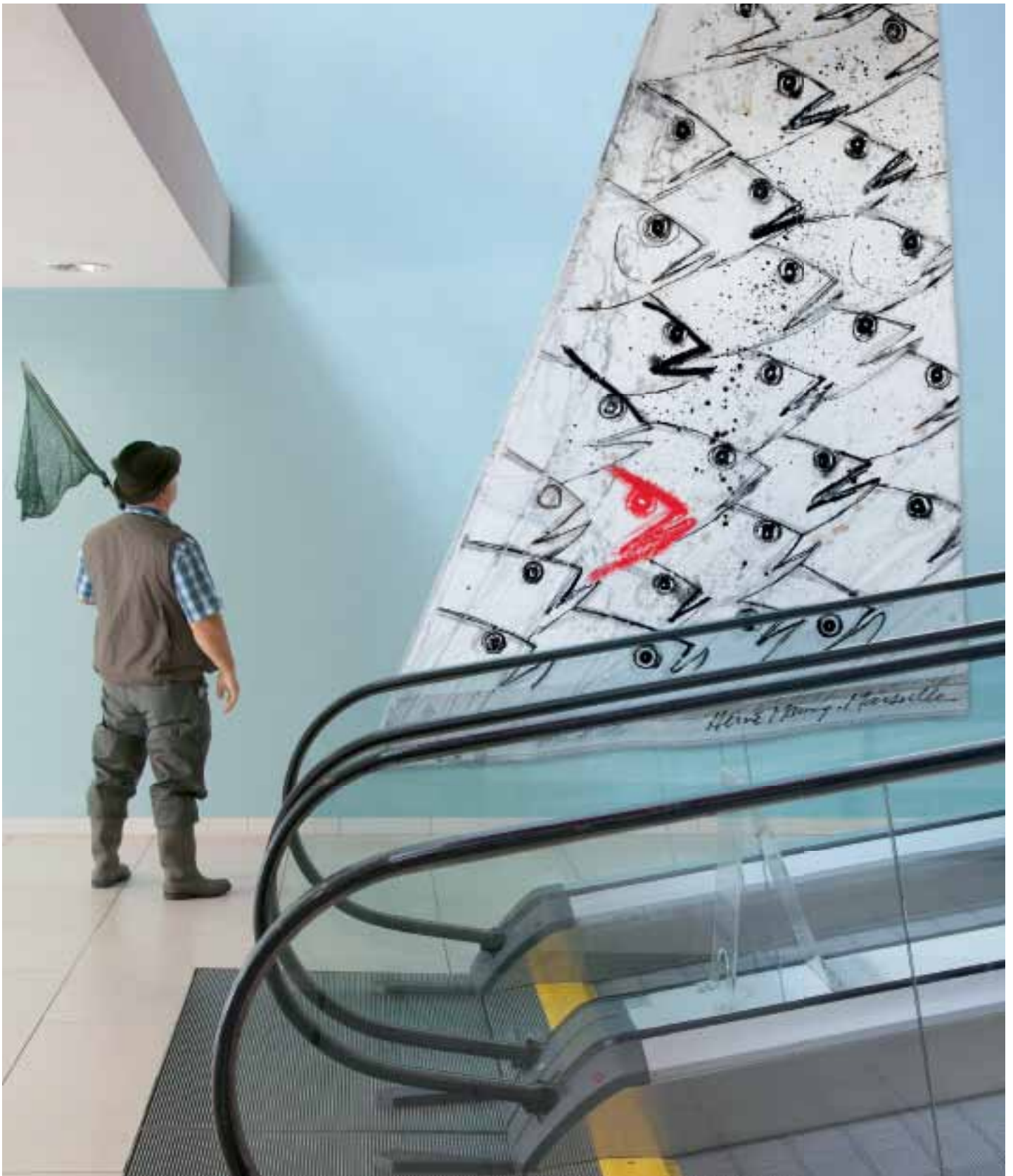
Photography

CAM+Partners,
Los Angeles, USA

Page 73:

E.T. Studhalter
Schachen, Switzerland





Eye-catching art.

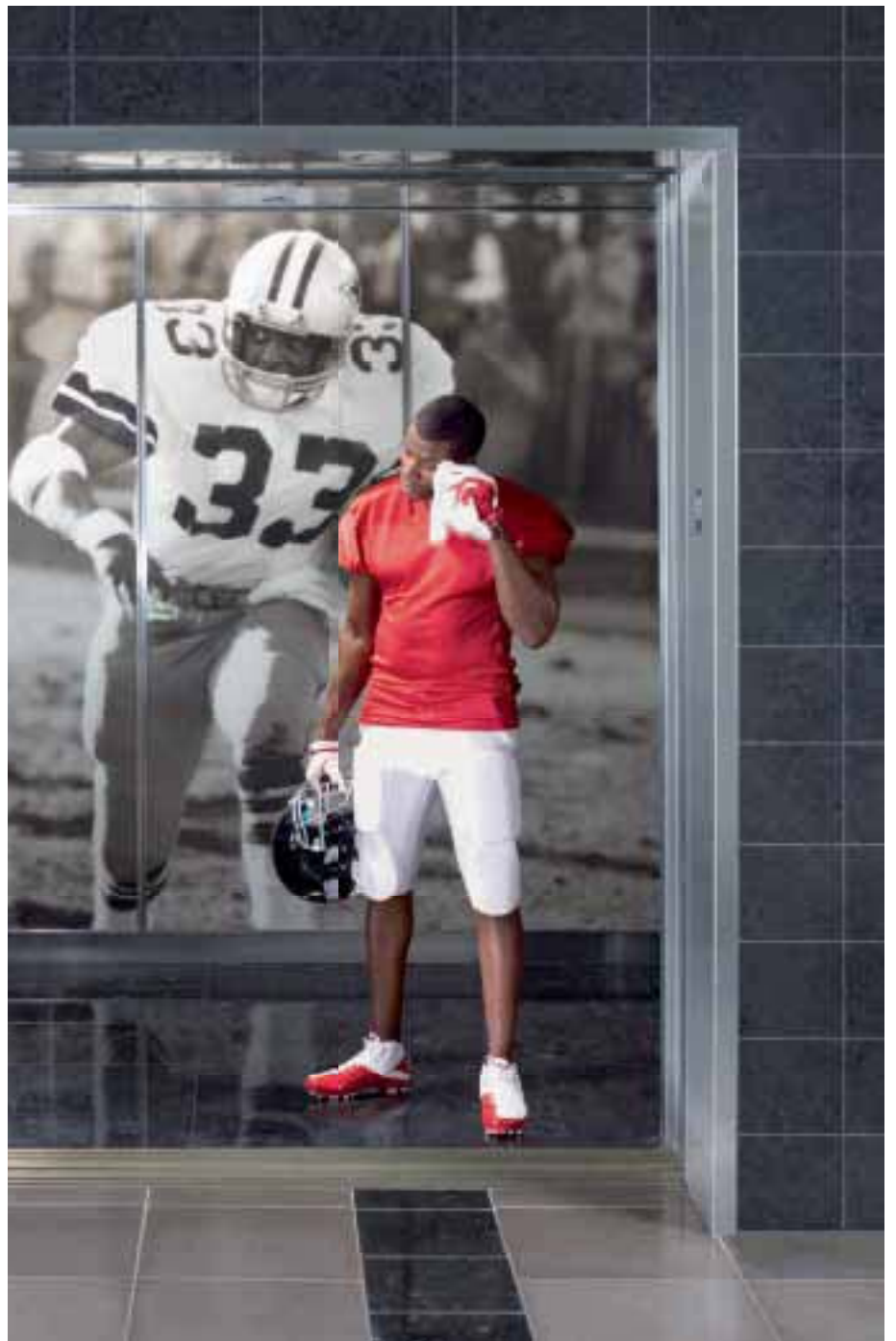
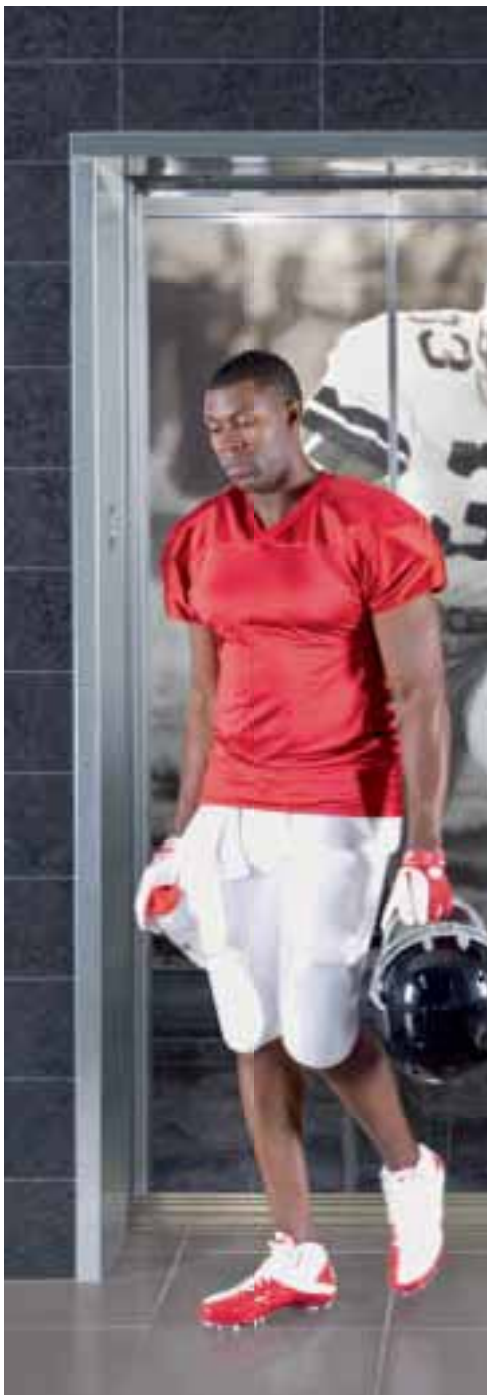
It is only by permanently developing innovative and exceptional ideas, following a new direction, or opening up unusual perspectives that an individual can distinguish itself from the masses. This is true of both artists and companies. Animals are a core element of the work of the French artist Hervé Maury – whether they are portrayed alone, in direct dialogue with the observer, or in large numbers. The individual nevertheless always stands out. With its leading technology and exceptional ideas for specially tailored mobility solutions, Schindler has always clearly stood out from the crowd – and will continue to do so going forward.

"LE BANC DE POISSONS – 2010"; Hervé MAURY; Marseille, France
e-mail: invisible.galerie@free.fr

Photography: E.T. Studhalter, Schachen, Switzerland



The **Cowboys Stadium** in **Dallas** breaks all records: more than 100 000 fans can watch the action on the field under the largest domed roof in the world. The stadium's environmentally friendly design is also impressive. It includes sophisticated Schindler elevators and escalators, which smoothly transport vast numbers of spectators in the stadium. Depending on their direction of travel and rated load, their energy-efficient drives can feed the electricity they generate back into the network.



Shaping the future
with leading technology.
Financial Statements and
Corporate Governance
2011



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Schindler Holding Ltd.**

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Corporate Governance

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Financial Statements Group

Consolidated income statement

Financial Statements Group

In CHF million	Notes	2011	%	2010	%
Continuing operations					
Revenue	3	7 854	100.0	8 187	100.0
Cost of materials		2 329	29.6	2 302	28.1
Personnel expenses	4	2 965	37.8	3 162	38.6
Other operating expenses	5	1 570	20.0	1 629	19.9
Depreciation	16, 17	119	1.5	132	1.6
Change of provisions	26	81	1.0	12	0.2
Total operating expenses		7 064	89.9	7 237	88.4
Operating profit		790	10.1	950	11.6
Financial income	6	62	0.8	49	0.6
Financial expenses	7	61	0.8	66	0.8
Income from associates	8	-1	-	5	0.1
Profit before taxes		790	10.1	938	11.5
Income taxes	9	214	2.7	259	3.2
Profit from continuing operations		576	7.3	679	8.3
Profit of the disposal group ALSO	11	35	0.4	32	0.4
Net profit		611	7.8	711	8.7
Net profit attributable to:					
The owners of Schindler Holding Ltd.		586	7.5	677	8.3
Non-controlling interests		25	0.3	34	0.4
Profit from continuing operations attributable to:					
The owners of Schindler Holding Ltd.		551	7.0	654	8.0
Non-controlling interests		25	0.3	25	0.3
Net profit (earnings) per share and participation certificate in CHF					
Undiluted	10	4.98		5.69	
Diluted	10	4.94		5.66	
Earnings per share and participation certificate from continuing operations in CHF					
Undiluted	10	4.68		5.50	
Diluted	10	4.65		5.47	

Consolidated statement of comprehensive income

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Financial Statements Group

In CHF million	Note	2011	2010
Net profit		611	711
Changes in value recognized in equity (other comprehensive income):	27.4		
Exchange differences		16	-136
Hedging transactions		-14	9
Financial assets available for sale		73	3
Share of other comprehensive income of associated companies		-	-
Taxes on other comprehensive income		-25	-1
Total changes in value recognized in equity		50	-125
Comprehensive income		661	586
Attributable to:			
The owners of Schindler Holding Ltd.		636	562
Non-controlling interests		25	24

Consolidated balance sheet

Financial Statements Group

Assets					
In CHF million	Notes	31.12.2011	%	31.12.2010	%
Current assets					
Cash and cash equivalents		2 403	31.5	2 310	31.1
Marketable securities	12	259	3.4	125	1.7
Accounts receivable	13	1 376	18.0	1 280	17.2
Taxes receivable		67	0.9	52	0.7
Net assets from construction contracts	14	468	6.1	409	5.5
Inventories	15	407	5.3	359	4.8
Prepaid expenses and accrued income		109	1.4	131	1.8
Assets held for sale and disposal group ALSO	11	9	0.1	736	9.9
Total current assets		5 098	66.7	5 402	72.7
Non-current assets					
Property, plant, and equipment	16	483	6.3	456	6.1
Intangible assets	17	842	11.0	768	10.3
Associated companies	19	278	3.6	213	2.9
Long-term financial assets	20	632	8.3	329	4.4
Deferred taxes	21	161	2.1	131	1.8
Employee benefits	22	150	2.0	131	1.8
Total non-current assets		2 546	33.3	2 028	27.3
Total assets		7 644	100.0	7 430	100.0

Liabilities and equity					
In CHF million	Notes	31.12.2011	%	31.12.2010	%
Liabilities					
Current liabilities:					
Financial debts	25	169	2.2	145	1.9
Accounts payable	23	794	10.4	722	9.7
Taxes payable		116	1.5	125	1.7
Net liabilities from construction contracts	14	894	11.7	845	11.4
Accrued expenses and deferred income	24	1 177	15.4	1 180	15.9
Provisions	26	195	2.5	144	1.9
Liabilities of the disposal group ALSO	11	–	–	510	6.9
Total current liabilities		3 345	43.7	3 671	49.4
Non-current liabilities:					
Financial debts	25	619	8.1	132	1.8
Provisions	26	381	5.0	346	4.7
Deferred taxes	21	183	2.4	164	2.2
Employee benefits	22	299	3.9	298	4.0
Total non-current liabilities		1 482	19.4	940	12.7
Total liabilities		4 827	63.1	4 611	62.1
Equity					
Share capital and participation capital	27	12	0.2	12	0.2
Other reserves	27	–663	–8.7	–486	–6.6
Retained earnings		3 433	44.9	3 189	42.9
Equity of the owners of Schindler Holding Ltd.		2 782	36.4	2 715	36.5
Non-controlling interests		35	0.5	104	1.4
Total equity		2 817	36.9	2 819	37.9
Total liabilities and equity		7 644	100.0	7 430	100.0

Consolidated cash flow statement

Financial Statements Group

In CHF million	Notes	2011	2010
Net profit		611	711
Depreciation		119	139
Change of provisions		81	11
Other non-cash items		4	34
Change in employee benefits		-47	-23
Change in remaining net working capital		-78	242
Cash flow from operating activities		690	1 114
Additions to:			
Property, plant, and equipment	16	-124	-147
Intangible assets	17	-20	-38
Associated companies	19	-161	-61
Marketable securities		-2	-
Long-term financial assets		-159	-202
Disposals of:			
Property, plant, and equipment	16	12	8
Intangible assets	17	1	-
Associated companies	19	11	-
Marketable securities		-	138
Long-term financial assets		94	47
Acquisition of Group companies	28	-102	-106
Outflow of cash related to deconsolidation of ALSO		-14	-
Cash flow from investing activities		-464	-361
Proceeds from increase in financial debt		656	85
Repayments of financial debt		-147	-98
Disposal of non-controlling interests		7	-
Purchase of treasury shares and participation certificates	27	-259	-79
Disposal of treasury shares and participation certificates	27	19	20
Dividends paid to the owners of Schindler Holding Ltd.		-355	-238
Dividends paid to non-controlling interests		-23	-29
Cash flow from financing activities		-102	-339
Exchange differences		-41	-13
Change in cash and cash equivalents		83	401
Opening balance cash and cash equivalents		2 320	1 919
Closing balance cash and cash equivalents		2 403	2 320
Of which cash and cash equivalents from continuing operations		2 403	2 310
Of which cash and cash equivalents of the disposal group ALSO	11	-	10
Cash flow from operating activities includes:			
Income taxes paid		226	248
Interest paid		17	34
Interest received		34	37
Dividends received from associated companies		3	10

Consolidated statement of changes in equity

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Financial Statements Group

In CHF million	Share and PC capital	Other reserves	Retained earnings	Total owners of Schindler Holding Ltd.	Non- controlling interests	Total Group
January 1, 2010	12	-324	2 724	2 412	109	2 521
Net profit			677	677	34	711
Other comprehensive income		-115		-115	-10	-125
Comprehensive income		-115	677	562	24	586
Dividends			-238	-238	-29	-267
Change in treasury shares and participations certificates		-47	-2	-49		-49
Share-based payments			28	28		28
December 31, 2010	12	-486	3 189	2 715	104	2 819
Net profit			586	586	25	611
Other comprehensive income		50		50	-	50
Comprehensive income		50	586	636	25	661
Dividends			-355	-355	-23	-378
Change in treasury shares and participations certificates		-227	-13	-240		-240
Share-based payments			26	26		26
Deconsolidation of disposal group ALSO				-	-71	-71
December 31, 2011	12	-663	3 433	2 782	35	2 817

Notes to the consolidated financial statements

1 Activities of the company

The Schindler Group is one of the world's leading suppliers of elevators, escalators, and moving walks. It is active in the areas of production, installation, maintenance and modernization in the most important international markets around the globe.

2 Accounting principles

2.1 Basis of preparation

The Schindler Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are compliant with Swiss company law. The financial statements have been prepared using the accrual basis of accounting and the historical cost approach, with the exception of derivative financial instruments and available-for-sale financial assets, which are measured at fair value. The reporting periods of all Group companies (directly or indirectly controlled by Schindler Holding Ltd.) end on December 31.

2.2 Main changes in accounting principles

Various new IFRS standards and one new interpretation were applied with effect from January 1, 2011, or retrospectively from January 1, 2010:

- Improvements to IFRSs (2010)
- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Amendment)
- IAS 24 – Related Party Disclosures (Revised)
- IAS 32 – Financial Instruments: Presentation: Classification of Rights Issues (Amendment)
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

The individual changes do not have any material impact on the accounting practices or are not applicable (amendment to IFRS 1).

The application of all the changes that were implemented did not have any significant effects on Schindler's financial position, results of operations and cash flows.

2.3 Published standards, interpretations, and amendments not yet applied

The potential impacts of the following new and revised standards that will become effective for subsequent consolidated financial statements are being evaluated:

- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment); to be applied from 2012
- IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets (Amendment); to be applied from 2012
- IFRS 7 – Financial Instruments: Disclosures – Offsetting Assets and Financial Liabilities; to be applied from 2013
- IFRS 9 – Financial Instruments; to be applied from 2015
- IFRS 10 – Consolidated Financial Statements; to be applied from 2013
- IFRS 11 – Joint Arrangements; to be applied from 2013
- IFRS 12 – Disclosure of Interests in Other Entities; to be applied from 2013
- IFRS 13 – Fair Value Measurement; to be applied from 2013
- IAS 1 – Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income (Amendment); to be applied from 2013
- IAS 12 – Income Taxes: Deferred Tax: Recovery of Underlying Assets (Amendment); to be applied from 2012
- IAS 19 – Employee Benefits (Revised); to be applied from 2013
- IAS 27 – Separate Financial Statements (Revised); to be applied from 2013
- IAS 28 – Investments in Associates and Joint Ventures (Revised); to be applied from 2013
- IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendment), to be applied from 2014
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine; to be applied from 2013

The application of the revised standard IAS 19 – Employee Benefits will lead to changes in accounting practices. In particular, actuarial gains and losses will no longer be treated according to the corridor approach and will, instead, be recognized immediately in other comprehensive income. In addition, pension cost will be recalculated. The expected return on plan assets and the interest on the defined benefit obligation were previously calculated separately. Under the new approach, interest is calculated on a net funding basis.

The Schindler Group intends to early adopt the revised IAS 19 as of January 1, 2012, with related retrospective application in 2011. Based on current knowledge, the financial impacts of its application in 2011 are expected to be approximately as follows:

- Net profit: reduction of CHF 10 million
- Equity: reduction of CHF 250 million as of December 31, 2011

The other new and revised standards are not currently expected to have any material impact on Schindler's financial position, results of operations and cash flows when applied or they are not applicable (IFRIC 20). The new rules are usually applied when they become effective. However, Schindler determines on an individual basis to apply standards prior to their effective dates.

2.4 Significant estimates and assumptions

The annual financial statements prepared in accordance with IFRS contain certain assumptions and estimates that influence the figures presented in the report. The necessary analyses and evaluations are reviewed on a continual basis and adapted if required. However, the actual results may differ from these estimates. Comments on the most important areas in which estimates are used are provided below.

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

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

Provisions: Provisions are recorded for a variety of events. By their nature, provisions contain a greater degree of estimation than other balance sheet items and can therefore lead to an outflow of resources embodying economic benefits, depending on how the situation develops.

Employee benefits: The status of various defined benefit plans depends on actuarial assumptions, some of which are of a long-term nature and may not correspond to reality. Furthermore, the remaining working life of employees must be determined in order to amortize the actuarial differences.

Associated companies: Qualitative factors have to be taken into account to assess whether the Schindler Group has significant influence over associated companies. Despite its 35% participation in Hyundai Elevator Co. Ltd., Schindler has no significant influence over the company. Schindler is not represented on the Board of Directors and has no access to detailed information. Furthermore, no significant transactions are executed between Schindler and Hyundai Elevator. Consequently, this participation has no longer been recognized as an associated company since August 15, 2011; instead, it is treated as a long-term financial asset.

2.5 Fair values

The fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values are determined by referring to quoted prices or using valuation techniques (e.g. option price models, discounted cash flow models). The fair value is always determined using a valuation technique if the financial instrument is not traded in an active market with quoted prices.

2.6 Scope of consolidation

The consolidated financial statements include the annual financial statements of Schindler Holding Ltd., Hergiswil, Switzerland, and of all companies controlled by Schindler Holding Ltd. (Group companies).

The list of Schindler's principal investments, including their names, the locations of their head offices, and the participation held by Schindler, can be found in the financial statements of Schindler Holding Ltd.

2.7 Method of consolidation

The consolidated financial statements are based on the annual financial statements of the individual Group companies, all of which comply with the uniform accounting principles and reporting practices specified by the Group. These companies are controlled directly or indirectly by Schindler Holding Ltd.; in order to exercise control, a share of more than 50% of the voting rights must normally be held. The assets, liabilities, income, and expenses of all Group companies are consolidated, and non-controlling interests are reported separately. All intra-Group relationships and transactions, including unrealized profits between Group companies, are eliminated upon consolidation.

Companies acquired in the reporting period are included in the consolidated financial statements from the date on which the Group obtained control of their business activities. Companies that are sold are consolidated until the date on which control is transferred to the purchaser.

Investments in companies in which the Schindler Group holds voting rights of between 20% and 50% are classified as associated companies and accounted for using the equity method, provided Schindler has significant influence. This accounting method is also used for joint ventures.

2.8 Translation of foreign currency

The functional currency of Group companies is the currency used in the primary economic environment in which the company operates. Transactions in foreign currencies are translated at the exchange rate prevailing at the dates of the transactions. Exchange rate gains and losses resulting from such transactions, as well as those from the revaluation of foreign currency assets and liabilities at the balance sheet date, are recognized in the income statement.

The annual financial statements of Group companies that are recorded in foreign currencies are translated into Swiss francs as follows:

- Balance sheet at the closing rates
- Income statement at the average rates
- Statement of comprehensive income at the average rates
- Cash flow statement at the average rates

Accumulated exchange rate differences are reported in other comprehensive income. In the case of the sale of the entire company, or a partial sale where control is lost, the cumulative translation differences are recognized in the income statement.

The cumulative exchange differences are also realized in the income statement when there is a change of status from an associated to a Group company.

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

			2011		2010	
			Closing rate	Average rate	Closing rate	Average rate
Eurozone	EUR	1	1.22	1.23	1.25	1.38
USA	USD	1	0.94	0.89	0.94	1.04
United Kingdom	GBP	1	1.45	1.42	1.45	1.60
Brazil	BRL	100	50.38	53.13	56.48	58.97
China	CNY	100	14.93	13.72	14.22	15.33

2.9 Acquisitions and goodwill/change in interests held

Business combinations are accounted for using the acquisition method. The acquisition costs correspond to the consideration paid, including components of the purchase price withheld for contractual representations and warranties as well as contingent consideration. They are measured at fair value on the transaction date. Subsequent changes in the fair value of contingent consideration are recorded in the income statement. Transaction costs are recognized as operating expenses.

The net assets acquired comprise identifiable assets, liabilities, and contingent liabilities, and are recognized at fair value. Identifiable assets also include assets of an intangible nature. They mainly comprise service portfolios, supplier relationships, licenses, patents, brand names, and similar rights. The difference between the acquisition costs and the proportionate interest in the net assets acquired is recognized as goodwill. Non-controlling interests are normally recognized in the balance sheet according to their share of the fair value of the net assets acquired. In individual cases, this measurement can also be based on the fair value of the acquiree.

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

In the case of acquisitions, it is common practice for the Group to write put options and to acquire call options in connection with the remaining interests that were not acquired. Shares of the profits are still allocated to the non-controlling interests but are recorded in full as a financial liability on the balance sheet date. The difference between the reclassified amount and the fair value of the financial liability is recorded in other reserves without any impact on the income statement.

Changes in the interest held in Group companies are recognized as equity transactions provided that control is maintained. However, if the control of a Group company is lost, e.g. through its sale, the difference between the selling price and the net assets including cumulative exchange differences is reported as operating profit in the income statement. The complete sale of a Group company is handled similarly.

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

Goodwill and the identifiable net assets at fair value of associated companies are recognized in the balance sheet item of the same name. Amortization and any impairments are recognized as income from associates. In the case of the partial or complete sale of participations in associated companies, the difference between the selling price and the net assets including cumulative exchange differences is reported as income from associates.

2.10 Financial assets

2.10.1 Classification and measurement principles

Financial assets are divided into the following categories:

- At fair value through profit or loss: Financial assets that are held for trading or were assigned to this category on initial recognition. Financial assets held for trading are acquired principally for the purpose of generating a profit from short-term price fluctuations. Derivative assets are assigned to this category by definition unless they meet the requirements to qualify as hedging instruments under hedge accounting
- Held to maturity: Non-derivative financial assets with fixed or determinable payments and a fixed duration that Schindler intends to, and can, hold to maturity
- Loans and receivables: Non-derivative financial assets with fixed or determinable payments that are not listed in an active market
- Available for sale: All other financial assets.

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

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

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

Financial assets are derecognized when Schindler surrenders control of them, i.e. when the rights associated with them are either sold or expire.

2.10.2 Impairment of financial assets

Whenever there is objective evidence that an impairment loss has occurred (e.g. serious financial difficulties of the debtor, insolvency proceedings involving the debtor, etc.), the carrying amounts of financial assets that are not measured at fair value through profit or loss are tested for impairment. Available-for-sale assets are impaired if the reductions in market price are significant or prolonged. Any impairment expenses are recognized in the income statement. Impairment expenses are recognized directly, except in the case of accounts receivable, which are recognized through a value adjustment account.

2.10.3 Cash and cash equivalents

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

2.10.4 Securities

Highly liquid securities, including time deposits with a maturity of 3 to 12 months or a residual maturity of up to 12 months, are recognized as marketable securities. In contrast, participations in a company held on a long-term basis, and time deposits with a residual maturity of more than 12 months, are recognized as securities under long-term financial assets.

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

2.10.5 Accounts receivable

Trade accounts receivable, as well as other receivables, do not bear interest and are reported at face value less any provision for impairment.

Provisions are based on internal guidelines, according to which individual revaluations must first be undertaken. Additional provisions of between 10% and 100% are applied to the residual balances – grouped according to the age of the receivable – based on historical experience.

2.11 Financial liabilities

2.11.1 Principles of classification and measurement

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

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

2.11.2 Financial liabilities at fair value through profit or loss

Upon initial recognition and thereafter, this category of financial liabilities is measured at fair value. The transaction costs directly attributable to the acquisition are expensed. Derivative liabilities are assigned to this category by definition unless they meet the requirements to qualify as hedging instruments under hedge accounting.

2.11.3 Other financial liabilities

This category of liabilities is measured at amortized cost using the effective interest method. In addition to actual interest payments, interest expense includes annual compound interest and pro-rata transaction costs.

2.12 Hedge accounting

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

Most hedging relationships that represent effective hedges both economically and within the scope of the Group strategy do not fulfill the criteria for hedge accounting. Changes in the fair values of the corresponding hedging instruments are reported immediately as financial income or financial expenses in the income statement.

For the purpose of hedge accounting, three different types of hedging relationships apply:

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

2.12.1 Cash flow hedge

Changes in the value of hedging instruments that form part of a cash flow hedge are recognized in other comprehensive income to the extent that the hedge is effective. However, if the underlying transaction results in expense or income, the cumulative fluctuations in value are derecognized through the income statement. If the hedged underlying transaction results in the recognition of an asset or a liability, the cumulative fluctuations in value are included in the corresponding carrying amount.

The gain or loss relating to the ineffective portion of the hedge is recognized immediately in the income statement under the financial result.

2.12.2 Fair value hedge

Changes in the fair value of financial instruments are hedged selectively using fair value hedges. In this case, in connection with the hedged risk, the market valuation of both the underlying and the hedging transaction is recognized in the income statement.

2.12.3 Hedging of net investments in foreign Group companies

In the case of hedges for net investments in foreign Group companies, changes in the value of hedging instruments are recorded in other comprehensive income. The cumulative gains or losses in value are recorded in the income statement in the event of a possible sale of the company resulting from loss of control, loss of material influence, or loss of joint control.

2.13 Construction contracts

Construction contracts are recognized in the balance sheet using the percentage of completion method. The relevant percentage of work completed is determined by measuring the stage of completion of a contract according to the cost-to-cost method. Under this method, the accumulated costs that have been incurred to date are expressed as a percentage of the expected total costs. After offsetting progress payments from customers, work in progress is reported as net assets or net liabilities from construction contracts.

2.14 Inventories

Inventories are recognized at the lower of the cost of purchase or production or the net realizable value, with the cost of purchase or production being calculated either according to the first-in, first-out method (FIFO) or using the weighted average method. Production overheads are included in inventories. Items with a slow rate of turnover are written down. Technically obsolete items are fully written off.

2.15 Non-current assets held for sale and associated liabilities

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

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

2.16 Property, plant, and equipment / investment properties

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

Property, plant, and equipment are depreciated according to the straight-line method over the useful life of the items. Land is not depreciated systematically. Property, plant, and equipment are tested for impairment if facts and circumstances indicate that their carrying amounts may be overstated. If the impairment test indicates that the carrying amount exceeds the recoverable amount, the carrying amount is adjusted to the recoverable amount. Impairment losses are recognized as depreciation and reported separately in the notes.

Gains and losses from the sale of property, plant, and equipment are recognized in other income.

Real estate not used for operational purposes is recognized as investment property and carried in the balance sheet and depreciated according to the same criteria as real estate used for operational purposes. Investment property includes real estate (land and/or buildings or parts thereof) that is held for the purpose of generating rental income and/or for an undefined future purpose. The fair value of the investment properties is reported separately in the notes. The fair values of investment properties is determined on an individual basis by external or internal experts based on market data using recognized valuation methods (discounted cash flow method, comparative value method).

Costs are capitalized if they extend the useful life or expand the production capacity of an asset. The costs of non-value adding maintenance and repairs are recognized immediately as expenses.

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

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

2.17 Intangible assets

Goodwill, service portfolios acquired from third parties, supplier relationships, licenses, patents, brand names and similar rights, and software are recorded as intangible assets.

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

Impairment losses are recognized as amortization and reported separately. It is possible for impairment expenses from an earlier period to be reversed in the case of intangible assets, with the exception of goodwill.

The estimated useful life of intangible assets is as follows:

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

2.18 Provisions

Provisions are only recorded in the balance sheet if Schindler has a present legal or constructive obligation as result of a past event, if it is probable and if the obligation can be reliably estimated. Existing provisions are reassessed at the balance sheet date.

Long-term provisions are discounted at a risk-adjusted interest rate. The increase in the present value of the provisions that arises from the passage of time is recognized as interest expense.

2.19 Deferred income taxes

Deferred taxes are recognized in accordance with the liability method. The income tax effects of temporary differences between the balance sheet values that are relevant for the consolidated financial statements and the taxable values are recorded. The actual local taxable values are relevant in this context.

Deferred tax assets, including those arising from unused tax loss carry-forwards and expected tax credits, are recognized if it is probable that the relevant tax benefits will actually be realized.

Deferred tax liabilities are calculated on all taxable temporary differences, with the exception of a small number of cases prescribed in the accounting standard.

The change in deferred tax assets and liabilities is basically recognized as tax expense in the income statement. If underlying factors that lead to a change in deferred tax assets and liabilities are recognized directly in other comprehensive income, the change in deferred tax assets and liabilities is also recorded directly in other comprehensive income.

2.20 Employee benefits

The Group companies operate various pension plans. The plans are generally funded through payments to legally independent pension or insurance funds, the level of which is determined by periodic actuarial calculations.

The Schindler Group has both defined benefit plans and defined contribution plans.

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and unrecognized actuarial gains/losses as well as the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Schindler Group, nor can they be paid directly to the Group. The value of any defined benefit asset recognized is restricted to the total of any unrecognized past service costs and unrecognized actuarial gains/losses as well as the present value of any economic benefit available in the form of refunds from the plan or in the form of reductions in future contributions to the plan.

Actuarial gains and losses result mainly from changes in actuarial assumptions or from differences between actuarial assumptions and actual values. Actuarial adjustments that exceed the corridor of 10% are debited or credited to personnel expenses over the average remaining working life of the insured employees.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

In the case of defined contribution plans, contributions are paid to publicly or privately administered pension insurance plans on a statutory, contractual or voluntary basis. The Schindler Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

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

Pension costs are included in personnel expenses.

2.21 Share-based payments

Members of the Management Committee and other managers receive share-based payments.

Share-based payments are settled with shares or participation certificates of Schindler Holding Ltd. from its own treasury shares, of which the Group normally holds the intended amount. As a result, no additional shares or participation certificates are issued. The options allow the purchase of shares or participation certificates and are not settled with cash or cash equivalents. The same applies to Performance Share Units.

The level of share-based payments granted is determined on the basis of the fair value at grant date. At the same date, or over the period until the manager is entitled to receive the award, the amount is charged to operating profit through personnel expenses and recognized as an increase in equity. Cash and cash equivalents received by the Group following the exercising of the instruments granted to employees are recognized as a change in other reserves and in retained earnings.

2.22 Treasury shares

Treasury shares, comprising shares and participation certificates, are reported as a reduction in equity. The costs of purchasing the shares, profits or losses realized on its sale, and other changes in the number or amount of shares and participation certificates, are recognized in equity.

2.23 Income

2.23.1 Revenue recognition

Income from construction contracts is determined by reference to the stage of completion of the contract and recorded in the income statement as revenue.

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

Anticipated losses on customer contracts are recognized as provisions.

2.23.2 Interest income

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

2.23.3 Other income

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

2.24 Leasing

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

Payments resulting from operating leasing are recognized as operating expenses as incurred.

2.25 Research and development

Order-related development costs are capitalized as work in progress; other research and development costs are charged to the income statement in the period in which they occur. Development costs for new products are not capitalized, since experience shows that a future economic benefit can only be proven once the products have been successfully launched in the market.

2.26 Change in presentation

The presentation of equity in the balance sheet and consequently in the statement of changes in equity and the statement of comprehensive income was adjusted for the reporting year. The previous item reserves is now presented without the share premium as retained earnings. The premium and various other equity positions are now combined in other reserves. The change of presentation is intended to prevent repetition of the same information and to thus make the financial statements more reader-friendly. Since this entails a clearly defined change, the balance sheet as of December 31, 2009, has not been disclosed. The impact of the change on the presentation of equity as of December 31, 2009, is shown in the following table:

Total Equity	
In CHF million	31.12.2009
Share capital and participation capital	12
Other reserves	-324
Retained earnings	2 724
Equity of the owners of Schindler Holding Ltd.	2 412
Non-controlling interests	109
Total equity	2 521

3 Revenue

In CHF million	2011	2010
Billings	7 658	8 115
Other operating income	21	22
Change in work in progress	173	49
Capitalized own production of property, plant, and equipment	2	1
Total revenue	7 854	8 187

A total of CHF 4 041 million of the revenue was determined according to the percentage of completion method (previous year: CHF 4 106 million).

4 Personnel expenses

In CHF million	Note	2011	2010
Salaries and wages		2 325	2 440
Cost of defined benefit plans	22	56	86
Cost of defined contribution plans		74	81
Share-based payments		26	28
Social charges		484	527
Total personnel expenses		2 965	3 162

The average headcount was 43 685 (previous year: 42 687).

5 Other operating expenses

In CHF million	2011	2010
Other production, installation, maintenance expenses	549	567
Employee-related expenses	251	265
Rent, leasing	149	167
Maintenance and repairs	69	69
Energy supply, consumables, and packing materials	147	143
Insurance, fees, and capital taxes	77	85
Administration and marketing	219	224
Other operating expenses	114	123
Other income	-5	-14
Total other operating expenses	1 570	1 629

Research and development costs of CHF 113 million have been charged to the income statement (previous year: CHF 109 million).

6 Financial income

In CHF million	2011	2010
Interest on:		
Cash and cash equivalents/other financial assets	28	39
Available-for-sale financial assets	13	–
Net gains/losses on foreign exchange	21	–
Net income from securities at fair value through profit or loss	–	10
Total financial income	62	49

Net gain/losses on foreign exchange mainly comprise valuation differences on operational hedging transactions.

7 Financial expenses

In CHF million	2011	2010
Interest	22	17
Increase in the present value of provisions	10	12
Net gains/losses on foreign exchange	–	20
Amortization of loan	–	6
Net income from securities at fair value through profit or loss	13	–
Other financial expenses	16	11
Total financial expenses	61	66

Other financial expenses mainly comprise bank charges and country-specific financial transaction costs.

8 Income from associates

In CHF million	2011	2010
Share of profit or loss of associated companies	2	16
Reclassification Hyundai (net)	–1	–
Amortization of intangible assets	–2	–11
Total income from associates	–1	5

The investment in Hyundai Elevator was reclassified as a long-term financial asset in the reporting year. The result from reclassification includes the gain on the revaluation to fair value of CHF 37 million as well as realized negative cumulative exchange differences of CHF 38 million. See note 19 and 20.

9 Income taxes

In CHF million	2011	2010
Current income taxes for the reporting period	243	264
Current income taxes for previous periods	1	–
Deferred income taxes	–30	–5
Total income taxes	214	259

Reconciliation of income taxes

In CHF million	2011	%	2010	%
Profit before taxes from continuing operations	790		938	
Profit before taxes of the disposal group ALSO	36		39	
Total profit before taxes	826		977	
Weighted average income tax rate as % of profit before taxes		26.5		26.9
Expected income tax expenses	219		263	
Tax effects of:				
Recognition / utilization of unrecognized tax loss carryforwards	–1		–4	
Non-taxable income / non-deductible expenses	–9		–12	
Non-deductible withholding taxes	11		16	
Other factors	–5		3	
Income tax expenses	215	26.0	266	27.2
Income tax expenses from continuing operations	214		259	
Income tax expenses of the disposal group ALSO	1		7	

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

10 Earnings per share and participation certificate

		2011	2010
Net profit (owners of Schindler Holding Ltd.)	in CHF million	586	677
Profit from continuing operations (owners of Schindler Holding Ltd.)	in CHF million	551	654
Shares and participation certificates	Number	120 386 100	120 386 100
Less treasury shares and participation certificates (weighted average)	Number	–2 610 614	–1 437 622
Outstanding shares and participation certificates (weighted average)	Number	117 775 486	118 948 478
Basic earnings per share and participation certificate	in CHF	4.98	5.69
Basic earnings per share and participation certificate from continuing operations	in CHF	4.68	5.50
Diluted net profit	in CHF million	586	677
Diluted earnings from continuing operations (owners of Schindler Holding Ltd.)	in CHF million	551	654
Diluted shares and participation certificates	Number	118 540 061	119 502 185
Diluted earnings per share and participation certificate	in CHF	4.94	5.66
Diluted earnings per share and participation certificate from continuing operations	in CHF	4.65	5.47

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

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

11 Non-current assets held for sale and disposal group ALSO

Real estate with a value of CHF 9 million (previous year: CHF 7 million) are classified as held for sale.

At the beginning of February 2011, the merger of ALSO Holding AG with Actebis GmbH was completed by means of an increase in the share capital of ALSO Holding AG in return for the integration of Actebis' business activities into ALSO. The increase in share capital was approved at the extraordinary general meeting of shareholders of ALSO Holding AG on February 8, 2011, and became legally binding when it was entered in the Commercial Register on February 9, 2011. Schindler Holding Ltd. held a 30% stake in ALSO-Actebis Holding AG, while the Droege Group held 51% at the time of the transaction. Schindler therefore no longer has control over the ALSO Group, which is consequently excluded from the scope of consolidation.

In the course of the transaction, assets (CHF 826 million) and liabilities (CHF 626 million) that were classified as held for sale were derecognized in the consolidated financial statements. They mainly comprise the following assets: cash and cash equivalents of CHF 14 million, accounts receivable of CHF 265 million, inventories of CHF 343 million, property, plant, and equipment of CHF 61 million, and intangible assets of CHF 106 million.

The liabilities side of the balance sheet mainly comprised current financial debts of CHF 114 million, liabilities of CHF 308 million and non-current financial debts of CHF 81 million.

11.1 Profit from the disposal group ALSO

In CHF million	2011
Share of profit before deconsolidation	1
Revaluation of interests to fair value	55
Realized cumulative exchange differences	-21
Profit attributable to the disposal group ALSO	35

11.2 Income statement of the disposal group ALSO

In CHF million	2011 ¹	2010
Revenue	291	4 214
Operating profit (EBIT)	4	57
Profit before taxes	2	39
Profit	1	32
Revaluation of interests to fair value (net)	34	–
Profit of the disposal group ALSO	35	32
of which non-controlling interests	–	9
Profit of the disposal group ALSO		
per share and participation certificate of Schindler Holding Ltd. in CHF		
Undiluted	0.30	0.19
Diluted	0.29	0.19

¹January 1 to February 8

11.3 Cash flow (net) of the disposal group ALSO

In CHF million	2011	2010
Cash flow from operating activities	6	67
Cash flow from investing activities	–	–48
Cash flow from financing activities	–2	–69
Exchange differences	–	–5
Change in cash and cash equivalents	4	–55
Cash flow from operating activities includes:		
Income taxes paid	–	8
Interest paid	2	18
Interest received	–	1

12 Marketable securities

In CHF million	2011	2010
Securities	226	94
Time deposits	33	31
Total marketable securities	259	125

13 Accounts receivable

In CHF million	2011	2010
Trade accounts receivable	1 237	1 165
Associated companies and other related parties	12	9
Other accounts receivable	127	106
Total accounts receivable	1 376	1 280

Value adjustments of receivables		
In CHF million	2011	2010
January 1	-137	-156
Setup	-9	-20
Usage	19	21
Reversal	-	-
Reclassification disposal group ALSO	-	3
Exchange differences	3	15
December 31	-124	-137
Expenses for the complete derecognition of trade accounts receivable ¹	19	21
Income from the inclusion of derecognized trade accounts receivable	1	1

¹No expenses for associated companies were incurred in the reporting period or previous year.

The aging of accounts receivables is as follows:

Aging analysis of receivables 2011

In CHF million	Total carrying amounts 31.12.2011	of which not overdue	of which overdue				
			<30 days	30 to 90 days	91 to 180 days	181 to 360 days	>360 days
Trade accounts receivable, gross	1 361	398	346	276	128	95	118
Allowance	-124	-1	-3	-6	-7	-22	-85
Associated companies and other related parties	12	3	2	5	1	1	-
Other receivables	127	98	11	4	2	4	8
Total receivables	1 376	498	356	279	124	78	41

Aging analysis of receivables 2010

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

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

14 Construction contracts		
In CHF million	2011	2010
Work in progress	975	867
Progress payments from customers	-507	-458
Net assets from construction contracts	468	409
Work in progress	882	854
Progress payments from customers	-1 776	-1 699
Net liabilities from construction contracts	-894	-845

15 Inventories		
In CHF million	2011	2010
Raw materials and trading materials	327	291
Semi-finished and finished goods	63	58
Advance payments to suppliers	17	10
Total inventories	407	359

The inventories include write-downs and write-offs of CHF 124 million (previous year: CHF 123 million) for items with a slow rate of turnover and technically obsolete items.

16 Property, plant, and equipment (PPE)

In CHF million	Land	Buildings	Equipment and machinery	Other PPE	Total
Net book values 2011					
January 1, 2011	52	174	111	119	456
Additions	10	22	27	70	129
Disposals	-1	-7	-2	-2	-12
Depreciation	-	-14	-24	-37	-75
Impairment	-	-	-6	-2	-8
Reclassifications	-1	-	9	-10	-2
Additions from business acquisition	-	-	2	1	3
Exchange differences	-1	-2	-2	-3	-8
December 31, 2011	59	173	115	136	483
Of which finance leases	1	3	-	5	9
Fire insurance values					2 015
Overview as of January 1, 2011					
Cost	62	425	494	399	1 380
Cumulative depreciation and impairment	-10	-251	-383	-280	-924
Net book values	52	174	111	119	456
Overview as of December 31, 2011					
Cost	69	421	494	412	1 396
Cumulative depreciation and impairment	-10	-248	-379	-276	-913
Net book values	59	173	115	136	483

The impairment of property, plant, and equipment was recorded in connection with the "LEAP" (Leading in Execution and Accelerating Performance) package of measures.

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

Other property, plant, and equipment includes IT equipment, furniture, vehicles, and assets under construction. Assets under construction amounted to CHF 39 million in the reporting year (previous year: CHF 26 million).

No gains/losses from the sale of property occurred in the reporting year (previous year: CHF 0 million).

Contractual obligations in the amount of CHF 18 million for investments in property, plant, and equipment were recorded (previous year: CHF 1 million).

Land and buildings comprise investment properties with a net book value of CHF 18 million (previous year: CHF 18 million). Their market value was CHF 22 million (previous year: CHF 22 million). Of this sum, CHF 2 million was calculated on the basis of external expert opinions (previous year: CHF 3 million). Rental income totaled CHF 1 million (previous year: CHF 1 million). This compares to operating expenses of CHF 0 million (previous year: CHF 0 million). The operating expenses relating to investment properties without rental income totaled CHF 1 million (previous year: CHF 1 million).

As in the previous year, there are no restrictions on the salability of the investment properties. Equally, there are no significant contractual obligations to buy, construct, repair, maintain or improve investment properties, as in the previous year.

In CHF million	Land	Buildings	Equipment and machinery	Other PPE	Total
Net book values 2010					
January 1, 2010	41	191	142	127	501
Additions	16	47	33	52	148
Disposals	–	–3	–2	–3	–8
Depreciation	–1	–14	–34	–39	–88
Reclassifications:					
Disposal group ALSO	–6	–29	–19	–6	–60
Others	–	–6	3	–3	–6
Additions from business acquisition	9	4	–	1	14
Exchange differences	–7	–16	–12	–10	–45
December 31, 2010	52	174	111	119	456
Of which finance leases	1	3	–	4	8
Fire insurance values					1 830
Overview as of January 1, 2010					
Cost	51	453	569	445	1 518
Cumulative depreciation and impairment	–10	–262	–427	–318	–1 017
Net book values	41	191	142	127	501
Overview as of December 31, 2010					
Cost	62	425	494	399	1 380
Cumulative depreciation and impairment	–10	–251	–383	–280	–924
Net book values	52	174	111	119	456

17 Intangible assets			
In CHF million	Goodwill	Other intangible assets	Total
Net book values 2011			
January 1, 2011	547	221	768
Additions	–	20	20
Disposals	–	–1	–1
Amortization	–	–30	–30
Impairment	–	–6	–6
Reclassifications	1	–1	–
Additions from business acquisitions	68	54	122
Exchange differences	–30	–1	–31
December 31, 2011	586	256	842
Net book values 2010			
January 1, 2010	609	225	834
Additions	–	38	38
Amortization	–	–38	–38
Impairment	–13	–	–13
Reclassification disposal group ALSO	–59	–43	–102
Additions from business acquisitions	66	64	130
Exchange differences	–56	–25	–81
December 31, 2010	547	221	768
Overview as of January 1, 2010			
Cost	609	508	1 117
Cumulative depreciation and impairment	–	–283	–283
Net book values	609	225	834
Overview as of January 1, 2011			
Cost	560	496	1 056
Cumulative depreciation and impairment	–13	–275	–288
Net book values	547	221	768
Overview as of December 31, 2011			
Cost	599	527	1 126
Cumulative depreciation and impairment	–13	–271	–284
Net book values	586	256	842

The impairment of other intangible assets in 2011 was recorded in connection with the “LEAP” (Leading in Execution and Accelerating Performance) package of measures.

The goodwill impairment in 2010 concerned the cash-generating unit in Saudi Arabia.

18 Impairment test

18.1 Measurement method

The impairment test is performed using the discounted cash flow method. Future cash flows, discount rates, and other parameters relating to the respective cash-generating units are determined using various assumptions. The basis for the test is the forecast for the reporting year and the medium-term plan for the following five years. Factors such as volumes, sales prices, revenue growth, cost of materials, personnel expenses, and operating expenses, as well as capital expenditure, market conditions, and other economic factors, are based on assumptions that management regards as reasonable.

18.2 Annual impairment test

In the reporting year a comprehensive impairment test was conducted for Saudi Arabia. For the remaining cash-generating units, the recoverable amount determined on the basis of the detailed calculation for 2010 was used. The parameters disclosed below therefore relate to this year. The following criteria were met for these cash-generating units:

- The recoverable amount exceeds the carrying amount by a substantial margin (difference is at least two times the carrying amount)
- The assets and liabilities have not changed significantly
- The likelihood that the recoverable amount would be less than the carrying amount is remote.

No impairment tests were conducted for the cash-generating units in Colombia and Switzerland because the goodwill positions stem from acquisitions in the reporting year.

The goodwill positions were tested for impairment in the third quarter based on the value in use. The following assumptions were used:

Goodwill 2011				
In CHF million	Book values at 31.12.2011	Assumption used		
		Pre-tax discount rate	Growth rate	Inflation rate
Germany	133	9.0%	2.0%	2.0%
Brazil	279	25.7%	4.5%	4.5%
China	11	12.9%	3.0%	3.0%
Czech Republic	11	11.0%	2.0%	2.0%
Japan	22	9.7%	1.0%	1.0%
Saudi Arabia	40	11.1%	4.0%	4.0%
USA	18	10.4%	1.9%	1.9%
Columbia	22			
Switzerland	50			
Total	586			

Goodwill 2010				
In CHF million	Book values at 31.12.2010	Assumption used		
		Pre-tax discount rate	Growth rate	Inflation rate
Germany	136	9.0%	2.0%	2.0%
Brazil	312	25.7%	4.5%	4.5%
China	11	12.9%	3.0%	3.0%
Czech Republic	12	11.0%	2.0%	2.0%
Japan	21	9.7%	1.0%	1.0%
Saudi Arabia	40	12.5%	4.0%	4.0%
USA ¹	15	10.4%	1.9%	1.9%
Total	547			

¹The item Others, which was reported separately in the previous year, was integrated retrospectively into the cash-generating unit USA (CHF 6 million).

The forecast scenarios do not require any adjustments of goodwill. The recoverable amount of the cash-generating unit in Saudi Arabia was higher than in the previous year and amounted to SAR 137 million (CHF 34 million). If operating profit were to be 2.5 percentage points lower than anticipated or if the discount rate were to increase by 2.2 percentage points, the recoverable amount would correspond to the carrying amount.

The recoverable amounts of all the other cash-generating units substantially exceeded their carrying amounts. A change in the basic data used, e.g. a sustained deterioration in the gross margin while the balance sheet and cost structure remain the same, would not result in an impairment of goodwill. Even if the cash flow forecasts were based on nominal zero growth, the carrying amount would not exceed the recoverable amount. An increase of 1 percentage point in the assumed discount rate would not alter the results of the impairment test.

19 Associated companies

In CHF million	Share in equity	Goodwill	Other intangible assets	Total
Net book values 2011				
January 1, 2011	158	41	14	213
Additions / capital increase	212	124	6	342
Disposals	-8	-3	-	-11
Amortization	-	-	-2	-2
Share of net profit	2	-	-	2
Dividends received	-3	-	-	-3
Movement in other comprehensive income	0	-	-	0
Reclassification	-196	-40	-7	-243
Exchange differences	-15	-4	-1	-20
December 31, 2011	150	118	10	278

In CHF million	Share in equity	Goodwill	Other intangible assets	Total
Net book values 2010				
January 1, 2010	118	34	26	178
Additions / capital increase	47	10	4	61
Amortization	-	-	-11	-11
Share of net profit	16	-	-	16
Dividends received	-10	-	-	-10
Disposal resulting from business combination	-5	-	-3	-8
Exchange differences	-8	-3	-2	-13
December 31, 2010	158	41	14	213

The exchange differences are recognized in other comprehensive income.

In the reporting year, additions/capital increase mainly comprise the capital increase of Hyundai Elevator, the investment in ALSO-Actebis Holding AG (see Note 11) and the 46% investment in XJ-Schindler (Xuchang) Elevator Co. Ltd., China, which was acquired on August 3, 2011.

The investment in Hyundai Elevator has no longer been classified as an associated company since August 15, 2011; instead, it is treated as a long-term financial asset. The participation on the reclassification date was 34.3% (December 31, 2010: 35.6%).

ALSO-Actebis Holding AG is listed on the SIX Swiss Exchange. The proportionate share of the market value calculated on the basis of the year-end closing rate of CHF 42.00 was CHF 152 million. The carrying amount at December 31, 2011 was CHF 166 million.

The recognition of ALSO-Actebis AG and XJ-Schindler (Xuchang) Elevator Co. Ltd. as associated companies has the following financial impacts:

In CHF million	ALSO- Actebis Holding AG	XJ-Schindler (Xuchang) Elevators
Increase in investments in associated companies	181	78
of which proportionate share of equity	126	19
of which goodwill	55	59
Interest in %	28.2	46.0

Cumulative values of associated companies

In CHF million	2011	2010
Share of income statement values:		
Revenue	1 635	357
Net profit	2	16
Share of balance sheet values:		
Current assets	433	150
Non-current assets	123	229
Current liabilities	367	133
Non-current liabilities	39	88
Equity	150	158

The values of the associated companies mainly comprise the investments in ALSO-Actebis Holding AG, Switzerland, and XJ-Schindler (Xuchang) Elevator Co. Ltd., China. The values are based on the most recent quarterly financial results of these companies for the reporting year. This means that the corresponding income from associates is taken into account one quarter after it is generated. If any material differences arise from accounting policies as applied by the Schindler Group, the values in the local financial statements are adapted.

20 Long-term financial assets

In CHF million	2011	2010
Loans to associated companies and other related parties	16	5
Marketable securities	167	160
Investment in Hyundai Elevator	403	–
Time deposits with a maturity exceeding 12 months	–	120
Other long-term financial assets	46	44
Total long-term financial assets	632	329

The investment in Hyundai Elevator has no longer been classified as an associated company since August 15, 2011; instead, it is treated as a long-term financial asset. The interest held as of December 31, 2011, was 35.0%.

21 Deferred taxes

21.1 Net book values

In CHF million	2011	2010
Deferred taxes based on temporary differences:		
Current assets	84	62
Property, plant, and equipment / investment properties	–5	–8
Provisions	74	68
Employee benefits	14	3
Intangible assets	–114	–124
Tax loss carryforwards	2	5
Others	–77	–39
Total net book values	–22	–33
of which recognized in the balance sheet as deferred tax liabilities	–183	–164
of which recognized in the balance sheet as deferred tax assets	161	131

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

21.2 Statement of changes in deferred taxes

In CHF million	2011	2010
January 1	-33	-59
Reclassification disposal group ALSO	-	8
Formation and reversal of temporary differences:		
through the income statement	30	6
through other comprehensive income	-25	-1
Additions from business acquisitions	-3	-7
Exchange differences	9	20
December 31	-22	-33

21.3 Unrecognized deferred tax assets

In CHF million	2011	2010
Temporary differences	318	293
Tax loss carryforwards	162	104
Total basis	480	397
Unrecognized deferred tax assets	125	110

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

21.4 Tax loss carryforwards

In CHF million	2011		2010	
	Loss carry-forwards	Tax effects	Loss carry-forwards	Tax effects
Total	169	49	120	34
Recognized as deferred tax assets	-7	-2	-16	-5
Total unrecognized	162	47	104	29
of which expiring:				
within one year	1	-	-	-
in two to five years	1	-	6	2
in more than five years	160	47	98	27

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

22 Employee benefit plans

22.1 Defined benefit plans 2011

In CHF million	Funded	Unfunded	Total
Plan assets at fair value	1 928		1 928
Present value of defined benefit obligation	-2 013	-340	-2 353
Financial deficit	-85	-340	-425
Unrecognized actuarial losses	233	43	276
Total net book value 2011	148	-297	-149
of which as employee benefits:			
under assets			150
under liabilities			-299

22.2 Defined benefit plans 2010

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

The plan assets do not contain any shares or participation certificates of Schindler Holding Ltd. The Group does not use any assets held in the pension plans.

22.3 Pension cost for defined benefit plans

In CHF million	2011	2010
Current service cost	53	47
Interest cost	80	91
Expected return on plan assets	-83	-91
Actuarial gains/losses	6	11
Effect of the asset ceiling (IAS 19.58b)	-	28
Pension expenses	56	86
Actual return on plan assets	1.9%	5.1%

22.4 Change in plan assets at fair value

In CHF million	Funded	
	2011	2010
January 1	1 925	1 942
Expected return	83	91
Actuarial gains/losses	-58	1
Employee contributions	27	28
Employer contributions	46	60
Benefits paid	-95	-112
Disposal group ALSO	-	-46
Exchange differences	-	-39
December 31	1 928	1 925

As at the date of this report, and based on current actuarial opinion, only a marginal increase in employer contributions is expected in 2012.

22.5 Change in the present value of defined benefit obligations

In CHF million	2011			2010		
	Funded	Un-funded	Total	Funded	Un-funded	Total
January 1	-1 896	-319	-2 215	-2 020	-344	-2 364
Current service costs	-42	-11	-53	-39	-8	-47
Interest cost	-66	-14	-80	-75	-16	-91
Employee contributions	-27	-	-27	-28	-	-28
Actuarial gains/losses	-75	-19	-94	56	-7	49
Benefits paid	95	17	112	112	20	132
Additions from business acquisitions	-	-	-	-	-9	-9
Disposal group ALSO	-	-	-	53	-	53
Exchange differences	-2	6	4	45	45	90
December 31	-2 013	-340	-2 353	-1 896	-319	-2 215

22.6 Multi-year comparison

In CHF million	2011	2010	2009	2008	2007
Plan assets at fair value	1 928	1 925	1 942	1 812	2 092
Present value of defined benefit obligation	-2 353	-2 215	-2 364	-2 311	-2 406
Financial deficit	-425	-290	-422	-499	-314
Experience adjustments on plan assets	-58	1	41	-352	-28
Experience adjustments on the present value of defined benefit obligations	39	49	3	37	60

22.7 Health care plans

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

22.8 Asset allocation of investments as at December 31

Weighted average in %	2011	2010
Equity instruments	31.6	31.7
Bonds	27.2	28.1
Real estate	25.1	22.1
Cash and cash equivalents	2.2	3.0
Others	13.9	15.1
Total	100.0	100.0

22.9 Basis of actuarial calculations

In %	Switzerland		USA		Germany ¹		United Kingdom	
	2011	2010	2011	2010	2011	2010	2011	2010
Discount rate	2.50	3.00	5.40	6.00	4.75	5.30	4.70	5.40
Expected return on assets	4.00	4.00	7.50	7.50	–	–	6.00	5.90
Increase in salaries/wages	2.00	2.00	4.00	4.00	2.50	2.50	0.00	0.00
Increase in pensions	0.00	0.00	0.00	0.00	2.00	2.00	3.30	3.70

¹Unfunded

The expected return on assets is based on long-term market expectations that take account of asset allocation. Current developments are analyzed, monitored and considered in the assumptions on an ongoing basis.

23 Accounts payable

In CHF million	2011	2010
Supplies and services	525	481
Associated companies and other related parties	12	7
Social security	52	50
Indirect taxes and capital taxes	135	126
Other accounts payable	70	58
Total accounts payable	794	722

24 Accrued expenses and deferred income

In CHF million	2011	2010
Personnel expenses	400	391
Late cost	132	113
Invoiced service contracts	318	342
Other accrued expenses and deferred income	327	334
Total accrued expenses and deferred income	1 177	1 180

25 Financial debts

25.1 Current financial debts

In CHF million	2011	2010
Overdrafts	59	74
Liabilities to related parties	69	59
Current portion of non-current financial debts:		
of bank loans	39	10
of financial leases	2	2
Total current financial debts	169	145

25.2 Non-current financial debts

In CHF million	2011	2010
4.640% bank loan 2008-2013, nominal value EUR 100 million	–	125
0.625% bond 2011–2014, nominal value CHF 200 Mio.	198	–
1.250% bond 2011–2016, nominal value CHF 400 Mio.	396	–
Finance leases	6	5
Other non-current financial debts	19	2
Total non-current financial debts	619	132
of which CHF portion	96%	0%

The bank loan of EUR 100 million with a term of 2008 – 2013 was repaid early in December 2011.

The Group companies complied with all debt covenants.

25.3 Maturity and average interest rate on financial debts

In CHF million	2011		2010	
	Book value	Effective interest rate in %	Book value	Effective interest rate in %
Within one year	169	2.0	145	2.1
In two to five years	609	1.1	130	4.7
More than five years	10	4.9	2	7.8
Total financial debts	788	1.4	277	3.3

26 Provisions

In CHF million	Loss-making jobs	Restructuring costs	Product liabilities and warranties	Self-insurance	Others	Total
Current provisions	30	70	69	15	11	195
Non-current provisions	4	9	226	81	61	381
Total provisions	34	79	295	96	72	576
Statement of changes						
January 1, 2011	24	26	268	103	69	490
Formation	27	97	74	12	10	220
Increase in present value	–	–	5	5	–	10
Usage	–17	–42	–45	–17	–4	–125
Reversal	–	–1	–7	–	–3	–11
Additions from business acquisitions	–	–	1	–	–	1
Exchange differences	–	–1	–1	–7	–	–9
December 31, 2011	34	79	295	96	72	576

The provision for loss-making jobs is created to cover losses contained in the order backlog. It is reversed as each job is executed. Jobs are usually completed within 9 to 24 months of the sale being concluded.

Provisions for restructuring costs mainly comprise costs from the “LEAP” (Leading in Execution and Accelerating Performance) package of measures. These measures include the adaptation of the structures of various Group companies to lower levels of demand as well as the enhancement of productivity. Some of the measures were already implemented in 2011. The remaining measures will largely be completed in 2012. The provisions also include severance payments that are recognized in the balance sheet if a social plan exists that has been communicated to the employees concerned. The provisions are reversed in parallel with the corresponding payments being made, with the exception of severance payments, this is usually within one year.

Provisions for product liability cases are based on actuarial calculations by independent experts for cases that have occurred, or are expected to occur, but are not yet resolved. The provisions are reversed in parallel to the payments being made. They may extend over a period of up to 10 years following the occurrence of damages. The provisions for product liability claims are subject to a certain degree of uncertainty with regard to timing as well as the amount to be paid. Warranty provisions cover the risk of expenses that are expected to occur before the granted warranty period expires.

The provisions for self-insurance mainly cover risks that are not, or not sufficiently, covered by local or state insurances in individual countries. These provisions are based on corresponding actuarial opinions.

Other provisions cover further country-specific risks relating to individual companies. Other provisions are normally reversed within five years.

27 Equity

27.1 Share capital

	31.12.2011	31.12.2010
Number of shares	71 776 700	71 776 700
Nominal value in CHF	0.10	0.10
Share capital in CHF	7 177 670	7 177 670

27.2 Participation capital

	31.12.2011	31.12.2010
Number of participation certificates	48 609 400	48 609 400
Nominal value in CHF	0.10	0.10
Participation capital in CHF	4 860 940	4 860 940

27.3 Own shares and participation certificates

In CHF million	Registered shares		Participation certificates	
	Number	Value	Number	Value
January 1, 2010	1 271 425	86	120 826	5
Purchase	291 252	29	508 533	50
Disposal	-94 222	-8	-	-
Share-based payments	-	-	-104 553	-10
Exercise of options and Performance Share Units	-141 353	-8	-119 975	-4
Loss on disposal	-	0	-	-2
December 31, 2010	1 327 102	99	404 831	39
Purchase	350 443	36	2 261 575	223
Disposal	-1 066	0	-	-
Share-based payments	-	-	-76 100	-9
Exercise of options and Performance Share Units	-287 508	-23	-47 087	-2
Gain on disposal	-	2	-	0
December 31, 2011	1 388 971	114	2 543 219	251
Number of reserved shares and participation certificates				
for participation plans	1 152 071		937 619	
Already designated for allocation on December 31, 2011	1 134 278		620 296	

27.4 Other reserves

In CHF million	Exchange differences	Hedging transactions	Available-for-sale financial assets	Share of other comprehensive income of associated companies	Premium	Treasury shares and PC	Total
January 1, 2010	-549	5	-	-	311	-91	-324
Unrealized changes in fair value		14	3	-			17
Taxes on unrealized changes in fair value		-	-				-
Realized changes in fair value		-5	-	-			-5
Taxes on realized changes in fair value		-1	-				-1
Change in translation of foreign currency	-126						-126
Additions/Disposals treasury shares						-47	-47
December 31, 2010	-675	13	3	-	311	-138	-486
Unrealized changes in fair value		12	73	-			85
Taxes on unrealized changes in fair value		1	-26				-25
Realized changes in fair value		-26	-	-			-26
Taxes on realized changes in fair value		-	-				-
Change in translation of foreign currency realized	59						59
Change in translation of foreign currency unrealized	-43						-43
Additions/Disposals treasury shares						-227	-227
December 31, 2011	-659	-	50	-	311	-365	-663

Other reserves result from the new presentation of equity (see note 2.26).

28 Business combinations

Ascensores Andino SAS

The acquisition of Ascensores Andino SAS, Colombia, was completed on August 10, 2011. The new Group company is active in the sale, installation, modernization and maintenance of elevators and escalators. The purchase strengthens Schindler's position in Colombia, one of Latin America's emerging markets. The acquisition will increase efficiency and enhance the competitiveness of Schindler's high-quality services.

It was agreed that the purchase price will be paid entirely in cash. Of this sum, 90% was paid on the transaction date and the remaining 10% is due for payment on October 1, 2012. The portion of the purchase price that has been withheld will be paid subject to developments in the invoicing of maintenance contracts within one year of the acquisition date. The payment of the withheld portion will also depend on contractual representations and warranties given by the seller. It is assumed that the portion of the purchase price that was withheld will be paid. In view of the short period until the payment due date, the sum has not been discounted.

Goodwill mainly reflects the expected synergy effects from market activities and the introduction of Group products and processes. It is assumed that goodwill represents a deductible expense for income tax purposes.

The gross amount of trade accounts receivable was CHF 1 million, for which an allowance for doubtful accounts amounting to significantly less than CHF 1 million was recorded. Further receivables, which are mainly recognized in non-current assets, amounted to CHF 1 million. The fair value of all acquired receivables was therefore CHF 2 million.

The newly acquired company contributed CHF 11 million to consolidated revenue. If the acquisition of this company had already been completed on January 1, 2011, the Group would have generated additional revenue of CHF 27 million (unaudited). The contribution to net profit was CHF 1 million. The non-consolidated share of net profit for the period prior to the acquisition was CHF 2 million (unaudited). The transaction costs were significantly lower than CHF 1 million and were recognized in other operating expenses.

H. Henseler AG

The acquisition of H. Henseler AG, Switzerland, was completed on December 20, 2011. Henseler is active in the production, sale, installation, modernization and maintenance of elevators. The company has made a name for itself mainly through its innovative elevator system that has been granted several international patents. Its technology eliminates the need for an overhead room to be constructed on the roof of the building in which the elevator is installed.

It was agreed that the purchase price will be paid entirely in cash. Of this sum, 92% was paid on the transaction date and the remaining 8% is due for payment on December 27, 2012. The portion of the purchase price that was withheld will be paid depending on the level of consolidated equity, including profits, reported by Henseler for 2011. The payment of the withheld portion will also depend on contractual representations and warranties given by the seller. It is assumed that the portion of the purchase price that was withheld will be paid. In view of the short period until the payment due date, the sum has not been discounted.

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

The gross amount of trade accounts receivable was CHF 6 million, on which an allowance for doubtful accounts of CHF 1 million was recorded. The fair value of all acquired receivables was therefore CHF 5 million.

From the acquisition date, the revenue of the acquired business activities totaled CHF 1 million. If the transaction had already been completed on January 1, 2011, this would have resulted in additional revenue of CHF 41 million (unaudited). The contribution to net profit amounted to significantly less than CHF 1 million. The non-consolidated share of net profit for the period prior to the acquisition was CHF 7 million (unaudited). The transaction costs were significantly lower than CHF 1 million and were recognized in other operating expenses.

The published data are of a provisional nature since the transaction was completed shortly before the end of the reporting year. The final data, as well as any outstanding information that has to be disclosed pursuant to IFRS 3 will be determined in connection with the ongoing purchase price allocation and will be disclosed accordingly.

Assets and liabilities from business combinations

The following assets and liabilities were consolidated at fair value as at the acquisition date:

In CHF million	Fair value at acquisition date		Total
	Andino	Henseler (provisional values)	
2011			
Net assets			
Cash and cash equivalents	–	33	33
Receivables / deferred income	2	5	7
Net assets from construction contracts / inventories	1	6	7
Property, plant, and equipment	–	3	3
Intangible assets	14	27	41
Non-current liabilities	–3	–18	–21
Deferred tax liabilities	–	–3	–3
Other non-current liabilities	–	–2	–2
Total net assets	14	51	65
Goodwill			
Cash and cash equivalents paid	29	93	122
Portion of the purchase price withheld	3	8	11
Total acquisition costs	32	101	133
Total net assets	14	51	65
Goodwill	18	50	68
Cash used (net)	29	60	89

Other business combinations

In 2011, Schindler acquired the business activities or shares of various smaller companies that are active in the sale, installation, modernization and maintenance of elevators and escalators. Even viewed collectively, these acquisitions are not significant (cash used: CHF 13 million).

2010 In CHF million	Fair value at acquisition date		
	Saudi Elevator Co. Ltd.	Reliable Elevator	Total
Net assets			
Cash and cash equivalents / marketable securities	1	–	1
Accounts receivable / prepaid expenses and accrued income	24	–	24
Net assets from construction contracts / inventories	12	–	12
Property, plant, and equipment	13	1	14
Intangible assets	54	10	64
Other non-current assets	17	–	17
Current bank borrowings	–18	–	–18
Other current liabilities	–30	–	–30
Non-current liabilities	–21	–	–21
Total net assets	52	11	63
Goodwill			
Cash and cash equivalents paid	87	20	107
Fair value of previously held interest	22	–	22
Total acquisition costs	109	20	129
Total net assets	52	11	63
Goodwill	57	9	66
Cash used (net)	86	20	106

29 Off-balance sheet transactions

29.1 Contingent liabilities		
In CHF million	2011	2010
Total value of guarantees, pledges, and guarantee obligations in favor of third parties	16	12

Financial and other guarantees are reported as contingent liabilities and are only carried in the balance sheet as a provision if an outflow of resources embodying economic benefits is likely to occur.

As an internationally active group, Schindler is exposed to a multitude of legal risks. In particular, they may include risks associated with employment law, product liability, patent law, tax law, and competition law. Several of the Group companies are involved in legal proceedings. The results of currently pending or future proceedings cannot be accurately forecast, which means that decisions by courts or other authorities can give rise to expenses that are not covered fully, or at all, by insurance policies, and can therefore have significant consequences for the business and for future results.

The Schindler companies that were affected by the decision of the European Commission of February 21, 2007, regarding fines under competition law filed an action for annulment with the General Court of the European Union. On July 13, 2011, the Court rejected the action for annulment. The Schindler companies affected have submitted an appeal against this decision to the Court of Justice of the European Union. The court is not expected to reach a decision before 2013. The fine was paid in 2007.

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

Further to a decision reached by the Higher Regional Court in Vienna on December 14, 2007, which resulted in fines being imposed on the companies in question, several claims for damages have been lodged with the Commercial Court in Vienna against various elevator companies, including Austrian Group companies of Schindler since February 2010. The total claims for damages against all of the defendants amount to around EUR 148.9 million, plus interest. The Schindler companies consider the claims to be without merit. Consequently, no provisions have been recorded.

29.2 Other unrecognized obligations

In CHF million	2011	2010
Irrevocable payment commitments resulting from contracts not recognized in the balance sheet	97	51

29.3 Maturity of rental and lease payments 2011

In CHF million	Rental contracts	Operating leases
Within one year	21	65
In two to five years	52	117
More than five years	22	23
Total payments	95	205

29.4 Maturity of rental and lease payments 2010

In CHF million	Rental contracts	Operating leases
Within one year	19	63
In two to five years	34	118
More than five years	13	19
Total payments	66	200

30 Financial risk management

30.1 Principles for risk management

As a globally active group, Schindler is exposed to a variety of general and industry-specific risks. A comprehensive analysis of the potential risks and an assessment of the degree to which they can be controlled is therefore a vital prerequisite to enable important business decisions to be reached.

Risk management forms an integral part of the planning and execution of Schindler's business strategy. Consequently, its risk policy is defined by the Board of Directors, the Executive Committee of the Board, and the Management Committee. The risk policy is intended to support sustainable growth and to increase the value of the business.

Schindler uses various risk management and control systems that allow the Group's risk exposures to be anticipated, measured, monitored, and addressed through appropriate actions. The Management Committee, the Audit Committee, and the Audit Expert Group review the appropriateness of the risk management and internal control systems at regular intervals, as well as on an ad-hoc basis whenever unexpected risks arise, and modifications are made if necessary. The Board of Directors, the Executive Committee of the Board, and the Management Committee are informed promptly and fully of material risks that exist. The risk assessment of the Board of Directors is disclosed in the Financial Report of Schindler Holding Ltd, section 22, page 96.

The most significant financial risks to which the Group is exposed are credit, liquidity, and market risks. Group Treasury uses an analysis and evaluation system to record, monitor, and control financial risks. The controls are based on the parameters prescribed by the Board of Directors, the Executive Committee of the Board, and the Finance Committee. The Finance Committee is composed of various internal experts who are not members of the Board of Directors.

30.2 Credit risks

Credit risk is the risk that a financial loss may arise if a counterparty is unable or unwilling to fulfill its contractual payment obligations. Credit risk therefore not only encompasses the immediate risk of default but also the risk of an impaired credit rating together with the possible occurrence of cluster risks. The maximum credit risk comprises the carrying amounts of the financial assets (including derivative financial instruments) and guarantees.

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

The Group's risk policy stipulates that the majority of liquid assets must be invested in broadly diversified investments with a low default risk. Consequently, cash and cash equivalents are invested mainly in term deposits and in first-class, low-risk liquid securities issued by financial institutions that fulfill certain minimum requirements regarding their credit rating. Where necessary – for example in countries with low ratings – Schindler uses other investment categories for cash and cash equivalents as far as it is necessary to maintain its operations in these countries.

The Schindler Group makes various other investments that are classified either as marketable securities or as long-term financial assets. In the case of marketable securities, these mainly comprise secure investments in the form of bonds and capital-protected units. In addition to shares, long-term financial assets mainly comprise fixed-rate bonds and other investment-grade securities.

The Group is exposed to losses from credit risks if financial institutions and issuers of securities do not fulfill their obligations. To actively manage its credit risk, the Group has defined limits for the volume of assets that may be held with any one financial institution. In addition, the Group regularly reviews the credit ratings of the different financial institutions and the assets that are held there. Credit quality is determined using credit default swaps (CDS) and the ratings issued by Standard & Poor's, Moody's or Fitch. Credit-worthiness is categorized as follows:

- AAA Default risk practically zero
- AA Secure investment but minor risk of default
- A Secure investment provided no unforeseen circumstances impair overall economy or industry
- <A Mainly investments for which no public rating exists

2011									
	AAA		AA		A		Rating <A		Total
	In CHF million	%	In CHF million	%	In CHF million	%	In CHF million	%	In CHF million
Cash and									
cash equivalents	671	28%	715	30%	606	25%	411	17%	2 403
Marketable securities ¹	–	–	27	12%	70	30%	133	58%	230
Long-term									
financial assets ¹	3	1%	53	27%	89	45%	54	27%	199
Total	674	24%	795	28%	765	27%	598	21%	2 832

¹Excluding equity instruments

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

¹Excluding equity instruments

30.2.2 Trade accounts receivable

Due to Schindler's large customer base and global presence, the likelihood of cluster risks occurring with regard to trade receivables is limited. The payment terms and outstanding receivables are regularly monitored at a local level by the Group companies. The rendering of progress payments provides additional security in this area.

30.3 Liquidity risks

Liquidity risk denotes the risk that Schindler may not be able to meet its own financial obligations in full.

The centrally controlled liquidity risk management function ensures that the Group is always in a position to promptly fulfill its payment obligations. Its solid financial structure is of key importance in ensuring liquidity. In addition, cash flows are constantly monitored using a detailed liquidity overview system that combines information on the maturity of financial investments and financial assets, as well as expected cash flows from business activities.

The Group's goal is to maintain a substantial liquidity reserve in the form of cash and cash equivalents to ensure its solvency and financial flexibility at all times. The Group's creditworthiness also allows it to make efficient use of the international financial markets for financing purposes, if necessary.

As at December 31, 2011, and December 31, 2010, respectively, the financial liabilities of the Group comprised the following maturities. This information is based on contractually agreed interest and amortization payments.

Financial liabilities 2011: carrying amounts and cash outflows

In CHF million	Carrying amounts 31.12.2011	Total	Cash outflows		
			up to 1 year	2 to 5 years	more than 5 years
Trade accounts payable	-607	-607	-607	-	-
Liabilities to banks / owners	-780	-797	-177	-612	-8
Finance lease liabilities	-8	-9	-2	-5	-2
Forward exchange contracts:					
Cash inflows		2 741	2 494	243	4
Cash outflows		-2 743	-2 496	-243	-4
Net	-2	-2	-2	-	-
Other financial liabilities	-692	-692	-692	-	-
Total	-2 089	-2 107	-1 480	-617	-10

Financial liabilities 2010: carrying amounts and cash outflows¹

In CHF million	Carrying amounts 31.12.2010	Total	Cash outflows		
			up to 1 year	2 to 5 years	more than 5 years
Trade accounts payable	-546	-546	-546	-	-
Liabilities to banks / owners	-270	-290	-151	-137	-2
Finance lease liabilities	-7	-8	-2	-4	-2
Forward exchange contracts:					
Cash inflows		2 490	2 382	108	-
Cash outflows		-2 472	-2 364	-108	-
Net	18	18	18	-	-
Other financial liabilities	-666	-666	-666	-	-
Total	-1 471	-1 492	-1 347	-141	-4

¹ Excluding disposal group ALSO

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

- All financial instruments are included that were recognized as at December 31, 2011, and December 31, 2010, respectively, and for which payments were already contractually agreed. Projected figures for new liabilities in the future are not included.
- Foreign currency amounts are translated at the closing rates as at the balance sheet date.
- Variable interest payments from financial instruments are based on the last interest rates set as at December 31, 2011, and December 31, 2010, respectively.
- Repayable financial liabilities are always assigned to the earliest maturity date.
- Derivative financial instruments comprise derivatives with negative as well as positive fair values. This reflects the fact that all derivative financial instruments, and not only those with a negative fair value, can influence the individual categories of time.

30.4 Market risks

In the course of its normal business activities, the Group is exposed to market risks that arise from changes in interest rates, foreign currency exchange rates, and the share prices of listed securities. These risks can have a material impact on the Group's financial position, results of operations and cash flows. Furthermore, these risks can be supplemented or replaced by further risks that are either regarded as immaterial at present or are not yet known.

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

30.4.1 Risk measurement and management

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

Sensitivity analyses are performed to assess the effects of different conditions in the market. These analyses enable risk positions to be evaluated on a group-wide basis and provide an approximate measurement of the risk that can arise based on specific assumptions in the event of isolated changes in individual parameters by a defined amount. The effects on the statement of comprehensive income may differ substantially depending on how the market develops.

30.4.2 Interest rate risks

Interest rate risks result from changes in interest rates that could negatively affect the Group's financial position, results of operations and cash flows. Fluctuations in interest rates lead to changes in interest income and in the interest costs of variable interest-bearing assets and liabilities.

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

It is mainly finance companies within the Group that have the possibility of investing in interest-bearing financial instruments but also – to a limited extent – the operating companies.

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

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

Risks from changes in interest rates are modeled using sensitivity analyses, which demonstrate the effects of changes in market interest rates on interest expense and interest income.

If the level of market interest rates on December 31, 2011, had been 100 base points higher (lower), net financial income would have been CHF 27 million higher (lower) (previous year: CHF 23 million).

30.4.3 Foreign currency risks

Foreign currency risks can be divided into transaction and translation risks. These risks can influence the Group's financial position, results of operations and cash flows presented in Swiss francs.

The majority of expenses and income from operating activities are incurred in local currencies. Expenses and income that occur in foreign currencies entail transaction risks. To manage these risks, group-wide guidelines require each company to monitor its transaction-related foreign currency risks and to calculate its net exposure in the various currencies. All operating units are required to hedge their transaction risks to the extent allowed by law. The hedging is usually undertaken by Group Treasury or, in specially approved cases, directly with external counterparties. Group Treasury combines the various transaction risks in the same currency and creates natural hedging relationships between individual currencies.

The remaining transaction risks that cannot be netted-off within the Group are, as far as possible, hedged by Group Treasury using currency derivatives from counterparties with good international risk ratings. Schindler thus continuously reduces its transaction-related foreign currency risks from operational business units to a minimum so that the Group is not exposed to any material exchange rate risks. Further foreign currency positions can be assumed to optimize the financial results. These transactions are subject to limits that are defined by the Board of Directors. Management receives monthly updates on risk exposures with the Treasury Report.

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

The operating companies are not permitted to speculatively obtain or invest cash in foreign currencies. The Group's internal financing, as well as investments by Group companies, are executed in the relevant local currency.

The following table shows the Group's unhedged net exposures in its Swiss franc, euro, and US dollar positions as at December 31, 2011, and December 31, 2010, respectively. The amounts are shown in Swiss francs. The unhedged net positions at the end of the year are also representative of the main risks during the year.

In CHF million	CHF	EUR	USD
31.12.2011	–	1	11
31.12.2010	–	1	13

The following sensitivity analysis calculates the foreign currency risks of the most important currencies (transaction risks only; translation risks are not considered). The forward contracts of the finance companies entail currency risks that are included in the calculations.

If the underlying currency had been 5% stronger/weaker as at December 31, and if all other parameters had remained unchanged, the effect on comprehensive income would have been as follows (converted to CHF at the closing rate for the reporting period):

In CHF million	2011		2010	
	Financial result +/-5%	Other comprehensive income +/-5%	Financial result +/-5%	Other comprehensive income +/-5%
CHF / EUR	+/-6	–	-/+7	+/-8
CHF / USD	+/-4	–	-/+2	+/-3
EUR / USD	-/+3	–	–	–
EUR / AUD	+/-4	–	–	–
CHF / KRW	–	-/+20	–	–

30.4.4 Share price risks/risks related to equity instruments

Investments in equity instruments are undertaken on an individual basis on the instructions of the Executive Committee of the Board, the Finance Committee, or Group Treasury. The investment strategy and the development of prices is monitored by Group Treasury on a daily basis.

Investments in equity instruments are undertaken exclusively by finance companies of the Group; the operating companies are generally prohibited from undertaking this type of transaction.

Schindler has investments in equity instruments totaling CHF 460 million (previous year: CHF 90 million). The investment in Hyundai Elevator accounts for the major proportion of these investments (CHF 403 million). They also include derivatives, shares, units in commodity funds, and alternative investments. The corresponding price risks relate to price changes, which can have negative effects on the Group's financial position, results of operations and cash flows.

If the prices of the various equity instruments as at December 31, 2011, had been 10% higher (lower), net financial income would have been CHF 3 million higher (lower) (previous year: CHF 8 million higher/lower). Other comprehensive income would have been CHF 43 million higher (lower) (previous year: CHF 1 million higher/lower).

30.5 Capital management

The Group's capital management activities are intended to maintain its strong credit rating and robust key performance indicators in order to support its operational business activities and increase shareholder value. The capital structure is adapted in line with changing requirements. Possible measures that can be taken in the field of capital management include changes to dividend payments, the repayment of capital to the owners in the form of a repurchase program, or the issuing of new shares.

The gearing ratio serves as a guideline for capital management. The ratio of net liabilities to total capital is monitored continuously.

In CHF million	2011	2010
Financial debts	788	277
Liabilities	794	722
Cash and cash equivalents	-2 403	-2 310
Net liabilities/assets	-821	-1 311
Total equity	2 817	2 819
Total capital	1 996	1 508
Gearing ratio (net liabilities as percentage of total capital)	<0%	<0%

No Group companies were subject to minimum capital requirements requested by external parties.

31 Financial instruments

31.1 Financial instruments 2011

In CHF million	Financial assets			Financial liabilities		Total	Total fair values
	at fair value through profit or loss	Loans and receivables	available for sale	at fair value through profit or loss	Other financial liabilities		
	held for trading			held for trading			
Cash and cash equivalents		2 403				2 403	2 403
Marketable securities	68	38	153			259	259
Accounts receivable	–	1 376				1 376	1 376
Prepaid expenses and accrued income	37	72				109	109
Long-term financial assets	–	62	570			632	632
Financial debts					788	788	788
Accounts payable				1	606	607	607
Accrued expenses and deferred income				35	692	727	727
Total	105	3 951	723	36	2 086		
Interest income/expense	–	28	13		–22	19	
Net income from securities	–13		–	–		–13	
Change in value adjustments and losses on trade accounts receivable		10				10	
Total net gain/loss in the income statement	–13	38	13	–	–22	16	
Changes recognized in other comprehensive income:							
unrealized			73			73	
realized through the income statement			–			–	
Total	–13	38	86	–	–22	89	

31.2 Financial instruments 2010

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

31.3 Fair value 2011 by levels¹

In CHF million	Level 1	Level 2	Level 3	Total fair values
Financial assets				
at fair value through profit or loss				
Marketable securities	33	35	–	68
Prepaid expenses and accrued income	–	37	–	37
available for sale				
Marketable securities	50	103	–	153
Long-term financial assets	555	–	15	570
Financial liabilities				
at fair value through profit or loss				
Accounts payable	–	1	–	1
Accrued expenses and deferred income	–	35	–	35

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

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

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

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

31.4 Fair value 2010 by levels¹

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

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

31.5 Reconciliation of the fair values of level 3 financial instruments

The fair value of the level 3 financial instruments changed in the reporting year by significantly less than CHF 1 million due to lower valuations (previous year: higher valuation of CHF 2 million). These changes were recognized in other comprehensive income.

31.6 Derivative assets and liabilities

In CHF million	2011			2010		
	Fair value of assets	Fair value of liabilities	Nominal amount	Fair value of assets	Fair value of liabilities	Nominal amount
Held for trading						
Interest instruments	–	–	9	–	–	–
Currency instruments	37	36	2 439	78	59	2 413
Others	–	2	12	–	–	–
Total held for trading	37	38	2 460	78	59	2 413
Fair value hedges						
Interest instruments	–	–	–	–	–	–
Currency instruments	–	–	17	–	–	–
Others	–	–	–	–	–	–
Total fair value hedges	–	–	17	–	–	–
Cash flow hedges						
Interest instruments	–	–	–	–	–	–
Currency instruments	1	2	150	17	–	318
Others	–	–	–	–	–	–
Total cash flow hedges	1	2	150	17	–	318
Net investment hedges						
Interest instruments	–	–	–	–	–	–
Currency instruments	–	–	76	–	–	–
Others	–	–	–	–	–	–
Total net investment hedges	–	–	76	–	–	–

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

In CHF million	2011	2010
Marketable securities	29	21
Accounts receivable	10	12
Inventories	3	2
Disposal group ALSO	–	42
Property, plant, and equipment	12	14
Long-term financial assets	–	1
Total encumbered assets	54	92

33 Segment reporting

Since the Schindler Group surrendered control of the ALSO Group on 8 February 2011 and the ALSO Group ceased to be a Group company, it has no longer been classified as an operating business segment. No significant changes have been made to the Schindler Group's organizational structure or its communications and decision-making processes as a result of the disposal of ALSO. The Elevators & Escalators segment is managed as a global unit as in the previous years. The Group therefore consists of one operating segment for which reports are submitted to the Executive Committee of the Board of Directors (Chief Operating Decision Maker). These reports form the basis for the evaluation of performance and the allocation of resources.

The operating segment comprises an integrated business that specializes in the production and installation of new elevators and escalators, as well as the modernization, maintenance, and repairs of existing installations.

The column 'Finance' comprises the expenses of Schindler Holding Ltd., as well as centrally managed financial assets and financial liabilities that have been entered into for Group financing purposes.

In addition to segment information, other selected information is published as part of a voluntary continuing disclosure.

Since internal and external reporting are based on the same valuation principles, there is no need to reconcile the management reporting figures to the financial reporting figures. The segment's operating profit can therefore be reconciled to the Group's profit before taxes based on the figures reported in the consolidated income statement.

33.1 Segment information 2011

In CHF million	Group	Finance	Elevators & Escalators (E & E)	Additional information to the E&E segment			
				Europe	North, Central, and South America	Asia, Australia, Africa	Elimi- nations
Revenue from third parties	7 854	–	7 854	3 902	2 233	1 719	–
Revenue from other regions		–	–	306	10	97	–413
Total revenue	7 854	–	7 854	4 208	2 243	1 816	–413
Operating profit	790	–38	828				
Additions of property, plant, and equipment, and intangible assets	149	–	149	75	38	36	–
Total depreciation and amortization	119	–	119	61	33	25	–
of which impairment	14	–	14	4	4	6	–
Share in profits of associated companies	–1	–	–1				
Assets	7 644	2 697	4 947	2 169	1 440	1 338	–
Associated companies	278		278	187	–	91	–
Liabilities	4 827	777	4 050	2 146	1 049	855	–

33.2 Segment information 2010

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

¹Including eliminations of CHF 11 million

²Including eliminations of CHF 32 million

33.3 Geographical information

In CHF million	2011			2010		
	Switzerland	Other countries	Group	Switzerland	Other countries	Group
Revenue from third parties	830	7 024	7 854	790	7 397	8 187
Non-current assets ¹	439	1 164	1 603	117	1 320	1 437

¹Excluding long-term financial assets, deferred taxes, and employee benefits

34 Share-based payments

34.1 Structure

34.1.1 Capital Participation Plans

The Capital Participation Plans 2000/2003 are available to the management and other employees of the Group. It comprises a share plan and an option plan. The specific features of the plan and the relevant eligibility criteria are determined each year by the Board of Directors. The present Capital Participation Plan currently applies to about 560 employees of the Group.

The shares and participation certificates (PCs) that are awarded under this plan are transferred to the ownership of the employees at grant date. All associated rights also immediately pass to the employees. However, the shares and participation certificates are blocked for a period of three years, during which they may not be sold by the recipients.

After three years, the granted options pass into the unrestricted ownership of the beneficiaries, provided they have remained with the company throughout the designated period. An exercise period of six years subsequently applies.

34.1.2 Long Term Incentive Plan

The Long Term Incentive Plan is available to members of the Management Committee and other managers. It includes a Performance Share Plan and an Options Plan.

Under the Performance Share Plan, the Board of Directors awards a certain number of Performance Share Units – determined at its own discretion – to the beneficiaries. Each Performance Share Unit entitles the beneficiary to receive shares or PCs of Schindler Holding Ltd. The number of shares or PCs received depends on the attainment of certain growth and profitability targets (key performance indicators), which are defined annually by the Board of Directors.

The shares or PCs are allocated upon the completion of a three-year performance period. Prior to the allocation of the shares or PCs, the extent to which the key performance indicators have been achieved is determined and the resulting conversion rate is calculated. The conversion rate is between 0 and 3. The number of shares/PCs to be allocated is calculated by multiplying the number of Performance Share Units originally awarded by the conversion rate. The shares/PCs are then transferred to the ownership of the beneficiary, who is free to dispose of them from that date.

Under the Options Plan, the Board of Directors or Compensation Committee grants a certain number of options on shares or PCs of Schindler Holding Ltd. – determined at its own discretion – to the beneficiaries. The grant for each reporting year is made in April. After three years, the options granted pass into the unrestricted ownership of the beneficiary, provided the beneficiary has remained with the company throughout the designated period. The subsequent exercise period is for six years.

34.2 Share plan of Schindler Holding Ltd.

The participation certificates allocated in connection with the capital participation plans in April 2012 are valued according to the price listed on the SIX Swiss Exchange as of the date of grant (CHF 109.40) and are recorded in personnel expenses. An adjustment to reflect the number of participation certificates actually allocated will be made in April 2012.

An adjustment was recorded in personnel expenses for the participation certificates allocated in April 2011 (fair value per certificate: CHF 110.60).

34.3 Performance Share Plan

Within the framework of the Long Term Incentive Plan, Performance Share Units were granted under the Performance Share Plan in the reporting year. The resulting personnel expenses are recorded over the performance period of three years. The personnel expenses recognized are based on the price of the share or participation certificate at the grant date less the present value of the expected dividends over the performance period (CHF 103.86; previous year: CHF 86.81). This amount is multiplied by the number of shares or participation certificates that is expected to be allocated to the recipients of the Performance Share Units. The conversion rate that applies is reviewed annually.

34.4 Option conditions on shares and participation certificates of Schindler Holding Ltd.

34.4.1 Capital Participation Plans

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

Year of issue	2011	2010	2009	2008	2007	2006	2005
Options granted		207 896	464 175	357 092	160 711	138 376	263 060
Exercised/expired in the previous years		-2 161	-14 361	-24 580	-68 348	-92 579	-226 034
Outstanding as at January 1, 2011		205 735	449 814	332 512	92 363	45 797	37 026
Options granted	222 621	-	-	-	-	-	-
Options exercised	-2 538	-8 058	-15 828	-121 836	-39 345	-14 128	-33 774
Options redeemed	-110	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-3 252
Balance on December 31, 2011	219 973	197 677	433 986	210 676	53 018	31 669	-
Exercisable	-	-	-	88 840	53 018	31 669	-
Entitles holder to purchase of	Participation certificates	Participation certificates	Shares	Shares	Shares	Shares	Participation certificates
Exercise price	85.10	53.60	56.40	80.90	56.20	48.80	32.90
Vesting period ends	30.04.2014	30.04.2013	30.04.2012	30.04.2011	30.04.2010	30.04.2009	30.04.2008
Exercise period ends	30.04.2020	30.04.2019	30.04.2018	30.04.2017	30.04.2016	30.04.2015	30.04.2011
Allocation ratio options : shares/participation certificates	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Weighted stock exchange price on exercise in 2010		107.90	101.55	102.25	99.35	91.05	92.50
Weighted stock exchange price on exercise in 2011	103.10	105.55	107.30	105.65	105.15	106.25	108.60

34.4.2 Long Term Incentive Plan

Year of issue	2011	2010	2009	2008
Options granted		107 739	314 783	155 311
Exercised/expired in the previous years		-6 159	-10 848	-8 772
Outstanding as at January 1, 2011		101 580	303 935	146 539
Options granted	103 783	-	-	-
Options exercised	-	-2 717	-16 642	-28 903
Options redeemed	-	-	-	-
Balance on December 31, 2011	103 783	98 863	287 293	117 636
Exercisable	-	-	-	117 636
Entitles holder to purchase of	Participation certificates	Participation certificates	Shares	Shares
Exercise price	124.80	85.10	56.40	78.90
Vesting period ends	30.04.2014	30.04.2013	30.04.2012	30.04.2011
Exercise period ends	30.04.2020	30.04.2019	30.04.2018	30.04.2017
Allocation ratio options : shares/participation certificates	1:1	1:1	1:1	1:1
Weighted stock exchange price on exercise in 2010			115.25	115.65
Weighted stock exchange price on exercise in 2011		103.65	107.05	105.15

34.5 Valuation of the options

	2011	2010
Price in CHF (participation certificate)	111.50	92.80
Exercise price in CHF (Capital Participation Plan 2000/2003)	85.10	53.60
Exercise price in CHF (Long Term Incentive Plan)	124.80	85.10
Volatility	24.9%	37.3%
Risk-free interest rate	2.0%	1.8%
Dividend rate	2.3%	2.2%
Exit rate	5.0%	5.0%
Conversion rate for exercising of options	2	2
Duration	9 years	9 years
Vesting period	3 years	3 years
Fair value in CHF (Capital Participation Plan 2000/2003)	36.62	45.96
Fair value in CHF (Long Term Incentive Plan)	22.05	33.71

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

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

34.6 Allocation to Board of Directors and Management Committee

Year of final allocation	2011	2010
Participation certificates Schindler Holding Ltd.	5 817	5 544
Performance Share Units	23 262	32 327
Options on participation certificates (Capital Participation Plan 2000)	13 569	8 716
Options on participation certificates (Long Term Incentive Plan)	81 415	81 518

35 Related parties

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

At December 31, 2011, the Schindler and Bonnard families, together with parties related to these families, had a shareholders' agreement under which they held 50 073 638 registered shares (previous year: 50 999 418) of Schindler Holding Ltd., corresponding to 69.8% (previous year: 71.1%) of the voting rights of the share capital entered in the Commercial Register.

All business transactions with related parties were conducted at arm's length (at normal market conditions). The prices of goods and services are based on lists that apply to third parties. General terms and conditions also apply. The fees charged for management and other central services are charged on the basis of costs plus a margin that is in line with market rates. No unusual transactions were executed involving major shareholders or any other related parties.

The Schindler Group has unused refinancing obligations towards ALSO of CHF 25 million expiring by February 9, 2012, and of CHF 100 million expiring by February 9, 2014.

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

Associated companies

In CHF million	2011	2010
Billings	66	42
Material and operating expenses	48	13
Receivables and loans	28	14
Liabilities	12	7

Other related parties

In CHF million	2011	2010
Liabilities	69	59

36 Compensation paid to key management

The aggregate fees and expenses paid to members of the Board of Directors of Schindler Holding Ltd. for their activities as Board members totaled CHF 2.1 million (previous year: CHF 2.1 million).

In addition, the executive members of the Board of Directors and the members of the Management Committee receive a fixed salary plus performance-related compensation (see also Compensation Report, pages 127 to 141).

In CHF million	2011	2010
Salary payments (incl. cash bonuses and lump-sum expenses), fees	27	29
Contributions to pension plans	4	4
Long-service awards and other contributions	–	–
Share-based payments	5	6
Total	36	39

The disclosure of compensation and participation plans in line with statutory requirements is provided in the annual financial statements of Schindler Holding Ltd., pages 88 to 96.

37 Dividends paid and proposal by the Board of Directors

In 2011, CHF 355 million was paid in dividends (previous year: CHF 238 million). This corresponds to an ordinary dividend of CHF 2.00 and an additional dividend of CHF 1.00 per registered share and participation certificate (previous year: ordinary dividend of CHF 2.00).

The Board of Directors proposes to the General Meeting that a dividend of CHF 2.00 per registered share and per participation certificate be distributed for the financial year 2011. This represents a total dividend payment of CHF 241 million. The proposed dividends are not included in this financial report because they will be charged to equity in the period in which the distribution is approved by the General Meeting.

38 Approval of the consolidated financial statements for publication

The consolidated financial statements were approved for publication by the Board of Directors of Schindler Holding Ltd. on February 14, 2012, and will be presented to the General Meeting of Shareholders for approval on March 19, 2012.

Report of the statutory auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Schindler Holding Ltd., which comprise the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, and notes (pages 4 to 75) for the year ended December 31, 2011.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2011, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

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

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

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

Basel, February 14, 2012

ERNST & YOUNG Ltd

Chris Schibler
 Licensed audit expert
 (Auditor in charge)

Manuel Trösch
 Licensed audit expert

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Financial Statements Schindler Holding Ltd.

Income statement

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Financial Statements
Schindler Holding Ltd.

Revenue			
In 1 000 CHF	Notes	2011	2010
Income from Group companies	1	683 256	765 861
Extraordinary income		5 195	650
Income from financial operations	2	54 634	9 029
Total revenue		743 085	775 540

Expenses			
In 1 000 CHF	Notes	2011	2010
Financial expenses	3	13 707	9 838
Write-downs, value adjustments, and change to provisions	4	26 801	72 861
Administration expenses and taxes		31 112	23 214
Total expenses		71 620	105 913
Net profit for the year		671 465	669 627

Balance sheet before appropriation of profits

Financial Statements
Schindler Holding Ltd.

Assets					
In 1 000 CHF	Notes	31.12.2011	%	31.12.2010	%
Current assets					
Cash and cash equivalents	5	1 657 230		1 291 489	
Marketable securities	5	456 048		135 802	
Accounts receivable from Group companies		244 286		54 268	
Accounts receivable from third parties		215		523	
Prepaid expenses and accrued income		1 260		451	
Total current assets		2 359 039	59.4	1 482 533	47.5
Non-current assets					
Investments in Group companies	6	1 576 100		1 600 000	
Loans to Group companies	7	30 000		30 000	
Long-term financial assets		7 176		7 176	
Total non-current assets		1 613 276	40.6	1 637 176	52.5
Total assets		3 972 315	100.0	3 119 709	100.0

Liabilities					
In 1 000 CHF	Notes	31.12.2011	%	31.12.2010	%
Liabilities					
Accounts payable to Group companies	8	309 823		364 896	
Accounts payable to third parties		6 893		5 954	
Bonds	9	600 000		–	
Provisions	10	113 467		118 851	
Accrued expenses and deferred income		8 495		13 182	
Total liabilities		1 038 678	26.1	502 883	16.1
Equity					
Share capital	11, 12	7 178		7 178	
Participation capital	11, 12	4 861		4 861	
Statutory reserves	12	317 121		317 121	
Reserves for treasury stock	12, 15	365 427		137 900	
Other reserves	12	1 551 706		1 469 233	
Brought forward from previous year	12	15 879		10 906	
Net profit for the year	12	671 465		669 627	
Total equity		2 933 637	73.9	2 616 826	83.9
Total liabilities and equity		3 972 315	100.0	3 119 709	100.0

Notes to the financial statements

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Financial Statements
Schindler Holding Ltd.

Principles of valuation

The financial statements as at December 31, 2011, comply with Swiss corporation law. Regarding the inclusion of Schindler Holding Ltd. in the consolidated financial statements, the accounting policies described in the notes to the consolidated financial statements apply.

1 Income from Group companies

Income from Group companies, totaling CHF 683.3 million (previous year: CHF 765.9 million), includes the ordinary dividends of the Group companies and associated companies as well as the contractually agreed payments for services rendered by Schindler Holding Ltd.

2 Income from financial operations

Income from financial operations, consisting of interest on investments in third parties as well as in Group companies and associated companies, together with income received from other financial investments, amounts to CHF 54.6 million (previous year: CHF 9.0 million). By comparison with the previous year, there were mainly exchange gains on foreign currencies and higher gains on marketable securities.

3 Financial expenses

The financial expenses of CHF 13.7 million (previous year: CHF 9.8 million) are composed of interest payments to Group companies, associated companies and third parties for current account loans and losses on marketable securities and derivatives. The increase in expenses is mainly attributable to the pro rata interest payments and costs of the two bonds that were issued in November 2011.

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

In the reporting year, write-downs amounting to CHF 29.9 million were charged on investments and loans (previous year: CHF 50.7 million). The change in provisions and value adjustments (CHF -3.1 million) contains the partial reversal of a provision for obligations under equity-based payments, and the creation of a provision in association with a guarantee that was granted.

5 Cash, cash equivalents and marketable securities

Cash and cash equivalents closed at CHF 1 657.2 million (previous year: CHF 1 291.5 million). The cash inflow is derived from dividend payments by Group companies and associated companies and the issue of two bonds. Notable cash outflows related to increases in investments in Group companies, dividend payments, grants of loans to Group companies, and purchases of treasury stock.

The inventory of marketable securities amounting to CHF 456.0 million (previous year: CHF 135.8 million) consists mainly of treasury stock. The treasury stock of shares and bearer participation certificates, the respective movements, and information about repurchases are shown in note 15.

All treasury stock is valued at the lowest of cost, fair value, or the exercise price of the capital participation plans.

6 Investments in Group companies

At the end of the reporting year, the balance sheet value of investments in Group companies was CHF 1 576.1 million (previous year: CHF 1 600.0 million). In the reporting year, the value increased as a result of capital increases in Group companies, increases in existing interests, and the acquisition of new investments in Group companies amounting in total to CHF 104.9 million. Capital repayments, disposals, and write-downs reduced the value of investments in Group companies by a total of CHF 128.8 million.

The companies in which Schindler Holding Ltd. has a direct or indirect interest are listed on pages 98 to 101.

7 Loans to Group companies

The unchanged balance sheet value of CHF 30.0 million relative to the previous year consists entirely of a subordinated loan to a Group company.

8 Accounts payable to Group companies

In addition to accounts payable to Group companies, this item of the balance sheet also contains current account credit balances of shareholders of Schindler Holding Ltd. of CHF 69.3 million (previous year: 59.1 million). These credit balances bear interest at normal market conditions.

9 Bonds

In 1000 CHF	2011	2010
0.625% bond 2011-2014, due November 21, 2014	200 000	–
1.250% bond 2011-2016, due November 21, 2016	400 000	–

10 Provisions

The existing provisions to cover financial risks amount to CHF 113.5 million (previous year: CHF 118.9 million). They consist mainly of provisions for guarantees, bad debts, and currency risks, as well as provisions to cover obligations arising from share-based payments. In addition, there is a provision of CHF 53.2 million (previous year: CHF 49.0 million) in association with a guarantee that was granted.

11 Share capital/participation capital

11.1 Share capital

	Number	Nominal value	in CHF Share capital
December 31, 2008	72 451 200	0.10	7 245 120
Legally binding reduction (as of May 25, 2009)	–674 500		–67 450
December 31, 2009	71 776 700	0.10	7 177 670
December 31, 2010	71 776 700	0.10	7 177 670
December 31, 2011	71 776 700	0.10	7 177 670

11.2 Participation capital

	Number	Nominal value	in CHF Participation capital
December 31, 2008	49 256 900	0.10	4 925 690
Legally binding reduction (as of May 25, 2009)	–647 500		–64 750
December 31, 2009	48 609 400	0.10	4 860 940
December 31, 2010	48 609 400	0.10	4 860 940
December 31, 2011	48 609 400	0.10	4 860 940

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Financial Statements
 Schindler Holding Ltd.

12 Equity

In 1 000 CHF	Share capital	Participation capital	Statutory reserves	Reserves for treasury stock	Other reserves	Profits as per balance sheet	Total equity
December 31, 2008	7 245	4 926	317 121	199 279	1 019 877	446 149	1 994 597
Dividend						-237 662	-237 662
Appropriation to other reserves					190 000	-190 000	-
Change in reserves for treasury stock				-4 830	4 830		-
Legally binding reduction (as of May 25, 2009)	-67	-65		-103 437	40 689		-62 880
Merger gain ¹					725		725
Net profit 2009						490 687	490 687
December 31, 2009	7 178	4 861	317 121	91 012	1 256 121	509 174	2 185 467
Dividend						-238 268	-238 268
Appropriation to other reserves					260 000	-260 000	-
Change in reserves for treasury stock				46 888	-46 888		-
Net profit 2010						669 627	669 627
December 31, 2010	7 178	4 861	317 121	137 900	1 469 233	680 533	2 616 826
Dividend						-354 654	-354 654
Appropriation to other reserves					310 000	-310 000	-
Change in reserves for treasury stock				227 527	-227 527		-
Net profit 2011						671 465	671 465
December 31, 2011	7 178	4 861	317 121	365 427	1 551 706	687 344	2 933 637
Of which share premiums (unchanged)			311 321				

¹ Merger with Schindler Technik AG, Pratteln (Switzerland)

13 Contingent liabilities

The contingent liabilities of Schindler Holding Ltd. amount to a total of CHF 720.6 million (previous year: CHF 743.4 million) and cover conditional obligations for bank guarantees, loans, and supply contracts in favor of Group companies. Utilized credits and incurred obligations are reported in the consolidated balance sheet as accounts payable or, if necessary, covered by provisions and recognized in the balance sheet.

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

Contingent liabilities in favor of third parties amount to CHF 16.3 million (previous year: CHF 11.9 million).

14 Liabilities to retirement benefit plans

In 1 000 CHF	2011	2010
Total liabilities	2 090	2 219

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

15 Treasury stock

15.1 Changes in number and value

In CHF million	Registered shares		Participation certificates	
	Number	Value	Number	Value
December 31, 2009	1 271 425	86	120 826	5
Purchase	291 252	29	508 533	50
Disposal	-94 222	-8	-	-
Share-based payments	-	-	-104 553	-10
Exercise of options and Performance Share Units	-141 353	-8	-119 975	-4
Loss on disposal	-	0	-	-2
December 31, 2010	1 327 102	99	404 831	39
Purchase	350 443	36	2 261 575	223
Disposal	-1 066	0	-	-
Share-based payments	-	-	-76 100	-9
Exercise of options and Performance Share Units	-287 508	-23	-47 087	-2
Gain on disposal	-	2	-	0
December 31, 2011	1 388 971	114	2 543 219	251
Number of reserved shares and participation certificates				
for participation plans	1 152 071		937 619	
Already designated for allocation on December 31, 2011	1 134 278		620 296	

15.2 Repurchase program

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

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

In the reporting year, 236 900 registered shares and 1 605 600 participation certificates were repurchased on the second trading line for the purpose of capital reduction.

16 Significant shareholders

Regarding the existence of a shareholders' agreement, see note 35 to the Consolidated Financial Statements, page 74.

17 Compensation

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

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

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

The composition of the fixed and variable compensation of the members of the Board of Directors and of the Management Committee is explained in detail in the Compensation Report on pages 127 to 134.

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

17.1.1 Total Compensation 2011 – Board of Directors

In 1 000 CHF	Fixed compensation		Variable compensation				Expenses for postemployment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁵	Performance Share Units ⁶	Options	Fringe benefits		
Alfred N. Schindler, Chairman ^{1,2}	3 010	2 798	112	–	112 ⁷	–	525	6 557⁹
Luc Bonnard, Vice Chairman ^{1,2}	1 523	1 932	112	–	112 ⁷	–	428	4 107¹⁰
Prof. Dr. Peter Athanas ^{1,2}	1 195	2 204	112	–	112 ⁷	–	366	3 989
Prof. Dr. Karl Hofstetter ²	805	630	–	400	400 ⁸	–	358	2 593
Prof. Dr. Pius Baschera ³	185	–	–	–	–	–	11	196
Dr. Hubertus von Grünberg ³	185	–	–	–	–	–	8	193
Lord Charles Powell ³	185	–	–	–	–	–	8	193
Dr. Alexander Schaub ^{3,4}	350	–	–	–	–	–	17	367
Rolf Schweiger ³	185	–	–	–	–	–	8	193
Prof. Dr. Klaus W. Wellershoff ³	185	–	–	–	–	–	11	196
Total compensation	7 808	7 564	336	400	736	–	1 740	18 584

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Including compensation as Chairman of the Audit Committee

⁵ Amount of the actual bonus that is granted to the beneficiary in the form of participation certificates

⁶ The Performance Share Units were included in the total compensation at CHF 102.10 (average participation certificate price in December 2010, less a discount of 10%, conversion rate of 1)

⁷ Assumption that the compensation value of the options equals the compensation value of the participations certificates

⁸ The options awarded under the Long Term Incentive Plan are included at a value of $\frac{2}{3}$ of the awarded value of the performance share units

⁹ After voluntarily waiving CHF 1 090 000 of the contractually agreed compensation

¹⁰ After voluntarily waiving CHF 272 000 of the contractually agreed compensation

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

17.1.2 Number of participation certificates, performance share units and options granted/allocated 2011 – Board of Directors

	Participation certificates ²	Performance Share Units	Options
Alfred N. Schindler, Chairman ¹	1 163	–	4 071 ³
Luc Bonnard, Vice Chairman ¹	1 163	–	4 071 ³
Prof. Dr. Peter Athanas ¹	1 163	–	4 071 ³
Prof. Dr. Karl Hofstetter ¹	–	3 918	13 712 ⁴

¹Executive member

²This number was calculated using a value of CHF 96.73, which equals the volume-weighted average price of the participation certificate for December 2011 less a discount of 10%. This number is only provisional. The exact number will only become known in April 2012 and be based on the volume-weighted average price for March 2012 less a discount of 10%.

³Options from the Capital Participation Plan 2000 (participation certificates). The number stated is only provisional (provisional number of participation certificates multiplied by 3.5). The exact number of options allocated will only be known in April 2012.

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

In the reporting year 2011, the variable part of the compensation for the executive members of the Board of Directors was on average 52% (previous year: 53%) of the total compensation: 44% cash (previous year: 42%), 4% in the form of participation certificates/performance share units (previous year: 7%) and 4% in the form of options (previous year: 4%).

17.1.3 Total compensation 2010 – Board of Directors

In 1 000 CHF	Fixed compensation		Variable compensation				Expenses for postemployment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁶	Performance Share Units ⁶	Options	Fringe benefits		
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 306	214	–	90 ⁷	–	543	7 418 ⁹
Luc Bonnard, Vice Chairman ^{1,2}	1 523	1 868	214	–	90 ⁷	–	412	4 107 ¹⁰
Prof. Dr. Peter Athanas ^{1,2,3}	498	870	214	–	90 ⁷	–	140	1 812
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁸	–	341	2 526
Prof. Dr. Pius Baschera ⁴	185	–	–	–	–	–	11	196
Dr. Hubertus von Grünberg ⁴	185	–	–	–	–	–	8	193
Lord Charles Powell ⁴	185	–	–	–	–	–	8	193
Dr. Alexander Schaub ^{4,5}	350	–	–	–	–	–	–	350
Rolf Schweiger ⁴	185	–	–	–	–	–	8	193
Dr. Jenö C. A. Staehelin ^{4,11}	39	–	–	–	–	–	–	39
Prof. Dr. Klaus W. Wellershoff ⁴	185	–	–	–	–	–	11	196
Total compensation	7 405	6 624	642	400	670	–	1 482	17 223

¹ Member of the Executive Committee of the Board

² Executive member

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

⁴ Non-executive member

⁵ Including compensation as Chairman of the Audit Committee

⁶ For the purpose of inclusion in the total compensation, the participation certificates of Schindler Holding Ltd. were valued at the stock exchange price as at the end of December 2010 of CHF 110.60. The performance share units were included in the total compensation at CHF 69.60 (average participation certificate price in December 2009, less a discount of 10%, conversion rate of 1).

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

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

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

¹⁰ After voluntarily waiving CHF 628 000 of the contractually agreed compensation

¹¹ Until General Meeting of Shareholders 2010

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

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

¹ Executive member

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

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

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

17.2 Members of the Management Committee

17.2.1 Total Compensation 2011 – Management Committee

In 1 000 CHF	Fixed compensation		Variable compensation			Expenses for postemployment benefits	Total
	Cash (gross)	Cash bonus (gross)	Performance Share Units ¹	Options ²	Fringe benefits		
Total Management Committee ³	5 673	5 091	1 975	1 975	453	2 191	17 358
Highest individual compensation: Jürgen Tinggren	925	1 450	500	500	–	386	3 761

¹ The Performance Share Units were included in the total compensation at CHF 102.10 (average participation certificate price in December 2010, less a discount of 10%, conversion rate of 1)

² The options awarded under the Long Term Incentive Plan are included at a value of ⅓ of the award value of the performance share units

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

17.2.2 Number of performance share units and options on participation certificates allocated 2011 – Management Committee

	Performance Share Units	Options
Total Management Committee	19 344	67 703
Jürgen Tinggren	4 897	17 140

In the reporting year 2011, the variable component of the compensation for the members of the Management Committee was on average 52% (previous year: 54%) of the total compensation: 29% cash (previous year: 31%), 11,5% in the form of performance share units (previous year: 11.5%) and 11,5% in the form of options (previous year: 11.5%). The calculation was based on a conversion rate of 1.

17.2.3 Total Compensation 2010 – Management Committee

In 1 000 CHF	Fixed compensation		Variable compensation			Expenses for postemployment benefits	Total
	Cash (gross)	Cash bonus (gross)	Performance Share Units ¹	Options ²	Fringe benefits		
Total Management Committee ³	4 680	5 053	1 850	1 850	693	2 006	16 132
Highest individual compensation: Jürgen Tinggren	860	1 450	500	500	–	332	3 642

¹ The Performance Share Units were included in the total compensation at CHF 69.60 (average participation certificate price in December 2009, less a discount of 10%, conversion rate of 1)

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

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

17.2.4 Number of performance share units and options on participation certificates allocated 2010 – Management Committee

	Performance Share Units	Options
Total Management Committee	26 580	67 026
Jürgen Tinggren	7 184	18 115

18 Former members of governing bodies

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

Alfred Spörri, until March 26, 2008, executive member of the Board of Directors and member of the Executive Committee of the Board: CHF 0.3 million (previous year: CHF 0.7 million).

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

19 Related parties

In the reporting year, Schindler Holding Ltd. paid pensions amounting to CHF 172 800 to two widows of former executive members of the Board of Directors. The actuarially determined present value of these regular payments is recalculated annually, and as at December 31, 2011, amounted to CHF 1.3 million. This amount is reported by Schindler Holding Ltd. as a provision.

20 Loans

20.1 Present and former members of governing bodies

No loans were granted by Schindler Holding Ltd. or any other Group company to any present or past members of the governing bodies, and no such loans were outstanding as at December 31, 2011.

The Chairman of the Board of Directors has been granted borrowing rights. As at December 31, 2011, the unutilized credit limit was CHF 25 million, which was secured by shares of Schindler Holding Ltd. owned by the Chairman with a value of more than CHF 200 million.

20.2 Related parties

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

21 Participations, option rights, and conversion rights

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

21.1 Participations, option rights, and conversion rights 2011 – Board of Directors

	Number		Number of vested options on		
	Registered shares	Participation certificates	Registered shares allocated under the options plan 2006 ⁶	Registered shares allocated under the options plan 2007 ⁶	Registered shares allocated under the options plan 2008
as at 31.12.2011					
Alfred N. Schindler, Chairman ^{1,2}	⁴	29 251	–	–	6 902 ⁵
Luc Bonnard, Vice Chairman ^{1,2}	⁴	4 711	–	–	–
Prof. Dr. Peter Athanas ^{1,2}	3 000	–	–	–	–
Prof. Dr. Karl Hofstetter ²	20 911	–	–	–	30 018 ⁵
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Rolf Schweiger ³	3 375	–	–	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler and Luc Bonnard hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2011, these comprised 50 073 638 shares, corresponding to 69.8% of the voting rights of the share capital entered in the Commercial Register

⁵ 6 626 option from the Capital Participation Plan 2000 and 23 392 options from the Long Term Incentive Plan

⁶ Options from Capital Participation Plan 2000

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

	Number		Number of vested options on	
	Registered shares	Participation certificates	Registered shares allocated under the options plan 2006 ²	Registered shares allocated under the options plan 2007 ⁵
as at 31.12.2010				
Alfred N. Schindler, Chairman ^{1,2}	4	27 312	–	4 288
Luc Bonnard, Vice Chairman ^{1,2}	4	2 772	–	4 288
Prof. Dr. Peter Athanas ^{1,2}	3 000	–	–	–
Prof. Dr. Karl Hofstetter ²	9 598	–	–	3 573
Prof. Dr. Pius Baschera ³	3 000	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–
Lord Charles Powell ³	5 000	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–
Rolf Schweiger ³	3 375	–	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

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

⁵ Options from Capital Participation Plan 2000

21.3 Participations, option rights, and conversion rights 2011 – Management Committee

	Number		Number of vested option on	
	Registered shares	Participation certificates	Registered shares allocated under the options plan 2006 ¹	Registered shares allocated under the options plan 2008 ²
as at 31.12.2011				
Jürgen Tinggren, CEO	29 772	8 410	–	29 240
Miguel A. Rodríguez, Deputy CEO	23 227	–	2 565	10 234
Erich Ammann	9 632	–	–	–
Dr. Rudolf W. Fischer	15 515	–	–	10 234
Didier Gaudoux	–	–	–	–
Albert Haffert	1 451	–	1 662	4 386
Silvio Napoli	4 632	725	325	8 528
Thomas Oetterli	3 375	450	350	4 386
Jakob Züger	16 698	4 030	–	6 696

¹ Options from Capital Participation Plan 2000

² Options from Long Term Incentive Plan

21.4 Participations, option rights, and conversion rights 2010 – Management Committee

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

¹ Options from Capital Participation Plan 2000

Regarding option conditions, see note 34 to the Consolidated Financial Statements, pages 70 to 73.

22 Risk assessment

The Board of Directors of Schindler Holding Ltd. assesses the corporate risks within the framework of a systematic risk identification and analysis. Based on this assessment, measures for risk management in the company are defined and constantly monitored. The company has a risk management system which is designed for the prompt identification and analysis of risks as well as the initiation of corresponding measures. The organization, principles, and reporting of risk management are described in detail under Corporate Governance, paragraph 3.6, pages 121 and 122.

Appropriation of profits

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Financial Statements
Schindler Holding Ltd.

Proposals to the General Meeting			
In 1 000 CHF			
		31.12.2011	31.12.2010
Profits as per balance sheet			
Net profit for the year		671 465	669 627
Brought forward from previous year		15 879	10 906
Total profits as per balance sheet		687 344	680 533
Appropriation of net profit			
Ordinary gross dividend:			
per registered share	CHF 2.00 (previous year: CHF 2.00)	143 553¹	140 848 ²
per participation certificate	CHF 2.00 (previous year: CHF 2.00)	97 219¹	95 588 ²
Additional gross dividend:			
per registered share	CHF -.- (previous year: CHF 1.00)		70 424 ²
per participation certificate	CHF -.- (previous year: CHF 1.00)		47 794 ²
Total dividend		240 772	354 654
Appropriation to other reserves		440 000	310 000
Total appropriation of net profit		680 772	664 654
Balance carried forward to new account		6 572	15 879

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

² Payment excludes dividends on treasury stock (see also note 15)

Principal investments

Status December 31, 2011

Financial Statements
Schindler Holding Ltd.

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)		
Europe						
Austria	Vienna	Haushahn Aufzüge GmbH	100.0	290	EUR	●
		Schinac Verwaltungs AG	100.0	70	EUR	○
		Schindler Aufzüge und Fahrtreppen GmbH	100.0	2 000	EUR	●
		Schindler Fahrtreppen International GmbH	100.0	2 000	EUR	●
		Schindler Liegenschaftsverwaltungs GmbH	100.0	4 362	EUR	○
	Wolfurt	Doppelmayr Aufzüge AG	100.0	730	EUR	●
Belgium	Brussels	S.A. Schindler N.V.	100.0	75 570	EUR	●
Bosnia and Herzegovina	Sarajevo	Schindler BH d.o.o.	100.0	685	KM	●
Bulgaria	Sofia	Schindler Bulgaria EOOD		200	BGN	●
Croatia	Zagreb	Schindler Hrvatska d.o.o.	100.0	9 100	HRK	●
Czech Republic	Prague	Schindler CZ a.s.	100.0	101 000	CZK	●
Denmark	Herlev	Schindler Elevatorer A/S	100.0	3 000	DKK	●
Finland	Helsinki	Schindler Oy	100.0	100	EUR	●
France	Illzach	Elevator Car System S.A.S.	100.0	2 416	EUR	●
	Vélizy-Villacoublay	Schindler S.A.	99.9	7 538	EUR	●
Germany	Berlin	Schindler Aufzüge und Fahrtreppen GmbH	100.0	9 715	EUR	●
		Schindler Deutschland GmbH	100.0	51 129	EUR	○
		C. Haushahn GmbH & Co.	100.0	8 997	EUR	●
Great Britain	Sunbury	Schindler Ltd.	100.0	2 005	GBP	●
	Sunbury	Schinvest Ltd.	100.0	0,1	GBP	○
Greece	Athens	Schindler Hellas S.A.	100.0	2 833	EUR	●
Hungary	Budapest	Schindler Hungária Lift és Mozgólépcsó KFT	100.0	460 000	HUF	●
Iceland	Reykjavík	HÉDINN Schindler Lyftur hf.	51.0	10 000	ISK	●
Ireland	Dublin	Schindler Ltd.	100.0	25	EUR	●
Italy	Concorezzo	Schindler S.p.A.	100.0	8 400	EUR	●
Latvia	Riga	A.S. Latvijas Lifts Schindler	100.0	123	LVL	●
Liechtenstein	Vaduz	Reassur AG	100.0	20 000	CHF	○

- Production
- Sales, installation, maintenance
- Other services

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)		
Lithuania	Vilnius	UAB Schindler Liftas	100.0	1 365	LTL	●
Luxembourg	Luxembourg	Schindler S.à r.l.	100.0	175	EUR	●
Malta	Msida	Schindler Ltd.	70.0	50	MTL	●
Monaco	Fontvieille	Schindler Monaco	98.0	150	EUR	●
Netherlands	The Hague	Schindler Liften B.V.	100.0	567	EUR	●
Norway	Bergen	Schindler Stahl Heiser A/S	100.0	550	NOK	●
	Vennesla	Reber-Schindler Heis A/S	100.0	8 000	NOK	●
Poland	Warsaw	Schindler Polska sp.z o.o.	100.0	5 000	PLN	●
Portugal	Carnaxide	Schindler S.A.	100.0	4 000	EUR	●
Romania	Bucharest	Schindler Romania S.R.L.	100.0	125	RON	●
Russia	Moscow	ZAO Schindler	100.0	21	RUR	●
Serbia	Belgrade	Schindler d.o.o. Beograd	100.0	600	EUR	●
Slovakia	Bratislava	Schindler Vytahy a Eskalátory a.s.	100.0	963	EUR	●
	Dunajská	Schindler Eskalátory s.r.o.	100.0	1 236	EUR	●
Slovenia	Ljubljana	Schindler Slovenija d.o.o.	100.0	305	EUR	●
Spain	Madrid	Schindler S.A.	99.7	27 801	EUR	● ● ○
	Saragossa	Schindler Ibérica Management, S.A.	100.0	4 420	EUR	○
Sweden	Stockholm	Schindler Hiss AB	100.0	9 440	SEK	●
Switzerland	Ebikon	EbiSquare AG	74.0	500	CHF	○
		Schindler Aufzüge AG	100.0	25 000	CHF	● ●
		Schindler Informatik AG	100.0	1 000	CHF	○
		Schindler Management AG	100.0	1 000	CHF	○
	Hergiswil	ALSO-Actebis Holding AG	28.2	12 849	CHF	○
		Inventio AG	100.0	11 000	CHF	○
		Schindler Pars International Ltd.	100.0	5 000	CHF	○
		Küssnacht	H. Henseler AG	100.0	300	CHF
Locarno	Schindler Elettronica S.A.	100.0	2 000	CHF	●	
Wettswil	AS Aufzüge AG	100.0	7 000	CHF	●	
Turkey	Istanbul	Schindler Turkeli Asansor Sanayi A.S.	100.0	14 459	TRY	●
Ukraine	Kiev	Schindler Ukraine	100.0	21	UAH	●

- Production
- Sales, installation, maintenance
- Other services

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)		
North, Central, and South America						
Argentina	Buenos Aires	Ascensores Schindler S.A.	90.0	1 372	ARS	●
Brazil	São Paulo	Elevadores Atlas Schindler S.A.	100.0	195 479	BRL	● ●
British Virgin Islands	Tortola	Jardine Schindler Holdings Ltd.	50.0	100	USD	○
Canada	Toronto	Schindler Elevator Corporation	100.0	25 100	CAD	●
Chile	Santiago de Chile	Ascensores Schindler (Chile) S.A.	100.0	59 200	CLP	●
Colombia	Bogotá	Ascensores Schindler de Colombia S.A.	100.0	40 110 586	COP	●
	Medellin	Ascensores Andino SAS	100.0	172 000	COP	●
Costa Rica	San José	Elevadores Schindler S.A.	60.0	200 000	CRC	●
Mexico	Mexico City	Elevadores Schindler S.A. de C.V.	100.0	32 073	MXP	●
Peru	Lima	Ascensores Schindler del Perú S.A.	100.0	2 371	PEN	●
Uruguay	Montevideo	Ascensores Schindler S.A.	100.0	563	UYU	●
USA	Gantano	Schindler Corp. of Puerto Rico	100.0	4 039	USD	●
	Morristown	Schindler Elevator Corporation	100.0	506 915	USD	●
	Mountainside	Slade Industries, Inc.	100.0	5 855	USD	●
	Niles	Adams Elevator Equipment Company	100.0	6 625	USD	● ●
	Wilmington	Schindler Enterprises, Inc.	100.0	523 434	USD	○
Venezuela	Caracas	Ascensores Schindler de Venezuela S.A.	100.0	40 000	VEF	●
Africa						
Botswana	Gabarone	Schindler Lifts (Botswana) (PTY) Ltd.	100.0	0,120	BWP	●
Egypt	Cairo	Schindler Ltd.	100.0	24 250	EGP	●
		Schindler for Importation Services LTD	100.0	50	EGP	○
Ghana	Accra	Elesca Engineering Ltd.	20.0	28 000	GHC	●
Kenya	Nairobi	Schindler Ltd.	100.0	5	KES	●
Morocco	Casablanca	Schindler Maroc S.A.	100.0	10 000	MAD	●
Namibia	Windhoek	Schindler Lifts (Namibia) (PTY) Ltd.	100.0	0,001	NAD	●
South Africa	Johannesburg	Schindler Lifts SA Investments Holding (PTY) Ltd.	100.0	4 250	ZAR	●
Zimbabwe	Harare	Schindler Lifts (Zimbabwe) (PVT) Ltd.	100.0	2	USD	●

- Production
- Sales, installation, maintenance
- Other services

Country	Head office	Name of company	Participation in %	Nominal capital (in thousands of local currency)	
Asia/Australia					
Australia	Sydney	Schindler Lifts Australia Pty. Ltd.	100.0	8 500 AUD	●
Bahrain	Manama	Jalal Schindler Lifts & Escalators Co. W.L.L.	49.0	20 BD	●
Brunei	Bandar Seri Begawan	Schindler Liftec Sdn. Bhd. ¹	50.0	500 BND	●
Cambodia	Phnom Penh	Jardine Schindler (Cambodia) Ltd. ¹	100.0	21 USD	●
China	Henan	XJ-Schindler (Xuchang) Elevator Co. Ltd.	46.0	100 000 CNY	● ●
		Hongkong SAR	Holake Hong Kong Lifts Limited ¹	100.0	500 HKD
		Schindler Lifts (Hong Kong) Ltd. ¹	100.0	25 000 HKD	●
	Macau SAR	Jardine Schindler Lifts (Macao) Ltd. ¹	100.0	25 MOP	●
	Shanghai	Schindler (China) Elevator Co. Ltd.	100.0	714 602 CNY	● ●
		Shanghai Schindler Trading Co. Ltd.	100.0	1 200 CNY	○
	Suzhou	Schindler Management AP (Shanghai) Co. Ltd.	100.0	68 778 CNY	○
		Schindler Electronics (Suzhou) Co. Ltd.	100.0	71 426 CNY	●
		Suzhou Esca Step Co. Ltd.	100.0	38 914 CNY	●
		Suzhou Schindler Elevator Co. Ltd.	100.0	226 798 CNY	● ●
India	Mumbai	Schindler India PVT Ltd.	100.0	1 841 878 INR	●
Indonesia	Jakarta	PT Berca Schindler Lifts ¹	50.0	6 745 000 IDR	●
Israel	Petah Tikva	Schindler Nechushtan Elevators Ltd.	100.0	7 045 ILS	●
Japan	Kagoshima	Mercury Ascensore Ltd.	100.0	25 000 JPY	●
	Tokio	Schindler Elevator K.K.	99.9	500 000 JPY	●
Lebanon	Antelias/Beirut	Schindler Lebanon S.A.L.	100.0	600 000 LBP	●
Malaysia	Kuala Lumpur	Antah Schindler Sdn. Bhd. ¹	70.0	14 500 MYR	●
Myanmar	Yangon	Myanmar Jardine Schindler Ltd. ¹	100.0	300 MMK	●
New Zealand	Auckland	Schindler Lifts NZ Ltd.	100.0	1 000 NZD	●
Philippines	Manila	Jardine Schindler Elevator Corp. ¹	100.0	277 000 PHP	●
Qatar	Doha	Al Doha Schindler Elevators & Escalators WLL	49.0	200 QAR	●
Saudi Arabia	Jeddah	Schindler Olayan Elevator Company Ltd.	90.0	30 000 SAR	● ●
Singapore	Singapore	Schindler Lifts (Singapore) Pte. Ltd. ¹	100.0	27 514 SGD	●
South Korea	Kyungki-do	Hyundai Elevators	35.0	35 662 565 KRW	● ●
	Seoul	Schindler Elevator Company Ltd.	100.0	5 902 000 KRW	● ●
Taiwan	Taipei	Jardine Schindler Lifts Ltd. ¹	100.0	100 000 TWD	●
Thailand	Bangkok	Jardine Schindler (Thai) Ltd. ¹	100.0	90 268 THB	●
United Arab Emirates	Dubai	Schindler Pars International Ltd. (Dubai and Abu Dhabi branches)	100.0	– –	●
Vietnam	Ho Chi Minh City	Schindler Vietnam Ltd. ¹	100.0	20 818 485 VND	● ●

● Production

● Sales, installation, maintenance

○ Other services

¹ Participations of Jardine Schindler Holdings Ltd., BVI

Report of the statutory auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Schindler Holding Ltd., which comprise the profit and loss statement, balance sheet before appropriation of profits, and notes (pages 79 to 101) for the year ended December 31, 2011.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements for the year ended December 31, 2011, comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

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

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

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

Basel, February 14, 2012

ERNST & YOUNG Ltd

Chris Schibler
Licensed audit expert
(Auditor in charge)

Manuel Trösch
Licensed audit expert

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Corporate Governance

The Corporate Governance report contains the information required by the Directive Relating to Information on Corporate Governance of the SIX Swiss Exchange that was valid on December 31, 2011, and follows the Directive's structure. The Corporate Governance report also contains the legally required disclosure of compensation and participation rights of the highest corporate level.

1 Structure of the Group and shareholders

1.1 Group structure

Board of Directors of Schindler Holding Ltd.

as at 31.12.2011

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

¹ Member of the Executive Committee of the Board

Management Committee

as at 31.12.2011

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

The operational structure of the Group corresponds to the segment reporting presented on page 69 of the Financial Statements.

Principal investments are listed on pages 98 to 101 of the Financial Statements.

In press releases of August 13, 2010, and January 13, 2011, the planned merger of ALSO Holding AG with Actebis GmbH was announced. The transaction was completed at the beginning of February by means of an increase in share capital in return for integration of the Actebis quotas into ALSO Holding AG. The increase in share capital was approved at the extraordinary general meeting of shareholders of ALSO Holding AG on February 8, 2011, and became legally binding with the entry in the Commercial Register on February 9, 2011. As at December 31, 2011, the interest of Schindler Holding Ltd. in ALSO-Actebis Holding AG was 28.2%, while the Droege Group holds 51%. Schindler therefore no longer has control over the ALSO Group, which is consequently no longer consolidated as from 2011.

1.2 Significant shareholders

As at the end of 2011, the Schindler and Bonnard families, together with parties related to these families, held within the scope of a shareholders' agreement 50 073 638 registered shares of Schindler Holding Ltd., corresponding to 69.8% of the voting rights of the share capital registered in the Commercial Register. There are no further shareholders who have registered a holding of more than 3% of the voting rights of Schindler Holding Ltd. according to SESTA Art. 20. The registrations according to SESTA Art. 20 that were published during the reporting year can be inspected at www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html.

1.3 Cross-shareholdings

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

1.4 Events after the reporting period

In the press release of September 28, 2011, the resignation of Luc Bonnard from the Executive Committee of the Board as from the forthcoming General Meeting of Shareholders of March 19, 2012, was announced. Luc Bonnard nonetheless remains Vice Chairman of the Board of Directors.

Dr. Alexander Schaub, member of the Board of Directors of Schindler Holding Ltd., will leave the Board of Directors on March 19, 2012, after agreeing in 2011 to extend his term of office for one year beyond the age limit.

It was also announced that at the General Meeting of Shareholders of March 19, 2012, Rudolf W. Fischer, Member of the Management Committee, will be proposed for election to the Board of Directors. After his election, it is foreseen that Rudolf W. Fischer will join the Executive Committee of the Board as successor to Luc Bonnard. As of January 1, 2012, Rudolf W. Fischer resigned from the Management Committee. His successor is David Clymo.

2 Capital structure

2.1 Capital

As at December 31, 2011, the ordinary share capital of Schindler Holding Ltd. was CHF 7 177 670 and the participation capital was CHF 4 860 940.

2.2 Authorized and conditional capital

As at December 31, 2011, Schindler Holding Ltd. had no authorized or conditional capital.

2.3 Changes in capital in the last three years

Information about changes in the capital of Schindler Holding Ltd. in the last three reporting years is presented on pages 83 and 84 of the Financial Statements.

2.4 Shares and participation certificates

As at December 31, 2011, the share capital was CHF 7 177 670. This is divided into 71 776 700 fully paid-in registered shares, each with a nominal value of CHF 0.10. Subject to Article 13 of the Articles of Association, each share carries the right to one vote, as well as the right to a share in the profits contained in the balance sheet, and in the proceeds of liquidation, corresponding to its nominal value.

As at December 31, 2011, the participation capital was CHF 4 860 940, which is divided into 48 609 400 fully paid-in participation certificates, each with a nominal value of CHF 0.10. Each participation certificate carries the right to a share in the profits contained in the balance sheet, and in the proceeds of liquidation, corresponding to its nominal value. It does not, however, carry any voting rights, or any other rights of membership, such as participation at general meetings of shareholders.

2.5 Profit-sharing certificates

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

2.6 Limitations on share transferability and nominee registrations

2.6.1 Limitation on share transferability

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

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

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

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

The statutory restrictions on registration do not apply if:

- on June 15, 1992, the acquirer was already recorded in the share register as holding at least 3% of the voting rights, or the acquirer is the spouse, child or other descendant, brother, or sister of such a person, or
- the voting rights were acquired directly by inheritance, division of estate, or matrimonial property law.

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

The General Meeting of Shareholders can determine exceptions to the percentage limits by relative majority, a legally binding decision requiring at least half of the shares registered in the Commercial Register to be represented. Applicants have the right to have their application presented at the General Meeting of Shareholders. The General Meeting of Shareholders was not required to rule on any applications for exceptions in the financial year 2011.

2.6.2 Nominee registrations

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

2.7 Convertible bonds and options

2.7.1 Convertible bonds

Schindler Holding Ltd. has no outstanding convertible bonds.

2.7.2 Employee options

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

Allocation year		Options granted (number)	Exercise price in CHF	Blocked period ends	Exercise period ends	Number as at 31.12.2011		
						Forfeited	Exercised	Outstanding
2005	A	263 060 ²	32.90	30.04.08	30.04.11	-10 882	-252 178	-
2006	A	138 376 ¹	48.80	30.04.09	30.04.15	-1 990	-104 717	31 669
2007	A	160 711 ¹	56.20	30.04.10	30.04.16	-3 029	-104 664	53 018
2008	A	357 092 ¹	80.90	30.04.11	30.04.17	-13 862	-132 554	210 676
2008	B	155 311 ¹	78.90	30.04.11	30.04.17	-	-37 675	117 636
2009	A	464 175 ¹	56.40	30.04.12	30.04.18	-420	-29 769	433 986
2009	B	314 783 ¹	56.40	30.04.12	30.04.18	-2 407	-25 083	287 293
2010	A	207 896 ²	53.60	30.04.13	30.04.19	-	-10 219	197 677
2010	B	107 739 ²	85.10	30.04.13	30.04.19	-6 159	-2 717	98 863
2011	A	222 621 ²	85.10	30.04.14	30.04.20	-110	-2 538	219 973
2011	B	103 783 ²	124.80	30.04.14	30.04.20	-	-	103 783

A = Options from Capital Participation Plan 2000/2003

B = Options from Long Term Incentive Plan

¹ One option gives entitlement to purchase one share

² One option gives entitlement to purchase one participation certificate

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

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

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

Members

as at 31.12.2011	Domicile	Nationality	Function	In office since ¹	Term of office expires ¹
Alfred N. Schindler (1949)	Hergiswil, Switzerland	Switzerland	Chairman, executive member ²	1977	2014
Luc Bonnard (1946)	Hergiswil, Switzerland	Switzerland	Vice Chairman, executive member ²	1984	2014
Prof. Dr. Peter Athanas (1954)	Baden, Switzerland	Switzerland	Executive member ²	2010	2013
Prof. Dr. Karl Hofstetter (1956)	Zug, Switzerland	Switzerland	Executive member	2006	2012
Prof. Dr. Pius Baschera (1950)	Zurich, Switzerland	Switzerland, Italy	Non-executive member	2005	2014
Dr. Hubertus von Grünberg (1942)	Hanover, Germany	Germany	Non-executive member	1999	2014
Charles Powell (Lord Powell of Bayswater KCMG) (1941)	London, UK	UK	Non-executive member	2003	2012
Dr. Alexander Schaub (1941)	Brussels, Belgium	Germany	Non-executive member	2007	2013
Rolf Schweiger (1945)	Baar, Switzerland	Switzerland	Non-executive member	2009	2012
Prof. Dr. Klaus W. Wellershoff (1964)	Zurich, Switzerland	Germany	Non-executive member	2009	2012

¹Annual General Meeting of Shareholders in the year shown

²Member of the Executive Committee of the Board

3.2 Other activities and vested interests

Alfred N. Schindler

joined the Board of Directors in July 1977 and has been Chairman of the Board of Directors since 1995. From 1985 until September 30, 2011, Alfred N. Schindler was CEO of the Group and Chairman of the Executive Committee of the Board. After handing over the function of CEO he remains Chairman of the Executive Committee of the Board. Before joining the Schindler Group he was employed by Neutra Treuhand AG in Berne, later becoming CFO of Notz AG in Biel. In order to focus entirely on Schindler, Alfred N. Schindler resigned from his board memberships of the following companies: Bank Julius Bär, UBS, Jacobs Suchard (all Switzerland), and Deutsche Post AG. He is still a member of the European Advisory Board of the Wharton School. Alfred N. Schindler holds a degree in law from the University of Basel, Switzerland, and an MBA from the Wharton School of Finance of the University of Pennsylvania, USA.

Luc Bonnard

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

Prof. Dr. Peter Athanas

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

Prof. Dr. Karl Hofstetter

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

Prof. Dr. Pius Baschera

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

Dr. Hubertus von Grünberg

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

Lord Powell of Bayswater

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

Dr. Alexander Schaub

was elected to the Board of Directors in March 2007. He has been a member of the Audit Committee of the Schindler Group since March 2007, and has been its Chairman since July 2008. In addition, since September 2006 he has been a member of the Audit Expert Group, and since July 2008 its Chairman. From 2007 until 2010, Alexander Schaub was also of counsel with the international law firm Freshfields Bruckhaus Deringer LLP at its Brussels office, as well as a lecturer at the University of St. Gallen. Alexander Schaub began his career at the European Commission in Brussels in 1973 in the office of Ralf Dahrendorf and subsequently worked for Commissioners Guido Brunner, Etienne Davignon, and Willy De Clercq, and for Commission President Gaston Thorn. From 1995 to 2002, he was director general for competition with commission members Karel van Miert and Mario Monti. During this period he oversaw the preparations for major reforms (modernization) of European policy on competition. He subsequently worked as director general internal market and services until his retirement in mid-2006. Alexander Schaub studied law and economics at the universities of Freiburg im Breisgau and Bonn, Germany; Lausanne, Switzerland; and the College of Europe, Bruges, Belgium.

Rolf Schweiger

has been a member of the Board of Directors since March 2009. In 1969 Rolf Schweiger was elected to the parliament of the Canton of Zug, of which he remained a member for 22 years, 14 of them as leader of the Liberal Democratic Party section. From 1999 until 2011, he represented the Canton of Zug in the Swiss Council of States. In 2004 he was chairman of the Liberal Democratic Party in Switzerland. Rolf Schweiger has been a member of committees of the Swiss Council of States that include the following: the Finance Committee and chairman of Subcommittee 2 (EDAVEVD); the Economics and Taxes Committee; the Environment, Spatial Planning and Energy Committee (as chairman); and the Law Committee. Rolf Schweiger is active in various political organizations including membership of the governing board of *economiesuisse*, president of Action for a Sensible Energy Policy in Switzerland (AVES), and president of the Federation of Swiss Food Industries (fiäl). He is also a member of various boards of directors in the food segment (Hochdorf Holding AG, Hochdorf, Switzerland), and in the pharmaceuticals segment as chairman of the board of directors of Roche Diagnostics AG, Risch, Switzerland. In addition, Rolf Schweiger is involved in various not-for-profit institutions, including chairmanship of the foundation "Ombudsman for Private Insurance and SUVA," Zurich. Rolf Schweiger studied law at Zurich University where he completed his academic education in 1969, graduating with a licentiate degree. In 1971 he gained his attorney's license in Zug and began his career as an attorney and notary. Since 1976 he has been a partner in the legal firm of Schweiger Attorney and Notary, Zug, Switzerland.

Prof. Dr. Klaus W. Wellershoff

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

3.3 Elections and terms of office

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

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

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

3.4 Internal organizational structure

3.4.1 Allocation of tasks within the Board of Directors

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

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

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

3.4.2 Committees

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

3.4.2.1 Executive Committee of the Board

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

Members			Term of office expires
as at 31.12.2011			
Alfred N. Schindler	Chairman, executive member of the Board of Directors	Chairman	2014
Luc Bonnard	Vice Chairman, executive member of the Board of Directors	Vice Chairman	2014
Prof. Dr. Peter Athanas	Executive member of the Board of Directors	Member	2013

The Executive Committee of the Board manages and supervises the business of the Group and exercises its interests vis-à-vis third parties, in particular vis-à-vis business organizations and associations, as well as vis-à-vis authorities and the public. In addition, the Executive Committee of the Board has the following specific tasks:

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

3.4.2.2 Nomination Committee

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

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

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

3.4.2.3 Compensation Committee

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

Members

as at 31.12.2011

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

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

3.4.2.4 Audit Committee

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

Members

as at 31.12.2011

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

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

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

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

Audit Expert Group

as at 31.12.2011

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

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

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

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

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

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

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

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

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

The Executive Committee of the Board normally meets for a whole day every two weeks. In the reporting year, 33 meetings were held.

The other committees meet for half or whole days according to need. In the reporting year, the Audit Committee held two whole-day meetings and three telephone conferences. The Compensation Committee met four times, and the Nomination Committee 12 times. No external consultants attended the meetings.

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

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

3.5 Definition of areas of responsibility

According to law, the Board of Directors is responsible for the ultimate direction and ultimate supervision of the Group. The non-transferable and inalienable responsibilities of the Swiss Code of Obligations, Art. 716a, Para. 1, are incumbent on the Board of Directors. In addition, the Board of Directors can resolve all matters which are not defined by law or the Articles of Association as being the responsibility of the General Meeting of Shareholders.

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

- The objectives and strategies of the Group
- The essential prerequisite for business activity
- The main risks and the catalog of measures for preventing and minimizing potential damage
- The budget, plans, and forecasts of Schindler Holding Ltd. and the Group
- The consolidated annual and semiannual financial statements of the Group
- The annual financial statements of Schindler Holding Ltd. for submission to the General Meeting of Shareholders
- Setting up and changing the essential financing structures of Schindler Holding Ltd.
- The initiation and structuring of repurchase programs
- Guidelines and limits for financial management (cash management, financial investments, foreign currency market operations, and credit matters)
- Material M&A transactions, joint ventures, etc.
- Election of the Vice Chairman of the Board of Directors and of the chairmen and members of the committees of the Board
- Proposing candidates to the General Meeting of Shareholders for election to the Board of Directors
- The fees of the members of the Board of Directors
- The structure and content of the participation programs and their beneficiaries.

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

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

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

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

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

Schindler defines and evaluates the most important risks of the Group in a four-phase process based on a detailed risk catalog. These risks are divided into the categories of product, market and business risks, financial, operational and organizational risks, as well as safety, health, and environment risks. In all risk categories, the legal aspects are also evaluated. The four phases of the process are as follows:

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

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

4 Management Committee

4.1 Members of the Management Committee

as at 31.12.2011	Nationality	Function
Jürgen Tinggren (1958)	Sweden	CEO
Miguel A. Rodríguez (1953)	Spain	Deputy CEO, Global Business, India and Gulf
Erich Ammann (1957)	Switzerland	CFO
Dr. Rudolf W. Fischer (1952)	Switzerland	Corporate Human Resources
Didier Gaudoux (1958)	France	Europe South
Albert Haffert (1953)	Germany	Field Quality & Excellence
Silvio Napoli (1965)	Italy	Asia/Pacific
Thomas Oetterli (1969)	Switzerland	Europe North
Jakob Züger (1952)	Switzerland	North, Central, and South America



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

Jürgen Tinggren

was appointed CEO of the Group as from October 1, 2011. He joined the Management Committee on April 1, 1997, initially with responsibility for Europe 1 and from 1999 for the Asia/Pacific region. On May 1, 2005, Jürgen Tinggren was appointed Deputy President of the Management Committee with responsibility for Technology and Strategic Procurement. As from August 1, 2007, he was appointed President of the Management Committee. From 1985 to 1997 he worked for the Sika Group, ultimately as a member of the management committee with responsibility for North America. Jürgen Tinggren holds a joint MBA from the Stockholm School of Economics and New York University Business School.

Miguel A. Rodríguez

has been a Member of the Management Committee since December 1, 1998, initially with responsibility for Europe South West, and since November 1, 2001, for all of Europe. As of January 1, 2010, Miguel A. Rodríguez became Head of Global Business, which also includes responsibility for the markets of India and the Gulf. In addition, since April 1, 2007, Miguel A. Rodríguez has been Deputy President of the Management Committee, and is now Deputy CEO. From 1991 to 1998 he managed the Schindler subsidiaries in Spain and Portugal. From 1981 to 1991 he was a member of the corporate management of the Armstrong Group, holding the position of general manager at various subsidiaries in Spain. Miguel A. Rodríguez studied at the Advanced School of Industrial Engineering of the University of Bilbao, Spain, where he graduated as an industrial engineer.

Erich Ammann

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

Dr. Rudolf W. Fischer

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

Didier Gaudoux

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

Albert Haffert

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

Silvio Napoli

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

Thomas Oetterli

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

Jakob Züger

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

4.2 Management contracts

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

5 Compensation report

5.1 Principles

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

The most important principles are:

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

5.2 Responsibility and determination process

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

Members of the Compensation Committee

as at 31.12.2011

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

The Compensation Committee

- definitively determines the compensation of the Chairman of the Board of Directors,
- approves upon proposal of the Chairman of the Board of Directors all compensation of the other executive members of the Board of Directors, and
- approves upon proposal of the Chairman of the Board of Directors the compensation of the CEO.

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

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

The Board of Directors

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

- The Chairman of the Board of Directors
- determines the compensation of the members of the Management Committee for Corporate Human Resources and Corporate Finance (except for the variable compensation under the Long Term Incentive Plan), and
 - approves upon proposal of the CEO the compensation of the remaining members of the Management Committee (except the variable compensation under the Long Term Incentive Plan).

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

Overview compensation process Board of Directors

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

¹Including compensation under the Capital Participation Plan
²Including compensation under the Long Term Incentive Plan (LTI)

Overview compensation process Management Committee

	Compensation (excl. under LTI)		Long Term Incentive Plan (LTI)	
	Proposal	Determination/approval	Proposal	Determination/approval
CEO	Chairman	Compensation Committee	Chairman	Compensation Committee
MKL ¹ :				
CFO		Chairman		Board of Directors
Corporate Human Resources		Chairman		Board of Directors
Other members:	CEO	Chairman		Board of Directors

¹MKL = Member Management Committee

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

5.3 Compensation system

5.3.1 Board of Directors

5.3.1.1 Non-executive members of the Board of Directors

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

5.3.1.2 Executive members of the Board of Directors

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

The fixed compensation comprises a monthly salary, a year-end salary, and flat-rate reimbursement of representation and car expenses. In addition, a fixed payment is made into the Schindler Foundation (retirement plan for managerial employees). The compensation also includes fringe benefits, which are disclosed if they exceed CHF 500 per case and a total of CHF 20000 in the reporting year.

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

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

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

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

5.3.2 Management Committee

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

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

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

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

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

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

5.3.3 Capital participation plans

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

Since 2000, capital participation plans have been in place for the highest levels of management (including executive members of the Board of Directors, members of the Management Committee, and members of the upper levels of management), which comprise participation and option plans.

5.3.3.1 Capital Participation Plan 2000

The Capital Participation Plan applies to the members of the Executive Committee of the Board and other members of the higher management level excluding the Management Committee. The Capital Participation Plan 2000 comprises a Share Plan (Deferred Compensation Plan) and an Options Plan. The Share Plan was modified as from January 1, 2011.

- Under the *Share Plan* (Deferred Compensation Plan), the beneficiaries are paid 25% (until 2010: 30%) of their actual bonus up to a maximum of CHF 112 500 (until 2010: CHF 135 000) in the form of shares or participation certificates of Schindler Holding Ltd. The allocation value of one share or one participation certificate is determined each year in December of the reporting year by the Board of Directors. Ownership of the shares and participation certificates is transferred to the beneficiaries in April of the following year. The shares and participation certificates carry all associated rights, but are subject to a blocked period of three years during which they may not be sold.
- Under the *Options Plan*, in December of the reporting year, the Board of Directors or the Compensation Committee, as the case may be, at its own discretion grants to the beneficiaries a certain number of options on shares or participation certificates of Schindler Holding Ltd. The maximum value that can be granted to a beneficiary in the form of options, and the exercise price for the options, are set annually by the Board of Directors. The period until the definitive transfer of the options into the ownership of the beneficiary (vesting period) is three years and the subsequent exercise period six years. The allocation takes place in April of the following year.

5.3.3.2 Long Term Incentive Plan

The Long Term Incentive Plan consists of a Performance Share Plan and an Options Plan. It applies since 2008 to the members of the Management Committee, the executive member of the Board of Directors who is not a member of the Executive Committee of the Board, and the CEOs of the eight largest Group companies.

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

The key performance figures defined as relevant for 2011 are:

- a. the attainment of a specified target value for the EBIT margin of the Schindler Elevators & Escalators business in 2013, and
- b. the difference between (1) the growth in revenue of the Schindler Elevators & Escalators business from 2010 to 2013 and (2) the growth in turnover of a group of companies in the elevators and escalators market¹ in the same period.

Key performance figures defined as relevant for 2010 were:

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

¹Principal competitors of the Schindler Group in the global market

The performance share units 2011 are performance share units on participation certificates of Schindler Holding Ltd. Allocation of the participation certificates for the performance share units 2011 will only take place in April 2014 on expiration of the three-year performance period. Before allocating the participation certificates, the extent of achievement of the key performance figures and the resulting multiplier (conversion rate) are calculated. The conversion rate can have a value between 0 and 3. The number of participation certificates to be granted is calculated by multiplying the performance share units by the conversion rate. The participation certificates are then transferred into ownership of the beneficiary, who may freely dispose of them as from this date.

In April 2011, for the first time participation rights under the Performance Share Plan were transferred into ownership to the beneficiaries. Registered shares for the Performance Share Units 2008 were allocated at a conversion rate of 1.25, i.e. 1.25 registered shares were allocated for each Performance Share Unit.

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

The exercise price for the options is determined by the Board of Directors in the respective reporting year.

5.3.4 Employment contracts and special agreements

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

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

5.4 Compensation for the reporting year

By decision of the Board of Directors, under the Capital Participation Plan 2000 participation certificates and options on participation certificates of Schindler Holding Ltd. are granted for the reporting year. For the allocations under the Capital Participation Plan 2000 for the financial year 2011, at its meeting in December 2011 the Board of Directors defined the following parameters:

- The allocation value per participation certificate equals the volume-weighted average price of the participation certificate for March 2012, less a discount of 10%.
- The exercise price of the options on participation certificates equals the volume-weighted average price of the participation certificate for March 2012.
- The maximum value that can be granted to a beneficiary in the form of options is CHF 112 500.
- A beneficiary receives three-and-one-half (3.5) options per granted participation certificate up to the maximum value stated above. To calculate the maximum allocatable number of options, the value of an option is assumed to be one $\frac{2}{7}$ of the allocation value of the participation certificate.

In March 2011 the Board of Directors decided under the Long Term Incentive Plan to grant options on participation certificates of Schindler Holding Ltd. with an exercise price of CHF 124.80. The basis for the exercise price was the average market value of the participation certificates of December 2010 of CHF 113.46 plus a premium of 10% defined by the Board of Directors.

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

- The disclosed variable compensation elements relate to the completed reporting year. The allocation and payment of the variable compensation under the Capital Participation Plan 2000 only takes place in April of the following year.
- The compensation of new members of the Board of Directors or Management Committee is reported as from the date on which they take over the respective function. For transfers between the Board of Directors and the Management Committee (e.g. transfer from the Management Committee to the Board of Directors) the entire compensation for the reporting year is included and reported under the new function.
- If a member of the Board of Directors or Management Committee resigns, the compensation up to the date of resignation plus any other compensation paid in the reporting year in connection with the member's former activities in a governing body of Schindler Holding Ltd. is reported.
- In individual cases, depending on the country in which the member of the Management Committee lives, a company car is provided to a member of the Management Committee, and in this case no flat-rate car expenses are paid. Additional compensation is paid for assignments abroad (expatriates). These payments are reported under fringe benefits.
- All contributions to retirement benefit plans, premiums for managerial insurances, or benefits in the form of reduced premiums for insurances, are reported under expenses for post-employment benefits.
- Some members of the Board of Directors of Schindler Holding Ltd. and of the Management Committee are also members of the boards of directors of Group companies. If the respective Group companies pay a board of directors' fee for this function, the compensation is not paid to the individual board member but to the company by which the member is normally compensated.
- In the reporting year, no securities or guarantees were granted to members of the Board of Directors or of the Management Committee. Neither Schindler Holding Ltd. nor any other Group company waived any liabilities due from members of the Board of Directors or of the Management Committee.
- In the reporting year, no members of the Board of Directors or Management Committee received fees or other compensation for additional work for Schindler Holding Ltd. or any other Group company.

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

Total compensation 2011 – Board of Directors

In 1 000 CHF	Fixed compensation		Variable compensation			Fringe benefits	Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁵	Performance Share Units ⁶	Options			
Alfred N. Schindler, Chairman ^{1,2}	3 010	2 798	112	–	112 ⁷	–	525	6 557⁹
Luc Bonnard, Vice Chairman ^{1,2}	1 523	1 932	112	–	112 ⁷	–	428	4 107¹⁰
Prof. Dr. Peter Athanas ^{1,2}	1 195	2 204	112	–	112 ⁷	–	366	3 989
Prof. Dr. Karl Hofstetter ²	805	630	–	400	400 ⁸	–	358	2 593
Prof. Dr. Pius Baschera ³	185	–	–	–	–	–	11	196
Dr. Hubertus von Grünberg ³	185	–	–	–	–	–	8	193
Lord Charles Powell ³	185	–	–	–	–	–	8	193
Dr. Alexander Schaub ^{3,4}	350	–	–	–	–	–	17	367
Rolf Schweiger ³	185	–	–	–	–	–	8	193
Prof. Dr. Klaus W. Wellershoff ³	185	–	–	–	–	–	11	196
Total compensation	7 808	7 564	336	400	736	–	1 740	18 584

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Including compensation as Chairman of the Audit Committee

⁵ Amount of the actual bonus that is granted to the beneficiary in the form of participation certificates

⁶ The Performance Share Units were included in the total compensation at CHF 102.10 (average participation certificate price in December 2010, less a discount of 10%, conversion rate of 1)

⁷ Assumption that the compensation value of the options equals the compensation value of the participations certificates

⁸ The options awarded under the Long Term Incentive Plan are included at a value of 2/3 of the award value of the performance share units

⁹ After voluntarily waiving CHF 1 090 000 of the contractually agreed compensation. Payments by Alfred N. Schindler to charitable organizations CHF 1 000 000

¹⁰ After voluntarily waiving CHF 272 000 of the contractually agreed compensation

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

Number of participation certificates, performance share units and options granted/allocated 2011 – Board of Directors

	Participation certificates ²	Performance Share Units	Options
Alfred N. Schindler, Chairman ¹	1 163	–	4 071 ³
Luc Bonnard, Vice Chairman ¹	1 163	–	4 071 ³
Prof. Dr. Peter Athanas ¹	1 163	–	4 071 ³
Prof. Dr. Karl Hofstetter ¹	–	3 918	13 712 ⁴

¹Executive member

²This number was calculated using a value of CHF 96.73, which equals the volume-weighted average price of the participation certificate for December 2011 less a discount of 10%. This number is only provisional. The exact number will only become known in April 2012 and be based on the volume-weighted average price for March 2012 less a discount of 10%.

³Options from the Capital Participation Plan 2000 (participation certificates). The number stated is only provisional (provisional number of participation certificates multiplied by 3.5). The exact number of options allocated will only be known in April 2012.

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

In the reporting year 2011, the variable component of the compensation for the executive members of the Board of Directors was on average 52% (previous year: 53%) of the total compensation: 44% cash (previous year: 42%), 4% in the form of shares/participation certificates/performance share units (previous year: 7%) and 4% in the form of options (previous year: 4%).

Total compensation 2010 – Board of Directors

In 1 000 CHF	Fixed compensation		Variable compensation				Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ⁶	Performance Share Units ⁶	Options	Fringe benefits		
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 306	214	–	90 ⁷	–	543	7 418 ⁹
Luc Bonnard, Vice Chairman ^{1,2}	1 523	1 868	214	–	90 ⁷	–	412	4 107 ¹⁰
Prof. Dr. Peter Athanas ^{1,2,3}	498	870	214	–	90 ⁷	–	140	1 812
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁸	–	341	2 526
Prof. Dr. Pius Baschera ⁴	185	–	–	–	–	–	11	196
Dr. Hubertus von Grünberg ⁴	185	–	–	–	–	–	8	193
Lord Charles Powell ⁴	185	–	–	–	–	–	8	193
Dr. Alexander Schaub ^{4,5}	350	–	–	–	–	–	–	350
Rolf Schweiger ⁴	185	–	–	–	–	–	8	193
Dr. Jenö C. A. Staehelin ^{4,11}	39	–	–	–	–	–	–	39
Prof. Dr. Klaus W. Wellershoff ⁴	185	–	–	–	–	–	11	196
Total compensation	7 405	6 624	642	400	670	–	1 482	17 223

¹ Member of the Executive Committee of the Board

² Executive member

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

⁴ Non-executive member

⁵ Including compensation as Chairman of the Audit Committee

⁶ For the purpose of inclusion in the total compensation, the participation certificates of Schindler Holding Ltd. were valued at the stock exchange price as at the end of December 2010 of CHF 110.60. The performance share units were included in the total compensation at CHF 69.60 (average participation certificate price in December 2009, less a discount of 10%, conversion rate 1)

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

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

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

¹⁰ After voluntarily waiving CHF 628 000 of the contractually agreed compensation

¹¹ Until General Meeting of Shareholders 2010

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

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

¹ Executive member

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

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

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

5.4.2 Members of the Management Committee

Total compensation 2011 – Management Committee

In 1 000 CHF	Fixed compensation		Variable compensation			Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Performance Share Units ¹	Options ²	Fringe benefits		
Total Management Committee ³	5 673	5 091	1 975	1 975	453	2 191	17 358
Highest individual compensation: Jürgen Tinggren	925	1 450	500	500	–	386	3 761

¹The Performance Share Units were included in the total compensation at CHF 102.10 (average participation certificate price in December 2010, less a discount of 10%, conversion rate of 1)

²The options awarded under the Long Term Incentive Plan are included at a value of 2/3 of the award value of the performance share units

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

Number of performance share units and options on participation certificates granted 2011 – Management Committee

	Performance Share Units	Options
Total Management Committee	19 344	67 703
Jürgen Tinggren	4 897	17 140

In the reporting year 2011, the variable component of the compensation for the members of the Management Committee was on average 52% (previous year: 54%) of the total compensation: 29% cash (previous year: 31%), 11.5% in the form of performance share units (previous year: 11.5%) and 11.5% in the form of options (previous year: 11.5%). The calculation was based on a conversion rate of 1.

Total compensation 2010 – Management Committee

In 1 000 CHF	Fixed compensation		Variable compensation			Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Performance Share Units ¹	Options ²	Fringe benefits		
Total Management Committee ³	4 680	5 053	1 850	1 850	693	2 006	16 132
Highest individual compensation: Jürgen Tinggren	860	1 450	500	500	–	332	3 642

¹The Performance Share Units were included in the total compensation at CHF 69.60 (average participation certificate price in December 2009, less a discount of 10%, conversion rate of 1)

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

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

Number of performance share units and options on participation certificates granted 2010 – Management Committee		
	Performance Share Units	Options
Total Management Committee	26 580	67 026
Jürgen Tinggren	7 184	18 115

5.4.3 Former members of governing bodies

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

Alfred Spörri, until March 26, 2008, executive member of the Board of Directors and member of the Executive Committee of the Board: CHF 0.3 million (previous year: CHF 0.7 million).

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

5.4.4 Related parties

In the reporting year, Schindler Holding Ltd. paid pensions amounting to CHF 172 800 to two widows of former executive members of the Board of Directors. The actuarially determined present value of these regular payments is recalculated annually, and as at December 31, 2011, amounted to CHF 1.3 million. This amount is reported by Schindler Holding Ltd. as a provision.

5.5 Loans

5.5.1 Present and former members of governing bodies

No loans were granted by Schindler Holding Ltd. or any other Group company to any present or former members of the governing bodies, and no such loans were outstanding as at December 31, 2011.

The Chairman of the Board of Directors has been granted borrowing rights. As at December 31, 2011, the unutilized credit limit was CHF 25 million, which was secured by shares of Schindler Holding Ltd. owned by the Chairman with a value of more than CHF 200 million.

5.5.2 Related parties

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

5.6 Participations, option rights, and conversion rights

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

Participations, option rights, and conversion rights 2011 – Board of Directors

	Number		Number of vested options on		
	Registered shares	Participation certificates	Registered shares allocated under the options plan 2006 ⁶	Registered shares allocated under the options plan 2007 ⁶	Registered shares allocated under the options plan 2008
as at 31.12.2011					
Alfred N. Schindler, Chairman ^{1,2}	⁴ 29 251	–	–	–	6 902 ⁵
Luc Bonnard, Vice Chairman ^{1,2}	⁴ 4 711	–	–	–	–
Prof. Dr. Peter Athanas ^{1,2}	3 000	–	–	–	–
Prof. Dr. Karl Hofstetter ²	20 911	–	–	–	30 018 ⁵
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Rolf Schweiger ³	3 375	–	–	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler and Luc Bonnard hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2011, these comprised 50 073 638 shares, corresponding to 69.8% of the voting rights of the share capital entered in the Commercial Register

⁵ 6 626 option from the Capital Participation Plan 2000 and 23 392 options from the Long Term Incentive Plan

⁶ Options from Capital Participation Plan 2000

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

	Number		Number of vested options on		
	Registered shares	Participation certificates	Participation certificates allocated under the options plan 2005 ⁵	Registered shares allocated under the options plan 2006 ⁵	Registered shares allocated under the options plan 2007 ⁵
as at 31.12.2010					
Alfred N. Schindler, Chairman ^{1,2}	⁴ 27 312	–	–	–	4 288
Luc Bonnard, Vice Chairman ^{1,2}	⁴ 2 772	–	–	–	4 288
Prof. Dr. Peter Athanas ^{1,2}	3 000	–	–	–	–
Prof. Dr. Karl Hofstetter ²	9 598	–	–	–	3 573
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Rolf Schweiger ³	3 375	–	–	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

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

⁵ Options from Capital Participation Plan 2000

Participations, option rights, and conversion rights 2011 – Management Committee

	Number		Number of vested options on			
	Registered shares	Participation certificates	Registered shares allocated under the options plan 2006 ¹	Registered shares allocated under the options plan 2007 ¹	Registered shares allocated under the options plan 2008 ²	Registered shares allocated under the options plan 2008 ²
as at 31.12.2011						
Jürgen Tinggren, CEO	29 772	8 410	–	2 081	5 890	29 240
Miguel A. Rodríguez, Deputy CEO	23 227	–	2 565	1 915	4 279	10 234
Erich Ammann	9 632	–	–	–	–	–
Dr. Rudolf W. Fischer	15 515	–	–	–	5 706	10 234
Didier Gaudoux	–	–	–	–	–	–
Albert Haffert	1 451	–	1 662	1 728	3 773	4 386
Silvio Napoli	4 632	725	325	992	3 018	8 528
Thomas Oetterli	3 375	450	350	705	3 298	4 386
Jakob Züger	16 698	4 030	–	–	5 844	6 696

¹ Options from Capital Participation Plan 2000

² Options from Long Term Incentive Plan

Participations, option rights, and conversion rights 2010 – Management Committee

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

¹ Options from Capital Participation Plan 2000

Regarding option conditions, see note 34 to the Consolidated Financial Statements, pages 70 to 73.

6 Shareholders' participation

6.1 Restrictions on voting rights and representation

Provided that the share is recorded in the share register as a share with voting rights, each share carries the right to one vote. Subject to the registration of shares, the Articles of Association do not impose any restrictions on the voting rights of shareholders (see note 2.6.1).

Shareholders' rights of participation at General Meetings of Shareholders are in accordance with the law and the Articles of Association. All shareholders can personally participate and vote at the General Meeting of Shareholders, or be represented by a person with written power of attorney who is also a shareholder. Representation is also possible by corporate bodies or depositary representatives, or by the independent proxy.

6.2 Statutory quorums

6.2.1 Quorum

Article 19 of the Articles of Association stipulates that for the resolutions of the General Meeting of Shareholders stated below, the presence of shareholders representing at least half of the share capital recorded in the Commercial Register is required:

- Election and discharge of members of the Board of Directors
- Conversion of registered shares into bearer shares and vice versa, and, subject to the individual voting rights of the shareholders, conversion of shares into participation certificates
- Issuance of profit-sharing certificates, or conversion of participation certificates into profit-sharing certificates
- Exceptions from the restrictions on registration as full shareholders when the percentage limit is exceeded
- Resolutions for which there is a legal or statutory requirement for a qualified decision-making quorum.

6.2.2 Decision-making majority

Resolutions by the General Meeting of Shareholders are normally determined by the relative majority of the votes cast.

According to the Articles of Association, the following resolutions require the agreement of at least two-thirds of the voting rights represented at the meeting, and of the absolute majority of the nominal value of shares represented at the meeting:

- All resolutions according to Article 704 of the Swiss Code of Obligations
- Resolutions regarding changes to the company name, issuance of profit-sharing certificates, and any change in the share capital or participation capital.

6.3 Convocation of the General Meeting of Shareholders

General Meetings of Shareholders are convened by the Board of Directors or, if necessary, by the auditing body or other bodies in accordance with the stipulations of Articles 699 and 700 of the Swiss Code of Obligations. Notification of general meetings of shareholders is given by non-registered letter to the address of registered shareholders recorded in the share register, and by publication once only in the Swiss Official Gazette of Commerce. Although not required by statute, it is also customary to publish notification in selected Swiss daily newspapers. The period of notification is 20 days.

6.4 Inclusion of items on the agenda

The Board of Directors prepares the agenda of the items to be discussed. According to Article 17 of the Articles of Association, shareholders who represent 5% of the share capital can request an item to be placed on the agenda. The request, with details of the item to be discussed, must be submitted in writing by the deadline announced and published once only by the Board of Directors.

6.5 Entries in the share register

Only those shareholders with voting rights whose names were recorded in the company's register of shareholders on the respective closing date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the closing date for registration as close as possible to the date of the General Meeting of Shareholders, i.e. not more than five to ten days before the respective General Meeting of Shareholders. There are no exceptions to this rule regarding the closing date. The closing date is published together with the invitation to the General Meeting of Shareholders in the Swiss Official Gazette of Commerce and in various newspapers.

7 Change of control and defensive measures

7.1 Duty to make an offer

According to Article 33 of the Articles of Association, the obligation to submit a public takeover bid pursuant to Articles 32 and 52 of the Swiss Securities Exchanges and Securities Trading Act has been foregone (opting out).

7.2 Clauses on changes of control

There are no clauses (e.g. "golden parachutes") in favor of members of the Board of Directors or Management Committee, or other members of management, in case of a change of control.

8 Auditing body

8.1 Duration of mandate and term of office of the auditor-in-charge

Ernst & Young AG, Basel, have been the auditing body of Schindler Holding Ltd., as well as Group auditors, since 1999.

The auditor-in-charge has held this function since 2010, both for the audit of the individual financial statements of Schindler Holding Ltd. and for the consolidated financial statements of the Schindler Group. As required by law, the auditor-in-charge is changed every seven years.

8.2 Audit and additional fees

The audit fees of Ernst & Young as auditors of the Group's consolidated financial statements, and as auditing body of both Schindler Holding Ltd. and the majority of Group companies in Switzerland and abroad, including the fees for additional services, were as follows:

In 1 000 CHF	2011	2010
Audit fees		
(audit of the consolidated financial statements, the financial statements of Schindler Holding Ltd., and the financial statements of the Group companies in Switzerland and abroad)	3 213	5 117
Additional fees:		
Additional audit-related services	152	211
Tax advice	850	1 116
Transaction advice	177	337
Total additional fees	1 179	1 664

8.3 Informational instruments pertaining to an external audit

The Audit Committee evaluates the performance, fees, and independence of the auditors each year according to the following criteria:

- Quality of the Management Letter
- Global coverage and coordination of the audit instructions
- Meeting the deadlines required to allow the annual results media conference to be held on the scheduled date
- The quality of the guidance provided on the effects of changes in the accounting standards on internal guidelines and processes
- Benchmark analysis of the audit fees
- Independence as defined by relevant rules of the Swiss Audit Oversight Act (AOA).

The Audit Committee discusses and reviews the scope of the audits, and the feedback resulting therefrom. Based on this information, it determines changes and improvements as necessary.

Material non-audit-related services (e.g. tax services) that are provided by the auditors must be approved in advance by the Audit Committee.

In the reporting year, the Auditing Body had regular contacts with members of the Executive Committee of the Board and the Chief Financial Officer.

In the reporting year, one meeting took place with the Audit Committee.

Group Assurance reports four to six times per year to the Audit Expert Group, twice yearly to the Audit Committee, and once yearly to the Board of Directors.

9 Information policy

The Schindler Group pursues an information policy which is based on truthfulness, timeliness, and continuity. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. The ad hoc announcements can be called up as from the time when they are communicated to the SIX Swiss Exchange and for two years thereafter at www.schindler.com (http://www.schindler.com/group_index/group-media/group_news.htm).

It is also possible to receive potentially price-relevant information immediately at no cost directly from Schindler by e-mail. This service is offered at www.schindler.com under Media – News Subscription: http://www.schindler.com/group-index/group-media/group_kg_mr_news_subscription.htm

Schindler provides information about the half-year results and annual results in the form of interim and annual reports in printed and electronic form. The selected key figures as at March 31 and September 30 are only made available in electronic form. Schindler also presents its annual financial statements each year at its annual results media conference and at the General Meeting of Shareholders.

Key dates are:

Closing of the financial year	As at December 31
Annual results media and analysts conference	Mid-February
Publication of the Annual Report	Mid-February
General Meeting of Shareholders	Mid-March
Selected key figures	As at March 31 and September 30
Interim Report	As at June 30
Publication of selected key figures and Interim Report	April, August, October

The exact dates for the current year and the subsequent year can be called up at www.schindler.com – Investor Relations – Financial Calendar (<http://www.schindler.com/group-index/group-kg-ir/group-kg-ir-fincal.htm>).

Also available at www.schindler.com are the annual reports, press releases, and current share price, as well as general information about the Group.

Interested persons may also communicate with the Group directly through the following contacts:

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The Annual Report of the Schindler Group for 2011 consists of the Group Review and the Financial Statements and Corporate Governance Report.

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

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Interbrand Zurich, Switzerland

Premedia and printing

Swissprinters Zurich AG
Schlieren, Switzerland

Photography

CAM+Partners,
Los Angeles, USA

Management Committee

(page 123):

E. T. Studhalter,
Schachen, Switzerland





The **Cowboys Stadium** in **Dallas** breaks all records: more than 100 000 fans can watch the action on the field under the largest domed roof in the world. The stadium's environmentally friendly design is also impressive. It includes sophisticated Schindler elevators and escalators, which smoothly transport vast numbers of spectators in the stadium. Depending on their direction of travel and rated load, their energy-efficient drives can feed the electricity they generate back into the network.