

# Facts and figures.

## Interim Report as of June 30, 2014

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**Schindler**

# Key figures as of June 30, 2014

## 1st half: January to June

In CHF million	2014	2013	Δ %	Δ % local currencies
Orders received	<b>4 962</b>	4 860	+2.1	+7.4
Revenue	<b>4 339</b>	4 250	+2.1	+7.6
Operating profit (EBIT)	<b>524</b>	470	+11.5	+18.1
in %	<b>12.1</b>	11.1		
Net income from financing and investing activities	<b>6</b>	19		
Hyundai impairment	<b>-40</b>	-155		
Profit before taxes	<b>490</b>	334		
Income taxes	<b>119</b>	128		
Net profit	<b>371</b>	206		
Cash flow from operating activities	<b>401</b>	478	-16.1	
Investments in property, plant, and equipment	<b>103</b>	89	+15.7	
	<b>30.06.2014</b>	31.12.2013		
Order backlog	<b>8 627</b>	7 722	+11.7	+11.4
Headcount at end of period	<b>49 751</b>	48 169	+3.3	

## 2nd quarter: April to June

In CHF million	2014	2013	Δ %	Δ % local currencies
Orders received	<b>2 520</b>	2 503	+0.7	+6.1
Revenue	<b>2 292</b>	2 270	+1.0	+6.5
Operating profit (EBIT)	<b>319</b>	253	+26.1	+32.8
in %	<b>13.9</b>	11.1		
Net income from financing and investing activities	<b>-</b>	11		
Hyundai impairment	<b>-40</b>	-155		
Profit before taxes	<b>279</b>	109		
Income taxes	<b>68</b>	69		
Net profit	<b>211</b>	40		
Cash flow from operating activities	<b>46</b>	173	-73.4	
Investments in property, plant, and equipment	<b>64</b>	58	+10.3	
	<b>30.06.2014</b>	31.03.2014		
Order backlog	<b>8 627</b>	8 178	+5.5	+4.8
Headcount at end of period	<b>49 751</b>	48 921	+1.7	

# Continuing on a growth path

In the first half of 2014, Schindler pursued its growth strategy and achieved an increase of around 7.5% in both orders received and revenue in local currencies. As a result of negative foreign exchange impacts, orders received and revenue each grew by 2.1% in Swiss francs. Operating profit totaled CHF 524 million, corresponding to an EBIT margin of 12.1% (first half of 2013: 11.1%). This includes an extraordinary gain of CHF 82 million generated in connection with the Mall of Switzerland development project. Net profit amounted to CHF 371 million, thus significantly exceeding the result for the first half of 2013. Adjusted for exceptional items, net profit was 6.9% lower than in the first half of 2013.

“We achieved further profitable growth and significantly strengthened our position in the Asia/Pacific region,” stated CEO Silvio Napoli. “Thanks to the accelerated expansion of our business in growth markets, our investments in production facilities, and the launch of new products, we were able to pursue our growth path – especially in China and India – during the first half of this year.”

## **Orders received and order backlog**

Schindler generated a 7.4% increase in orders received in local currencies. Due to negative foreign exchange impacts, however, an improvement of only 2.1% to CHF 4 962 million was recorded in Swiss francs (first half of 2013: CHF 4 860 million). The Asia/Pacific region generated the strongest growth, followed by the North, Central, and South America region. The Europe region also contributed to this growth, although Southern Europe experienced a slight decrease in orders received. In the second quarter of 2014, growth totaled 6.1% in local currencies and 0.7% in Swiss francs.

Schindler secured major orders across all regions. In China, strong growth was generated in the residential segment with the recently launched Schindler 3600 elevator. The new Schindler 5500 elevator that is used in the commercial segment worldwide also contributed to the strong increase in orders received.

The order backlog was CHF 8 627 million, corresponding to an increase of 11.7% compared to December 31, 2013 (+11.4% in local currencies).

## **Revenue**

Revenue grew by 7.6% to CHF 4 339 million in the first half of 2014 (first half of 2013: CHF 4 250 million). Due to negative foreign exchange impacts in the amount of CHF 233 million, revenue increased by only 2.1% in Swiss francs. The Asia/Pacific region experienced particularly strong growth – especially in China – followed by the North, Central, and South America region. Europe ended the first half of 2014 at the same level as in the corresponding period of 2013. In the second quarter, revenue grew by 6.5% in local currencies and by 1.0% in Swiss francs.

## **Operating profit**

Operating profit (EBIT) totaled CHF 524 million (first half of 2013: CHF 470 million), corresponding to an EBIT margin of 12.1% (first half of 2013: 11.1%). This includes an extraordinary gain of CHF 82 million generated in connection with the Mall of Switzerland development project. Adjusted for this exceptional item, operating profit (EBIT) was CHF 442 million and the EBIT margin was 10.2%.

Excluding negative foreign exchange impacts of CHF 30 million, operating profit (EBIT) in local currencies was in line with the first half of 2013. Delays in the implementation of cost reduction and efficiency measures, significant pricing pressure, and one-off project costs had a negative impact on operating profit (EBIT). In China, for example, Schindler strengthened its local market presence with the opening of numerous branch offices. In addition, the world's largest escalator plant in Jiading, Shanghai, as well as the elevator plant in Pune, India, commenced production in the first half of 2014, as planned.

#### **Net income from financing and investing activities**

Net income from financing and investing activities was CHF 6 million (first half of 2013: CHF 19 million). This lower result was mainly attributable to the negative impacts of currency hedging. A further impairment of CHF 40 million relating to the participation in Hyundai Elevator Co. Ltd. had to be recognized (first half of 2013: CHF 155 million).

#### **Net profit and cash flow from operating activities**

Net profit totaled CHF 371 million and thus significantly exceeded the result for the first half of 2013 (CHF 206 million). Adjusted for the impairment of the participation in Hyundai Elevator Co. Ltd. and the extraordinary gain after tax of CHF 75 million (Mall of Switzerland), net profit totaled CHF 336 million; this corresponds to a decrease of 6.9% compared to the first half of 2013.

At CHF 401 million, cash flow from operating activities remained at a high level (first half of 2013: CHF 478 million) although the improvement in net working capital in the first half of 2014 was not as significant as the improvement in the first half of 2013.

#### **Strengthening of market position in China**

Schindler reached an agreement with the majority shareholders of XJ-Schindler (Xuchang) Elevator Co. Ltd., allowing Schindler to increase its participation in the company from 46% to 51% in August 2014. The agreement also gives Schindler the right to increase its participation in the company to a total of 66% by 2017. XJ-Schindler will be consolidated in the Group Financial Statements following the approval of the transaction by the relevant Chinese authorities. It is estimated that this will result in a revaluation gain of CHF 130 million after tax.

#### **Outlook for 2014**

Excluding any unforeseeable events, Schindler expects that revenue will grow by 6% to 8% in local currencies and that net profit will total CHF 800 million to CHF 850 million for the full year 2014. Excluding exceptional items<sup>1</sup>, this corresponds to an adjusted net profit of CHF 635 million to CHF 685 million.

<sup>1</sup> Revaluation XJ-Schindler: CHF 130 million, Mall of Switzerland: CHF 75 million, Hyundai impairment: CHF -40 million

# Consolidated interim financial statements

## Income statement

In CHF million	Note	Jan.–June 2014		Jan.–June 2013	
			%		%
Revenue		4 339	100.0	4 250	100.0
Operating expenses		3 897	89.8	3 780	88.9
Other income	5	82	1.9	–	–
<b>Operating profit</b>		<b>524</b>	<b>12.1</b>	<b>470</b>	<b>11.1</b>
Net income from financing and investing activities	5	–34	–0.8	–136	–3.2
Profit before taxes		490	11.3	334	7.9
Income taxes	5	119	2.7	128	3.0
<b>Net profit</b>		<b>371</b>	<b>8.6</b>	<b>206</b>	<b>4.9</b>
Net profit attributable to					
Owners of Schindler Holding Ltd.		356		192	
Non-controlling interests		15		14	

## Earnings per share and participation certificate in CHF

Basic	3.20	1.66
Diluted	3.17	1.65

## Statement of comprehensive income

In CHF million	Note	Jan.–June 2014	Jan.–June 2013
<b>Net profit</b>		<b>371</b>	<b>206</b>
Other comprehensive income – reclassifiable to the income statement in future			
Exchange differences		4	1
Hedging transactions		–6	–
Available-for-sale financial assets	5	–1	–47
Share of other comprehensive income of associated companies		–	–2
<b>Total – reclassifiable to the income statement in future</b>		<b>–3</b>	<b>–48</b>
Other comprehensive income – not reclassifiable to the income statement in future			
Remeasurements of employee benefits	5	–43	69
Share of other comprehensive income of associated companies		–1	–
Taxes		14	–16
<b>Total – not reclassifiable to the income statement in future</b>		<b>–30</b>	<b>53</b>
<b>Total other comprehensive income</b>		<b>–33</b>	<b>5</b>
<b>Comprehensive income</b>		<b>338</b>	<b>211</b>
Comprehensive income attributable to			
Owners of Schindler Holding Ltd.		326	196
Non-controlling interests		12	15

## Balance sheet

In CHF million	30.06.2014	%	31.12.2013	%
Cash and cash equivalents	2 356	29.0	2 228	28.5
Other current assets	3 403	42.0	3 260	41.9
Total current assets	5 759	71.0	5 488	70.4
Non-current assets	2 356	29.0	2 309	29.6
<b>Total assets</b>	<b>8 115</b>	<b>100.0</b>	<b>7 797</b>	<b>100.0</b>
Current liabilities	4 260	52.5	3 974	51.0
Non-current liabilities	1 325	16.3	1 298	16.6
Total liabilities	5 585	68.8	5 272	67.6
Equity	2 530	31.2	2 525	32.4
<b>Total liabilities and equity</b>	<b>8 115</b>	<b>100.0</b>	<b>7 797</b>	<b>100.0</b>

## Cash flow statement

In CHF million	Note	Jan.–June 2014	Jan.–June 2013
Net profit		371	206
Depreciation and amortization		60	59
Change in provisions		-21	-53
Other non-cash items		-33	213
Employee benefits		-23	-27
Change in net working capital		47	80
<b>Cash flow from operating activities</b>		<b>401</b>	<b>478</b>
Investments in property, plant, and equipment, net	6	-59	-86
Investments in intangible assets and acquisitions, net	6	40	-8
Change in marketable securities and financial assets		31	21
<b>Cash flow from investing activities</b>		<b>12</b>	<b>-73</b>
Change in financial debts		52	292
Acquisition of non-controlling interests		-3	-
Change in treasury shares		-82	-36
Dividends paid		-257	-261
<b>Cash flow from financing activities</b>		<b>-290</b>	<b>-5</b>
Exchange differences		5	10
<b>Change in cash and cash equivalents</b>		<b>128</b>	<b>410</b>
Opening balance cash and cash equivalents		2 228	2 178
Closing balance cash and cash equivalents		2 356	2 588

## Statement of changes in equity

In CHF million	Share and PC capital	Other reserves	Retained earnings	Total	Non- controlling interests	Total Group
<b>January 1, 2013</b>	12	-605	3 373	2 780	33	2 813
Net profit			192	192	14	206
Other comprehensive income		-49	53	4	1	5
Comprehensive income		-49	245	196	15	211
Dividends			-254	-254	-7	-261
Cancellation of treasury shares	-	139	-139	-	-	-
Change in treasury shares		-14	-5	-19	-	-19
<b>June 30, 2013</b>	12	-529	3 220	2 703	41	2 744
<b>January 1, 2014</b>	12	-1 055	3 518	2 475	50	2 525
Net profit			356	356	15	371
Other comprehensive income		-	-30	-30	-3	-33
Comprehensive income		-	326	326	12	338
Dividends			-245	-245	-12	-257
Cancellation of treasury shares	-1	552	-551	-	-	-
Change in treasury shares		-73	-	-73	-	-73
Change in non-controlling interests			-3	-3	-	-3
<b>June 30, 2014</b>	<b>11</b>	<b>-576</b>	<b>3 045</b>	<b>2 480</b>	<b>50</b>	<b>2 530</b>

# Notes to the consolidated interim financial statements

## **1 Business activities**

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 markets around the globe.

The registered shares and participation certificates of Schindler Holding Ltd. are traded on the SIX Swiss Exchange.

## **2 Basis of preparation**

These consolidated interim financial statements as of June 30, 2014, are based on International Financial Reporting Standards (IFRS) and have been prepared in condensed form in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited.

The same accounting policies have been applied as for the consolidated financial statements as of December 31, 2013, with the exception of the new or amended accounting standards and interpretations that are effective starting on January 1, 2014, as described in Main changes in accounting principles below. The accounting policies that are unchanged compared to the previous year are explained in detail in the Financial Statements 2013.

The consolidated interim financial statements contain estimates, assumptions, and judgments that influence the figures presented in this Interim Report. The actual results may differ from these estimates. The same estimates, assumptions, and judgments were used as in the consolidated financial statements as of December 31, 2013.

These consolidated interim financial statements as of June 30, 2014, were approved and released for publication by the Board of Directors of Schindler Holding Ltd. on August 12, 2014.

### **Main changes in accounting principles**

- The following new IFRS standards were applied with effect from January 1, 2014:
- Investment Entities – Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interest in Other Entities, and IAS 27 – Separate Financial Statements
  - IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32
  - IAS 39 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
  - IFRIC 21 – Levies

The application of all implemented changes did not have any material impacts on the Schindler Group's financial position, results of operations, and cash flows.



### 3 Scope of consolidation

With the exception of the sale of the 74% participation in EbiSquare AG, Ebikon, Switzerland (see note 5), the scope of consolidation as of June 30, 2014, is unchanged compared to December 31, 2013.

### 4 Translation of foreign currencies

			2014		2013		
			Closing rate as of June 30	Average rate for Jan.–June	Closing rate as of December 31	Closing rate as of June 30	Average rate for Jan.–June
Eurozone	EUR	1	1.22	1.22	1.23	1.23	1.23
USA	USD	1	0.89	0.89	0.89	0.95	0.94
Brazil	BRL	100	40.58	38.97	37.72	43.14	45.75
China	CNY	100	14.35	14.45	14.72	15.41	15.11

### 5 Comprehensive income

#### 5.1 Other income

In connection with the Mall of Switzerland project, Schindler sold its 74% participation in EbiSquare AG as well as property, plant, and equipment in the second quarter of 2014. The gain on the sale recognized in other income totaled CHF 82 million, comprising CHF 51 million from deconsolidation and CHF 31 million from property, plant, and equipment held for sale. A gain after tax of CHF 75 million was recorded in the first half of 2014 in connection with the Mall of Switzerland project.

#### 5.2 Impairment of Hyundai Elevator Co. Ltd.

In the first half of 2013, a significant decline in market price was identified in the case of the participation in Hyundai Elevator Co. Ltd., which is classified as available-for-sale, and an impairment was therefore recognized. This led to the reclassification of CHF 155 million from other comprehensive income to the financial result.

In the current reporting period, further declines in the share price of the participation in Hyundai Elevator Co. Ltd. resulted in financial expenses of CHF 40 million.

#### Reclassification of other comprehensive income

In CHF million	Jan.–June 2014	Jan.–June 2013
Financial assets available for sale		
Before reclassification	–1	–202
Reclassification Hyundai impairment	–	155
<b>Total recognized in other comprehensive income</b>	<b>–1</b>	<b>–47</b>

## Net income from financing and investing activities

In CHF million	Jan.-June 2014	Jan.-June 2013
Financial result		
Hyundai impairment	-40	-155
Other financial result	-24	-4
Income from associates	30	23
<b>Total net income from financing and investing activities</b>	<b>-34</b>	<b>-136</b>

### 5.3 Income taxes

In the interim financial statements, income taxes are determined on the basis of the anticipated annual result.

The Group tax rate was negatively impacted by tax-neutral financial expenses resulting from the impairment of the participation in Hyundai Elevator Co. Ltd. Taxes on other income related to the Mall of Switzerland project totaled CHF 7 million. The net impact of the two transactions on the Group tax rate was not material in the first half of 2014.

The impairment of the participation in Hyundai Elevator Co. Ltd. had a negative impact on the Group tax rate in the financial year 2013 because the impairment was tax neutral.

### 5.4 Remeasurements of employee benefits

The negative result from the remeasurement of employee benefits is mainly attributable to lower discount rates for the individual plans.

In the first half of 2013, a positive result was recognized due to returns on plan assets as well as an increase in discount rates.

## 6 Cash flow statement

In connection with the Mall of Switzerland project (see note 5), cash inflows from the sale of property, plant, and equipment (CHF 37 million) as well as from the sale of the 74% participation in EbiSquare AG (CHF 49 million) were recognized in the first half of 2014.

In the reporting period – like in the first half of 2013 – significant investments were made in the construction of new production facilities. Excluding Mall of Switzerland, net investments of CHF 96 million were made in property, plant, and equipment (first half of 2013: CHF 86 million, net).

## 7 Financial instruments

### 7.1 Fair value

#### 7.1.1 Fair value levels

In CHF million	Level 1	Level 2	Level 3	Total fair values
<b>June 30, 2014</b>				
<b>Financial assets</b>				
Marketable securities	182	–	–	<b>182</b>
Prepaid expenses and accrued income	–	16	–	<b>16</b>
Long-term financial assets	191	–	14	<b>205</b>
<b>Financial liabilities</b>				
Financial debts	226	–	–	<b>226</b>
Accrued expenses and deferred income	–	14	–	<b>14</b>
<b>December 31, 2013</b>				
<b>Financial assets</b>				
Marketable securities	261	–	–	261
Prepaid expenses and accrued income	–	33	–	33
Long-term financial assets	222	–	15	237
<b>Financial liabilities</b>				
Financial debts	224	–	–	224
Accrued expenses and deferred income	–	12	–	12

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 either quoted prices in inactive markets or prices that are not quoted. Furthermore, such fair values can also be derived indirectly from prices.

Level 3: Fair values that are determined on the basis of unobservable market data.

#### 7.1.2 Reconciliation of fair values of level 3 financial instruments

In CHF million	2014	2013
<b>Long-term financial assets</b>		
January 1	<b>15</b>	14
Change in value recognized in other comprehensive income	<b>–1</b>	1
<b>June 30</b>	<b>14</b>	15

There was no transfer between level 1 fair value and level 2 and no transfers into or out of level 3 during the reporting period (previous year: no transfer between the different levels).

### **7.1.3 Valuation methods**

The following methods and assumptions were applied to determine the fair value of the individual items:

- Marketable securities: The equity instruments and bonds are traded primarily in active markets and quoted prices are available.
- Long-term financial assets: The equity instruments and bonds are traded primarily in active markets and quoted prices are available.
- Financial debts: The bonds and the exchangeable bond that were issued are traded in active markets; quoted prices are available.
- Derivatives: Derivatives are included in the items prepaid expenses and accrued income as well as accrued expenses and deferred income (level 2). The derivatives held mainly comprise foreign currency contracts. These contracts are generally entered into with financial institutions that have an investment-grade credit rating (usually at least an 'A' rating). The value of foreign currency contracts is measured on the basis of observable spot rates and yield curves using the discounted cash flow method. Schindler's own risk of default and that of counterparties are taken into account when measuring the value of derivatives.

Level 3 financial instruments mainly comprise hedge funds and private equity investments. The value is based on external valuations.

### **7.1.4 Fair value versus carrying amount as of June 30**

The carrying amount of the bonds and the exchangeable bond that were issued totaled CHF 824 million as of June 30, 2014 (previous year: CHF 821 million) compared to a fair value of CHF 836 million (previous year: CHF 834 million). The carrying amount of other financial instruments represents a reasonable approximation of their fair value.

### **7.2 Bond exchangeable for shares of ALSO Holding AG**

The 0.375% exchangeable bond issued in June 2013 has an issuance volume of CHF 218 million and a maturity of four years. The bond can be exchanged for shares of ALSO Holding AG at a price of CHF 60.24 per share during the term of the instrument. It is recognized as a current financial liability at fair value through profit or loss.

The Schindler Group held a 28.3% participation in ALSO Holding AG as of June 30, 2014 (previous year: 28.4%). This participation is still recognized as an associate.

As of June 30, 2014, the market price of the bond was 103.60% (June 30, 2014: 100.95%). The resulting increase in the carrying amount had a negative impact of CHF 2 million on the financial result (first half of 2013: CHF 2 million).

## 8 Equity

### 8.1 Share capital and participation capital

	Number	Nominal value	in CHF Capital
<b>Share capital</b>			
June 30, 2013	70 887 645	0.10	7 088 765
December 31, 2013	70 887 645	0.10	7 088 765
Reduction as of May 26, 2014	-2 707 293	0.10	-270 729
<b>June 30, 2014</b>	<b>68 180 352</b>	<b>0.10</b>	<b>6 818 035</b>
<b>Participation capital</b>			
June 30, 2013	46 171 909	0.10	4 617 191
December 31, 2013	46 171 909	0.10	4 617 191
Reduction as of May 26, 2014	-1 553 376	0.10	-155 338
<b>June 30, 2014</b>	<b>44 618 533</b>	<b>0.10</b>	<b>4 461 853</b>

In accordance with the decision of the General Meeting of Shareholders of Schindler Holding Ltd. of March 17, 2014, a total of 2 707 293 registered shares and 1 553 376 participation certificates were cancelled by means of a capital reduction on May 26, 2014.

### 8.2 Treasury shares

In CHF million	Registered shares		Participation certificates	
	Number	Value	Number	Value
January 1, 2014	3 285 417	405	1 953 873	234
Cancellation	-2 707 293	-350	-1 553 376	-202
Purchase	162 600	21	544 000	72
Share-based payments				
Disposal of shares and participation certificates	-11 292	-2	-29 241	-3
Exercise of options and Performance Share Units	-82 137	-5	-78 288	-6
Difference in value due to disposal and exercise		-2		-2
<b>June 30, 2014</b>	<b>647 295</b>	<b>67</b>	<b>836 968</b>	<b>93</b>

### 8.3 Dividend

In accordance with the decision of the General Meeting of Shareholders of Schindler Holding Ltd. of March 17, 2014, a dividend of CHF 2.20 for the financial year 2013 (previous year: CHF 2.20) per registered share and participation certificate was paid on March 24, 2014.

## 9 Contingent liabilities

Contingent liabilities are described in detail in the notes to the Financial Statements 2013. As of the balance sheet date of June 30, 2014, no significant changes had occurred.

## 10 Segment reporting

The Schindler Group consists of one operating segment for which reports are submitted to the Supervisory and Nomination Committee (Chief Operating Decision Maker). These reports form the basis for the evaluation of performance and the allocation of resources.

The Elevators & Escalators segment comprises an integrated business that specializes in the production and installation of new elevators and escalators, as well as the modernization, maintenance, and repair of existing installations. The segment is managed as a global unit.

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.

In CHF million	Group	Finance	Elevators & Escalators	Europe	Additional information to the segment		
					North, Central, and South America	Asia, Australia, Africa	Eliminations
<b>January to June 2014</b>							
Revenue from third parties	4 339	–	4 339	1 915	1 239	1 185	–
Revenue from other regions	–	–	–	130	5	63	–198
Total revenue	4 339	–	4 339	2 045	1 244	1 248	–198
Operating profit	524	66	458				
Additions of property, plant, and equipment, and intangible assets	110	–	110	20	27	63	–
Total depreciation and amortization	60	–	60	31	14	15	–
of which impairment	–	–	–	–	–	–	–
Income from associates	30	12	18				
<b>January to June 2013</b>							
Revenue from third parties	4 250	–	4 250	1 926	1 234	1 090	–
Revenue from other regions	–	–	–	124	4	79	–207
Total revenue	4 250	–	4 250	2 050	1 238	1 169	–207
Operating profit	470	–18	488				
Additions of property, plant, and equipment, and intangible assets	95	–	95	42	29	24	–
Total depreciation and amortization	59	–	59	29	16	14	–
of which impairment	–	–	–	–	–	–	–
Income from associates	23	11	12				

## **11 Events after the reporting period**

The Schindler Group has reached an agreement with the majority shareholders of XJ-Schindler (Xuchang) Elevator Co. Ltd., Henan, China, which allows Schindler to acquire a further 5% of shares in the company. The agreement furthermore gives the Schindler Group the right to acquire a further 5% of the company in each of the next three years. This means that its participation in the company can be increased to a total of 66% by 2017. The right to acquire the first 5% was exercised on August 4, 2014, but remains subject to approval by the relevant Chinese authorities. Following the approval of the transaction, XJ-Schindler (Xuchang) Elevator Co. Ltd. will be consolidated in the Group financial statements. It is currently estimated that this will result in a revaluation gain of CHF 130 million (after tax) on the existing 46% participation.

XJ-Schindler (Xuchang) Elevator Co. Ltd., based in Henan Province, is a leading Chinese elevator and escalator company with its own design, production, installation and maintenance operations. XJ-Schindler (Xuchang) Elevator Co. Ltd. is expected to generate over CHF 300 million of revenue for the full financial year 2014.

With the acquisition of a majority participation in XJ-Schindler (Xuchang) Elevator Co. Ltd., the Schindler Group is strengthening its position in the area of residential and affordable housing, which is currently the largest segment of China's elevator market.

# Financial calendar

	2014	2015
Annual results media conference	February 14	February 13
Ordinary General Meeting Schindler Holding Ltd.	March 17	March 20
First trading date ex-dividend	March 19	March 24 <sup>1</sup>
Date of Schindler Holding Ltd. dividend payment	March 24	March 30 <sup>1</sup>
Publication of selected key figures as of March 31	April 22	April 23
Publication of Interim Report as of June 30	August 13	August 14
Publication of selected key figures as of September 30	October 21	October 22

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

The Schindler Group's Interim Report 2014 is published in English and German. The original German-language report is the authoritative version.

General information about the Group as well as its Annual Reports, press releases, and details of its current share price are available at: [www.schindler.com](http://www.schindler.com).

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