

Launch event for Schindler 5500 elevator in Berlin for the German market



# Welcome to Schindler

## Selected key figures as of September 30, 2012

October 23, 2012



**Schindler**

# Highlights as of September 2012

## Growth and improved profitability

- 8.2% growth in order intake (+7.8% in local currencies); especially in Asia/Pacific, but also in Americas; Europe increased slightly
- 6.5% growth in revenue (+6.1% in local currencies); positive FX impact of CHF 22 million
- 14.4% growth in order backlog (+15.0% in local currencies)
- E&E EBIT of CHF 752 million (+CHF 59 million or +8.5%)
- E&E EBIT margin of 12.4% (Q3/2012: 12.8%)
- Net profit of CHF 522 million  
(+7.4% before one-time book-gain of CHF 35 million in 2011)
- Strong operating cash flow of CHF 522 million
- LEAP program and introduction of new products are progressing

# E&E: Key figures as of September 30, 2012

## January – September

In CHF million	<b>2012 Jan.–Sept.</b>	2011 Jan.–Sept.	$\Delta$ in %	$\Delta\%$ in LC
Orders received	<b>6 726</b>	6 214	+8.2	+7.8
Revenue	<b>6 068</b>	5 699	+6.5	+6.1
Operating profit (EBIT)	<b>752</b>	693 <sup>1</sup>	+8.5	+10.2
in %	<b>12.4</b>	12.2 <sup>1</sup>		
	<b>30.09.12</b>	31.12.11		
Order backlog	<b>7 367</b>	6 438	+14.4	+15.0
Equity	<b>2 632</b>	2 651 <sup>1</sup>	-0.7	
Headcount at end of period	<b>44 760</b>	44 387	+0.8	

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

# Group: Key figures as of September 30, 2012

## January – September

In CHF million	<b>2012 Jan.–Sept.</b>	2011 Jan.–Sept.	Δ in %	Δ% in LC
Revenue	<b>6 068</b>	5 699	+6.5	+6.1
Operating profit (EBIT)	<b>723</b>	663 <sup>1</sup>	+9.0	+10.9
Profit before taxes	<b>716</b>	678 <sup>1</sup>	+5.6	
Profit from continuing operations	<b>522</b>	486 <sup>1</sup>	+7.4	
Profit of the disposal group ALSO	-	35		
Net profit	<b>522</b>	521 <sup>1</sup>	+0.2	
Cash flow from operating activities	<b>522</b>	461	+13.2	

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

# Development in Asia/Pacific

As of September 2012

## **Emerging markets as growth engine**

- Strongest market growth in China followed by India
- Positive market development in Southeast Asia
- Saudi Arabia with biggest growth in the Middle East

## **Schindler improved market position**

- Excellent order intake in China and India
- Introduction of the elevators Schindler 3600 in China and Schindler 3100 in India in progress

# Development in the Americas

As of September 2012

## **Different pattern for Latin and North America**

- Good economic environment in Latin America with positive impact on construction activity
- Ongoing signs of upward trend in the North American construction sector

## **Schindler improved market position**

- Continued healthy growth across Latin America
- Columbia with good order intake, driven by the integration of Andino, acquired in 2011
- Good growth in new installation order intake in North America

# Development in Europe

As of September 2012

## **Mixed market conditions**

- In southern and eastern Europe, construction activity decreased further
- In central and northern Europe, good construction activity, especially in Germany and Switzerland

## **Schindler in line with market**

- In southern Europe, order intake decreased, particularly in Spain and Portugal
- In northern and central Europe, order intake increased, mainly driven by Germany and Switzerland
- Across Europe a slight increase was recorded overall
- Modernization business slightly decreased

# Market outlook 2012

## Status as of September 2012

- Asia/Pacific market growing but at a slightly slower rate
- Continued upward trend in North America
- In Europe environment remains challenging, particularly in southern Europe
- Maintenance and modernization business highly competitive

### **Schindler is well positioned**

- Execution of LEAP program in progress
- Construction of new plants in China and India has started
- Sales ramp-up of new elevator products
  - Schindler 5500 globally
  - Schindler 3600 in China and
  - Schindler 3100 in India



# Group: Outlook

Status as of October 23, 2012

Revenue: ~ +6% in local currencies

E&E EBIT margin: ~ 12.5%

Group net profit: ~ CHF 700 million

# Additional charts

# E&E: Key figures as of September 30, 2012

## Q3: July – September

In CHF million	Q3/2012	Q3/2011	Δ in %	Δ% in LC
Orders received	2 189	1 979	+10.6	+4.8
Revenue	2 097	1 893	+10.8	+5.3
Operating profit (EBIT)	268	237 <sup>1</sup>	+13.1	+9.7
in %	12.8	12.5		
	30.09.12	30.06.12		
Order backlog	7 367	7 232	+1.9	+2.2
Equity	2 632	2 434 <sup>1</sup>	+8.1	
Headcount at end of period	44 760	44 397	+0.8	

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

# Group: Key figures as of September 30, 2012

## Q3: July – September

In CHF million	Q3/2012	Q3/2011	Δ in %	Δ% in LC
Revenue	<b>2 097</b>	1 893	+10.8	+5.3
Operating profit (EBIT)	<b>259</b>	229 <sup>1</sup>	+13.1	+9.6
Profit before taxes	<b>249</b>	241 <sup>1</sup>	+3.3	
Profit from continuing operations	<b>183</b>	173 <sup>1</sup>	+5.8	
Profit disposal group ALSO	-	-		
Net profit	<b>183</b>	173 <sup>1</sup>	+5.8	
Cash flow	<b>144</b>	97	+48.5	

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

# Group: Quarterly overview

## Q1/2011 to Q3/2012

In CHF million	2012			2011 <sup>1</sup>			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	<b>2 189</b>	2 344	2 193	2 035	1 979	2 154	2 081
Revenue	<b>2 097</b>	2 067	1 904	2 155	1 893	1 960	1 846
Operating profit (EBIT) – E&E	<b>268</b>	260	224	138	237	244	212
in %	<b>12.8</b>	12.6	11.8	6.4	12.5	12.4	11.5
Operating profit (EBIT) – Group	<b>259</b>	250	214	130	229	233	201
Financing activities	-12	-2	-6	-27	14	-12	10
Income from investments in associated companies	2	2	9	-4	-2	3	2
Profit before taxes	<b>249</b>	250	217	99	241	224	213
Profit from continuing operations	<b>183</b>	183	156	80	173	161	152
Profit of the disposal group ALSO	-	-	-	-	-	4	31
Net profit	<b>183</b>	183	156	80	173	165	183
in %	<b>8.7</b>	8.9	8.2	3.7	9.1	8.4	9.9

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

# E&E: Quarterly overview

## Q1/2011 to Q3/2012

In CHF million	2012			2011 <sup>1</sup>			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	<b>2 189</b>	2 344	2 193	2 035	1 979	2 154	2 081
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<sup>1</sup> Retrospective adjustment due to early adoption of IAS 19 – Employee Benefits (revised) as of January 1, 2012

In CHF million	2011 Q4
One time charge LEAP restructuring cost	135
Operating profit (EBIT) before restructuring cost	273
in %	12.7

# Megatrends impacting the E&E business

Long-term outlook encouraging

## Megatrend navigator

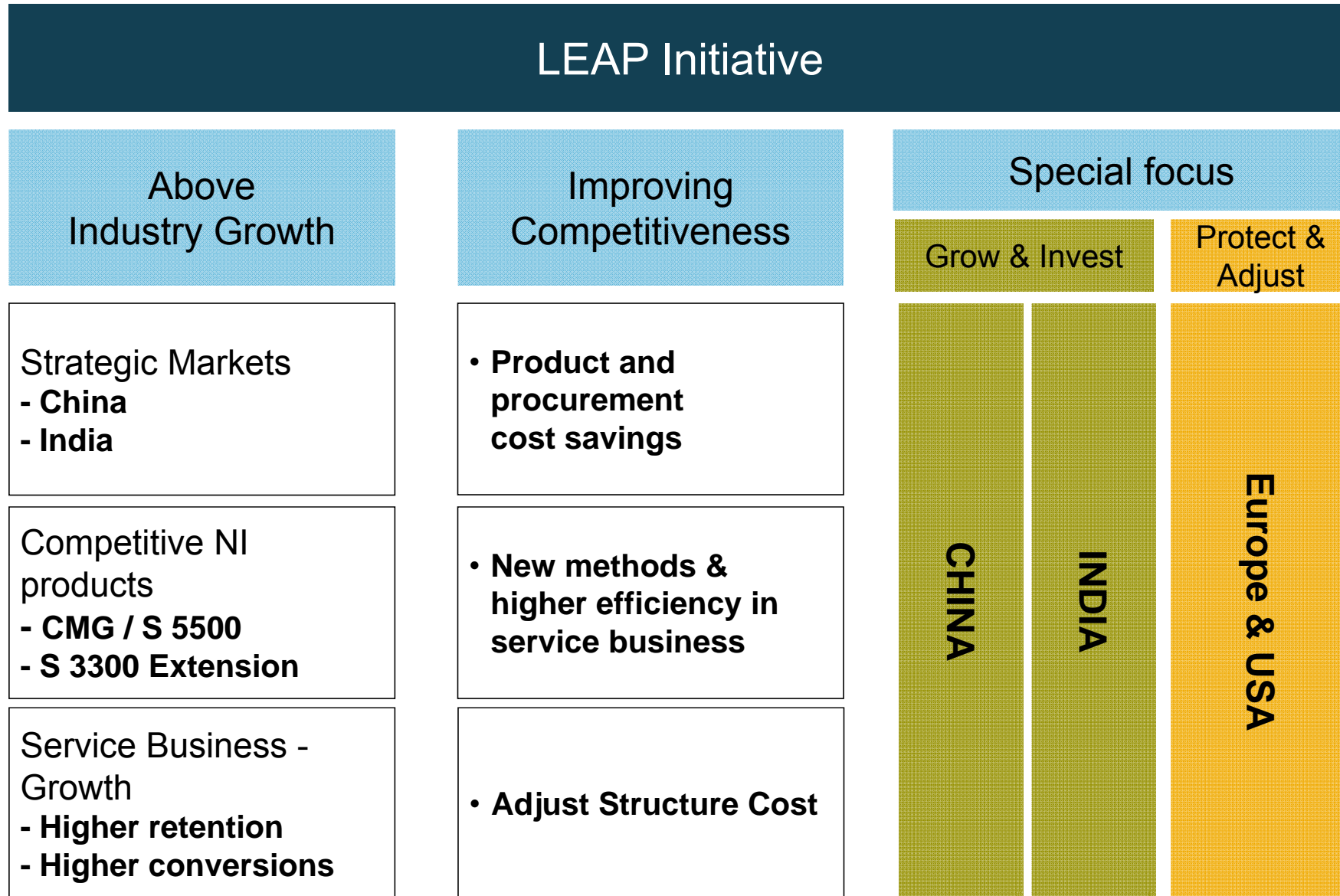


## General E&E implications

- Global growth slows
- E&E growth > GDP
- Emerging market opportunity
- New competitors
- Importance of productivity and connectivity
- Solutions for energy efficiency, smart cities and improved safety

# LEAP

## Leading in Execution and Accelerating Performance





# Adoption of IAS 19 – Employee Benefits (revised)

Change in accounting treatment as of January 1, 2012

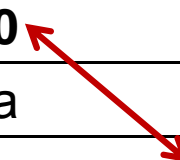
	Old	New
<b>Actuarial gains and losses</b>	Corridor method, amortization of amounts exceeding corridor	Full recognition in other comprehensive income, no amortization
<b>Interest cost and expected return on plan assets</b>	Different assumptions applied for plan assets and liabilities (DBO), return on assets generally exceeding discount rate	Consistent assumptions used for both assets and liabilities
<b>Presentation of net interest cost</b>	EBIT	Finance result

# Adoption of IAS 19 – Employee Benefits (revised)

## Restatement

- Adoption of revised standard requires restatement of 2011 figures, detailed restatement effects are outlined in the Interim Report 2012,
- Recent developments in actuarial practice required different treatment of effects than assumed in Q1/2012
- But accumulated net effect on equity remained substantially unchanged

In '000 CHF (net of tax)	Expected <sup>1</sup>	Final
<b>Restatement January 1, 2011</b>	<b>-174 000</b>	<b>-74 000</b>
OCI 2011	-108 000	-92 000
<b>Restatement January 1, 2012</b>	<b>-282 000</b>	<b>-166 000</b>
OCI YTD September 2012	n/a	-80 000
<b>Net effect equity September 30, 2012</b>	<b>n/a</b>	<b>-246 000</b>



<sup>1</sup> As outlined at the Q1/2012 conference call on April 19, 2012

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