



Accelerating business.
Smart mobility solutions.
Group Review 2015



Schindler

Urban landscapes shaped by dedicated people and leading technology.

Schindler is a global provider of leading mobility solutions. Each day, its elevators and escalators transport over one billion people to their destinations safely and efficiently – serving the most diverse needs. Its offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for skyscrapers.

Through its strategic investments in people and technology, Schindler is able to provide energy-efficient and user-friendly solutions to meet today's mobility needs. In this way, it can move people and materials and connect vertical and horizontal transport systems, thus helping to shape urban landscapes – both now and in the future.



Our products and services

Passenger elevators

Schindler has an elevator solution to meet every individual need in the market – from low-rise requirements with a focus on affordable basic transportation through to mid-rise applications for the residential and commercial market segments and finally to high-rise solutions for buildings of up to 500 meters.

Freight elevators

Our freight elevators can transport small or large volumes of light or heavy freight.

Escalators and moving walks

Schindler has escalators for all applications – from shopping malls, offices, hotels, and entertainment centers, to busy airports, subways, and railway stations. Our moving walks – whether inclined or horizontal – ensure efficient transportation in public areas.

Modernization

We offer a range of elevator and escalator modernization products.

Services

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



Successful execution of growth strategy

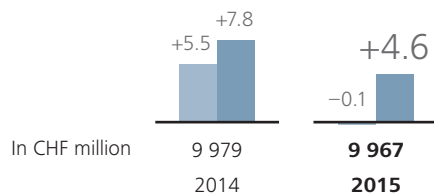


Successful execution of growth strategy

Schindler delivered improvements in its key figures in 2015 despite substantial negative foreign exchange impacts:

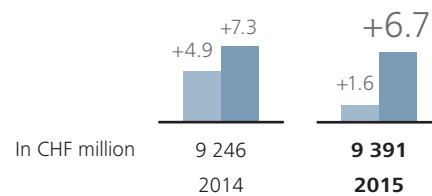
Orders received

— % in CHF
— % in local currencies



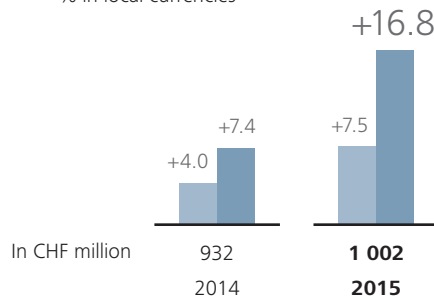
Revenue

— % in CHF
— % in local currencies



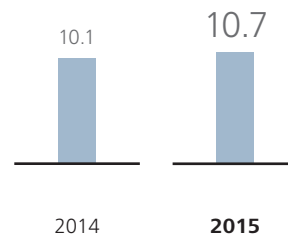
Operating profit (EBIT), comparable

— % in CHF
— % in local currencies



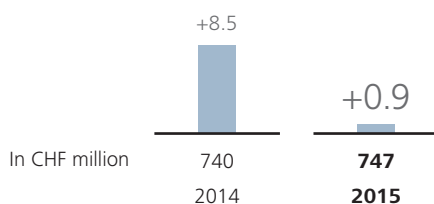
EBIT margin, comparable

— in %



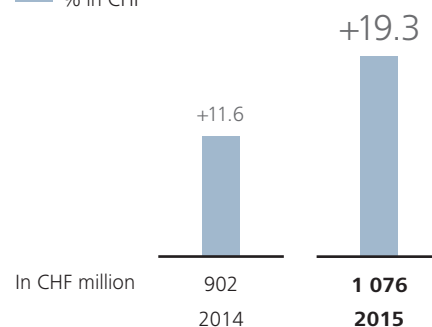
Net profit, comparable

— % in CHF



Cash flow from operating activities

— % in CHF



More information on the comparable operating profit (EBIT) and net profit is provided on page 6

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Milestones

Ladies and Gentlemen

The Swiss franc is overvalued, even massively so versus BRIC countries and other emerging markets. In addition, whenever someone is willing to pay 170 million US\$ for a painting (or the equivalent of 5 midsize plants), asset prices must be grossly inflated. Unfortunately, not only some asset prices seem to be "irrational", but the price of money as well. Just recently, asking for quotes to float a 5 year/CHF 300 million bond, we were told that our "all in" costs would stand at minus 0.35% p.a.! Should we be happy? Probably not.

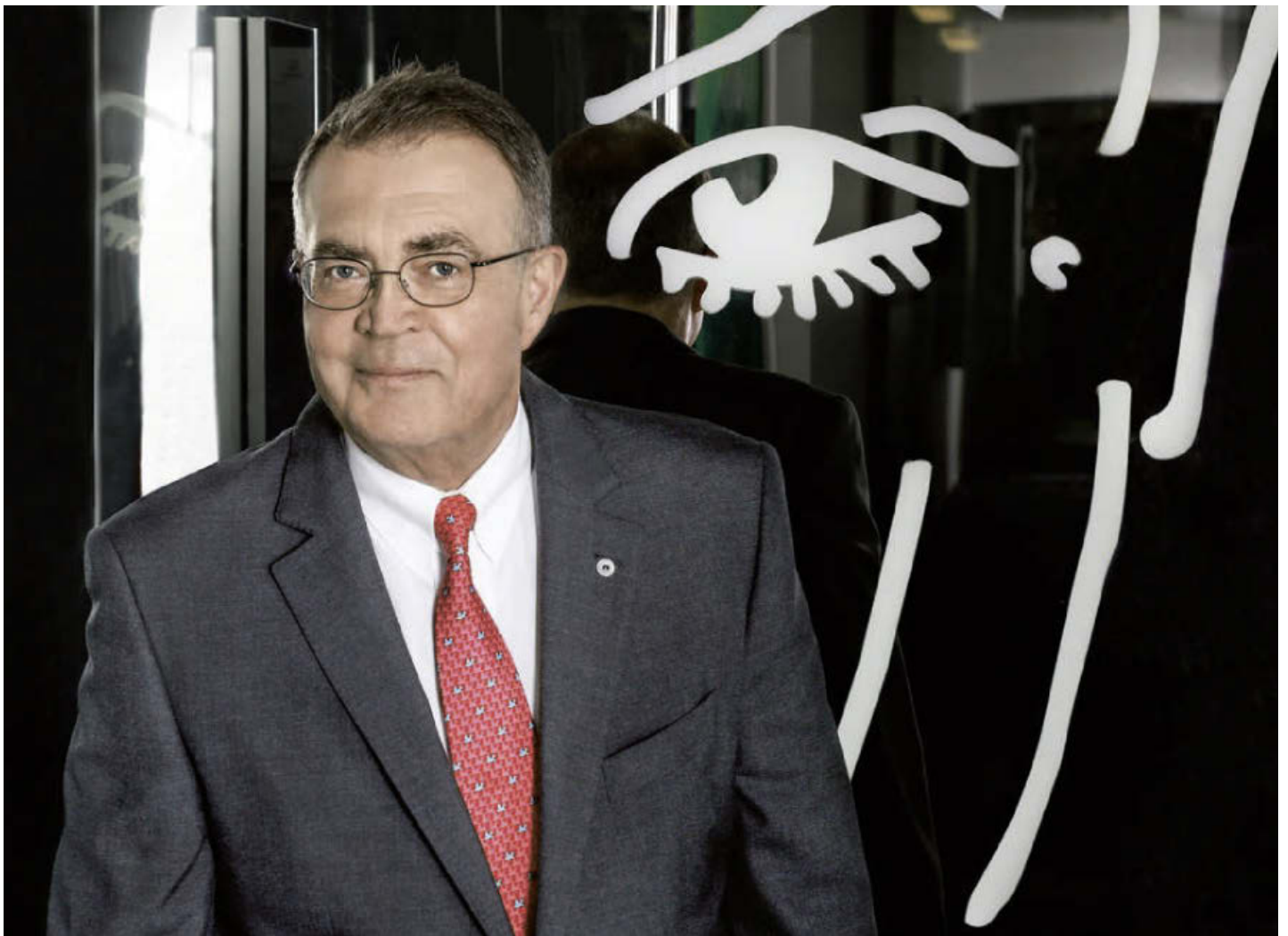
Even though the most urgent risks embedded in the toxic assets of 2008 have been defused, long-term structural problems remain unsolved. All of us – from Tokyo over Athens to Washington and from Helsinki over Zurich to Buenos Aires – have become a captive audience in the global hall of debt. Indeed, in most modern countries total cumulative debt of government, of financial and non financial institutions and of consumers (including unfunded pension liabilities) stands now at 2.5 to 5 times GNP. If applied to Schindler Holding, the same ratios would force our Group (with a topline of about CHF 10 billion) to shoulder a debt load of say CHF 30 billion, reducing our current EBIT of about CHF 1 billion to zero, even at a modest interest rate of 3.5%.

What are the root causes of this dead-end? As an entrepreneur, I have always tried to understand the drivers of investment cycles. Looking back 40 years, it seems to me that the super debt cycle started in 1974, immediately after the first big oil crisis of 1973. From then on, investments and/or growth (including employment) had to be "bought" by debt, whereas before then, they were rather financed by savings. Four decades later, when nearly everyone can afford an expensive car with ever cheaper leasing rates, overcapacity has been built in nearly all industries: it stands at 40% in the car industry, at 50% in the steel industry, etc. Today, there is unfortunately not only an excessive supply of goods but also a high level of saturation in most developed economies.

Some economists argue that debt can be increased forever; in theory, that might even be right but history tells us otherwise. So, what will happen next? It certainly is impossible to predict but let me instead quote Warren Buffet: "Whenever something goes forever, it will stop." In my opinion, we are getting closer to the end of the super debt cycle for the following reasons. The cumulative demand stimulus – of historically unprecedented and still rising debt levels, of interest rates at or below zero, of collapsing commodity prices, of extremely high levels of liquidity (in many cases also exceeding GNP), of financial assets valued at 50% to 60% above long-term average PE ratios, of competitive currency devaluations and of fiscal deficits generally exceeding 3% – is not able to generate growth anymore. Sadly ..., "dope" is not working anymore while structural reforms are politically out of reach.

What is the outlook for our environment? More of the same, I am afraid, for many years to come. Since the beginning of the financial crisis in 2008 we have suffered indecent currency translation losses: cumulatively, they amount to around CHF 3 billion revenue and to around CHF 400 million EBIT. Yet our balance sheet is healthy, our backlog is at record level, our net liquidity stands at CHF 2 billion and finally, our geographical sales footprint now matches the global elevator & escalator market: in Q3/15 we sold about 3 times more new installation units in Asia than in Europe.

So much for the facts. What is our response? Well, in an environment of stagnation and competitive devaluations, our success rests above all on the "Response-Ability" of each subsidiary in its own local market. We will strive to distribute our central costs intelligently and to capture growth globally wherever available without diluting our EBIT. In the context of excess capacity and falling prices we will protect our equity and avoid net debt in Swiss francs.



More than ever, emphasis will be on local customers, local safety, local quality, local productivity as well as local cost control. Furthermore, considering the above mentioned translation losses it is fair to say that consolidated net results in Swiss francs are an “accounting fiction”, truly understating the performance of our local subsidiaries – it should therefore not impair our long-term strategy of profitable local growth.

Should the Swiss franc go through the roof in the wake of additional turbulences, our majority shareholders will protect both, our independence as well as our long-term strategy. Switzerland is a small lighthouse based on freedom, innovation, hard work and personal responsibility but it cannot stop or deflect the international currency waves – but Schindler as a company can learn how to surf them: so let’s get better at it, even if we get wet now and then.

2015 was again a very challenging year, putting the spirit and the resilience of our workforce to the test. Severe contraction, high growth, unexpected bad surprises – everyone got his fair share. Notwithstanding the above, the tireless dedication as well as innovative agility of our employees resulted in improved comparable results in Swiss francs. On behalf of the Board, our Group Executive Committee and our shareholders, I would like to express my sincere gratitude to all our employees who made this happen. The results speak for themselves – you can be proud, because determination, skill and hard work are even more important than size. Let’s carry this positive mind-set into the next year.

Alfred N. Schindler

Schindler in brief

Business activities

The company was founded in 1874 in Lucerne, Switzerland, and is today one of the world's leading providers of elevators, escalators, and moving walks. Schindler is active in the areas of production, installation, maintenance, and modernization. The Group has over 1 000 branch offices in more than 100 countries, as well as production sites and research and development facilities in the USA, Brazil, Europe, China, and India.

Strategic orientation

'Leadership through Customer Service' is our vision, since over one billion people around the world use Schindler products every day. These people should be able to rely on high-quality mobility solutions and services at all times.

To achieve this, we are strengthening our global presence and expanding our service network in individual markets. This will enable Schindler 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 service offering.

Today, around 7 out of 10 elevators are sold in Asia and only 3 in the rest of the world. Schindler is responding to this challenge with targeted investments, the strategic expansion of the business – primarily in the strategic markets of China and India – and constant innovation.

Focus on core competencies

We strive to attract clients through our clear focus on our core competencies and our resulting innovation, quality and competitive pricing. We work continuously to secure this competitive advantage. All our processes are optimized on an ongoing basis, manufacturing depth is reduced by focusing exclusively on our strategic core competencies, and our range of product families is limited to a reasonable number.

Our products move over one billion people each day

Our offering ranges from cost-effective solutions for low-rise residential buildings to sophisticated access and transport management concepts for multifunctional high-rise buildings.

Schindler is committed to developing leading products featuring the latest technology. Examples include the first patent for elevators without a machine room, the Miconic 10 hall call destination system and its successor, Schindler ID, incorporating personalized access control, as well as PORT Technology – the third-generation system that has revolutionized the traffic and security philosophy in buildings and creates previously inconceivable possibilities for architects. Modern traction belt technology represents a further milestone in the development of elevators.

Today, Schindler has an innovative, state-of-the-art product range featuring three global product lines: the Schindler 3300 elevator (residential segment), the Schindler 5500 elevator (commercial segment), and the Schindler 7000 elevator (high-rise segment).

Our employees

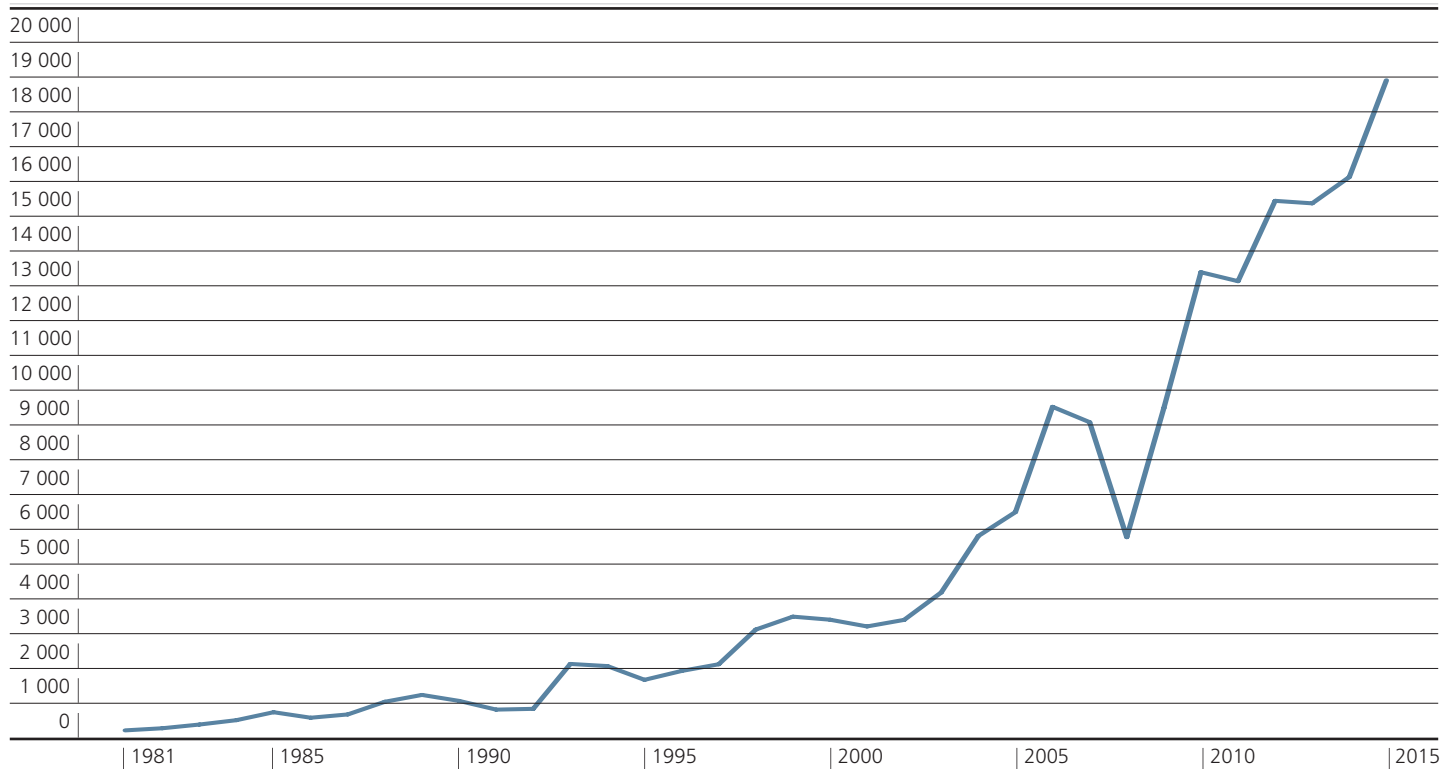
Due to the Group's long-term expansion, the number of people working for Schindler worldwide has grown significantly. In 2015 alone, its global headcount increased by more than 2 500 positions. As a result, the Group had a total of 56 762 employees at year-end. Around 57% worked in the area of installation and maintenance; 8% were employed at production facilities in the USA, Brazil, Europe, China, and India; and 35% worked in engineering, sales, and administration.

We create value

Schindler will continue to systematically pursue the aforementioned strategy in order to further expand its leading position, provide secure long-term employment, and create value for shareholders.

Market capitalization 1981 to 2015

In CHF million



The market capitalization corresponds to the value as of December 31.

Key figures 2015

In CHF million	2015	2014	Δ %	Δ % local currencies
Orders received	9 967	9 979	-0.1	4.6
Revenue	9 391	9 246	1.6	6.7
Operating profit (EBIT), comparable	1 002	932	7.5	16.8
in %	10.7	10.1		
Net profit, comparable	747	740	0.9	

Including exceptional items 2014

Operating profit (EBIT)	1 002	1 138 ¹	-12.0	-4.3
in %	10.7	12.3		
Net income from financing and investing activities	-20	11 ²		
Profit before taxes	982	1 149	-14.5	
Income taxes	235	247		
Net profit	747	902 ^{1,2}	-17.2	
Cash flow from operating activities	1 076	902	19.3	
Investments in property, plant, and equipment	183	183	-	
As at December 31				
Order backlog	9 364	9 263	1.1	7.9
Number of employees	56 762	54 209	4.7	

¹ XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, gain on sale of Mall of Switzerland development project: CHF 82 million (CHF 75 million after taxes), impairment of intangible assets: CHF 21 million (CHF 18 million after taxes)

² Hyundai Elevator Co. Ltd. impairment: CHF 40 million

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

In CHF	2015		2014
	ordinary	ordinary	additional
Registered share	2.70	2.20	1.00
Participation certificate	2.70	2.20	1.00

Subject to approval by the General Meeting, the dividend will be paid on March 30, 2016.

Organization

Board of Directors Schindler Holding Ltd.

As of December 31, 2015

Alfred N. Schindler	Chairman	Member of the Supervisory and Nomination Committee
Luc Bonnard	Vice Chairman	
Dr. Rudolf W. Fischer	Member	Member of the Supervisory and Nomination Committee
Jürgen Tinggren	Member	Member of the Supervisory and Nomination Committee
Prof. Dr. Pius Baschera	Member	
Patrice Bula	Member	
Prof. Dr. Monika Büttler	Member	
Prof. Dr. Karl Hofstetter	Member	
Anthony Nightingale	Member	
Rolf Schweiger	Member	
Carole Vischer	Member	
Prof. Dr. Klaus W. Wellershoff	Member	

Group Executive Committee

As of December 31, 2015

Silvio Napoli	CEO, Americas a.i.
Miguel A. Rodríguez	Deputy CEO, Asia-Pacific and Middle East
Erich Ammann	CFO
Karl-Heinz Bauer	CTO
David Clymo	Corporate Human Resources
Paolo Compagna	Europe North
Carlos Guembe	Europe South
Albert Haffert	Field Quality & Excellence
Thomas Oetterli	China
Oswald Schmid	New Installations and Supply Chain



Chinese Estates Plaza, Chengdu, China

43 Schindler 7000
32 Schindler 5400
1 custom elevator



50 Schindler 9300



PORT Technology



In the center of Chengdu – the capital of China’s Sichuan Province – the three towers of the Chinese Estates Plaza rise to a height of up to 195 meters. The impressive complex combines numerous offices and apartments with a shopping mall and a five-star hotel.



Özdilek Center, Istanbul, Turkey

17 Schindler 7000
 29 Schindler 5500
 7 Schindler 5400
 4 Schindler 3300



66 Schindler 9300
 10 Schindler 9500



PORT Technology



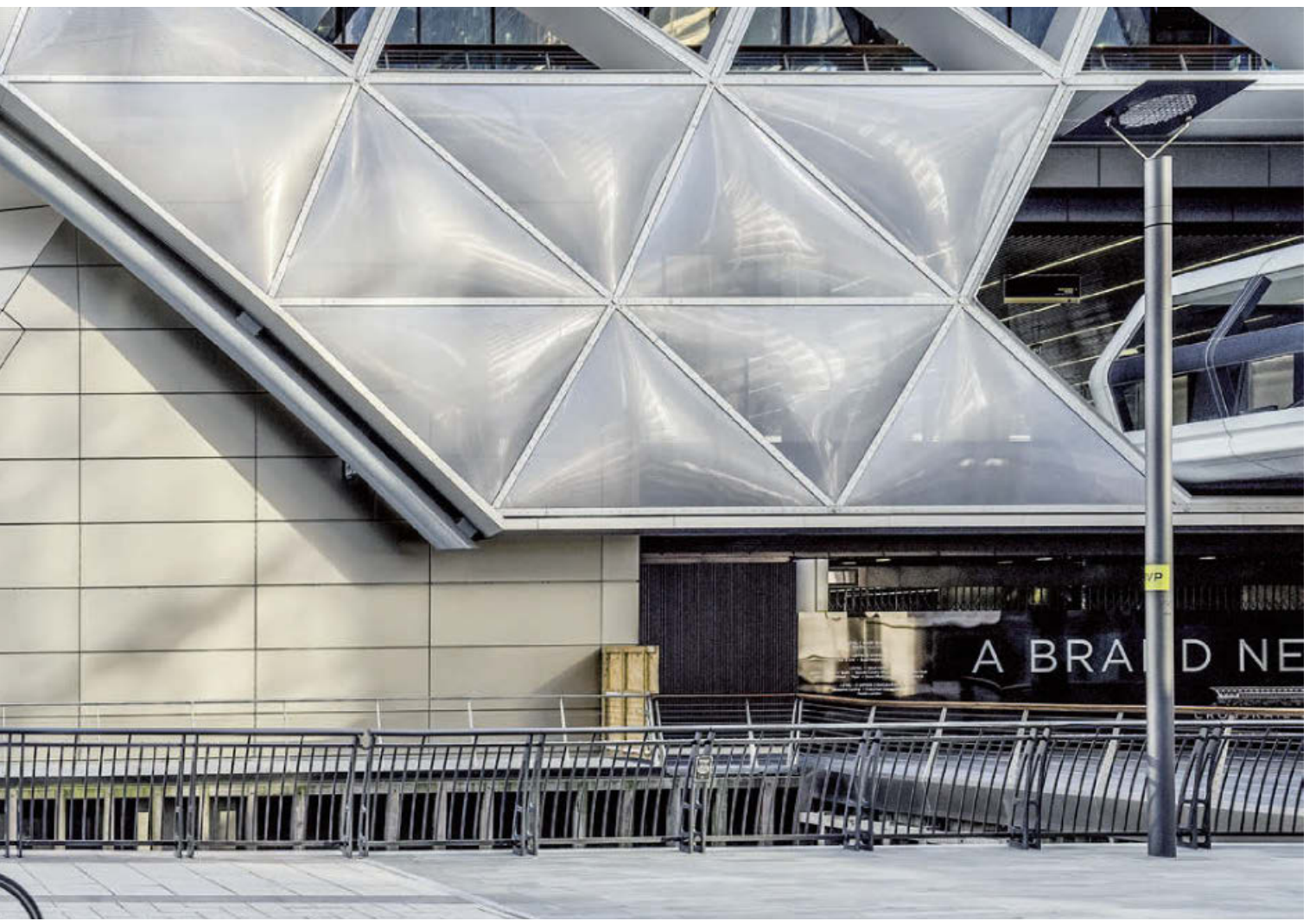
The Özdilek Center is located in Levent – the vibrant financial district of the metropolis on the Bosphorus, which is home to around 14 million people. The Özdilek Center consists of the River Plaza Tower, with office space for 3 000 employees, and the five-star Wyndham Grand hotel, as well as a green space of around 3 000 square meters and a mall with over 100 shops.



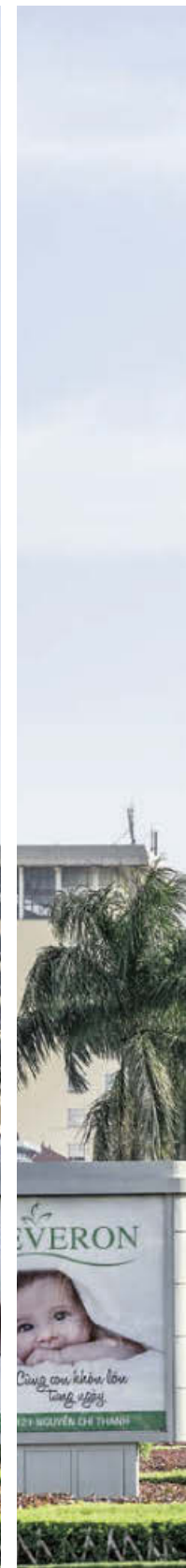
One Crossrail Place, London, UK

5 Schindler 2400
6 Schindler 5500

16 Schindler 9300



One of London's largest Crossrail stations – at a length of over 250 meters – has been built in Canary Wharf. The architecture of the building, which is in the heart of Docklands, resembles a ship in the dock. Above the station, there are more than 9 000 square meters of shops, restaurants, and green spaces for people to enjoy.



Lotte Center Hanoi, Hanoi, Vietnam



30 Schindler 7000



PORT Technology



With 65 stories and a height of 267 meters, this is the second-tallest building in the country. It offers a wide range of shopping facilities, culture, entertainment, and workspaces over an area of 250 000 square meters. The open-air restaurant at the top of the skyscraper provides spectacular views of the city.

To the shareholders

17 Statement of the Board of Directors

Statement of the Board of Directors

Execution of strategic growth targets

In the reporting year, Schindler significantly strengthened its market position in growth markets and made large investments in the expansion of its geographical presence, in its production and R&D capabilities, and in the development of new products. Today, around 7 out of 10 elevators are sold in Asia and India. To remain competitive in the long term, it is essential for this geographical market weighting to be reflected within the Group. Schindler therefore further expanded its market position in China, for example, increasing its number of branches and sales offices in the country to over 200. In addition, orders received reflected this geographical market weighting for the first time.

As a result of the disciplined implementation of its strategy, Schindler delivered improvements in revenue, operating profit, and the EBIT margin in the reporting year. However, the figures in Swiss francs were substantially affected by negative foreign exchange impacts. Since 2008, cumulative negative foreign exchange impacts on revenue and operating income have totaled CHF 2 865 million and CHF 396 million, respectively.

Orders received and order backlog

In the reporting year, Schindler sold two-thirds of all new installations in Asia and India for the first time. Orders received totaled CHF 9 967 million. In local currencies, this corresponds to an increase of 4.6%, while the figure in Swiss francs was slightly lower (-0.1%) than in the previous year due to negative foreign exchange impacts.

Conditions in some markets were very challenging. The Chinese new installations market experienced its first decline in more than 20 years, with the order volume in units decreasing by around 5%. Despite the contraction of the market, Schindler generated a significant increase in orders received in the Asia-Pacific region. In South America, the economic downturn in Brazil led to a reduction in construction activity and to a slight decrease in orders received. In contrast, good growth was achieved in North America. In Europe, the order volume grew slightly.

The order backlog rose to CHF 9 364 million, corresponding to an increase of 1.1% (+7.9% in local currencies) compared to the end of 2014.

Revenue

Revenue rose by 1.6% in Swiss francs to CHF 9 391 million. In local currencies, revenue increased by 6.7%. Negative foreign exchange impacts totaled CHF 472 million.

Schindler achieved its strongest revenue growth in China and India. In North and South America, the USA emerged as the leader in terms of revenue growth. Slight growth was reported for Europe as a whole.

Operating profit

In the previous year, exceptional items had a strong positive impact on operating profit (EBIT). Further details are provided in the key figures on page 6.

On a comparable basis, operating profit (EBIT) grew by 7.5% in 2015 (+16.8% in local currencies) to CHF 1 002 million. The strong Swiss franc had a negative impact on operating profit in the amount of CHF 87 million. Despite negative foreign exchange impacts of 40 basis points, the EBIT margin rose to 10.7% (previous year: 10.1%). Key success factors were: increasing economies of scale, cost reductions, pricing measures, and efficiency gains.

Net profit and cash flow from operating activities

Net profit was positively impacted by exceptional items of CHF 162 million in the previous year. Further details are provided in the key figures on page 6.

Adjusted for the aforementioned exceptional items in the previous year, net profit for 2015 of CHF 747 million was slightly higher than the figure for the previous year (+0.9%).

Cash flow from operating activities rose to CHF 1 076 million (previous year: CHF 902 million). This increase of 19.3% was mainly achieved due to an improvement in operating performance as well as the further optimization of net working capital.

The largest investment program in the Group's recent history is nearing completion. Since 2012, around CHF 260 million has been invested in expansion plans, including CHF 60 million in the reporting year. After building projects in Slovakia and the USA were completed in previous years and the first stages of projects in China and India were achieved, the new elevator plant in Jiading, China, opened its doors in the fourth quarter of 2015. Construction work on the new escalator plant in Pune, India, was also completed.

During the reporting year, work began on the project to extend and renovate the Group's headquarters in Ebikon. It is estimated that the cumulative investment volume – including the new, already completed headquarters of Schindler Holding in Hergiswil – will be around CHF 160 million.

Employees: training and compliance

As a result of the expansion strategy, global headcount grew by a further 4.7% to 56 762 employees in the reporting year. New positions were created across all regions, with the Asia-Pacific region experiencing the largest increase.

Substantial investments in training and development are required in connection with the expansion of the workforce. Schindler provides comprehensive technical training at its training centers around the world. It also communicates its corporate values to employees and regularly monitors their compliance with these values, which form the basis for all of the Group's business activities.

Organizational and management changes

A new organizational structure with two new global business areas – ‘New Installations and Supply Chain’ and ‘Service Business’ – was implemented with effect from January 1, 2015. The Heads of these two business areas, Oswald Schmid and Christian Schulz, report directly to the CEO. At the same time, they work closely with the members of the Group Executive Committee in the regions to ensure that business targets for growth and increased profitability are achieved.

In addition, Karl-Heinz Bauer was named Chief Technology Officer (CTO) and appointed to the Group Executive Committee, effective June 1, 2015. This step underscores the high importance assigned to innovation and product quality within the Group.

Schindler Holding Ltd.: profit and dividend

Schindler Holding Ltd. closed the financial year 2015 with a net profit of CHF 490 million (previous year: CHF 761 million).

The payment of an ordinary dividend of CHF 2.70 per registered share and participation certificate will be proposed to the forthcoming General Meeting of March 22, 2016 (previous year: ordinary dividend of CHF 2.20 and an additional dividend of CHF 1.00 per registered share and participation certificate).

Share repurchase program of Schindler Holding Ltd.

During the reporting year, Schindler Holding Ltd. once again repurchased registered shares and participation certificates as part of the repurchase program 2013–2015. The cancellation of 984 350 registered shares and 3 519 480 participation certificates will therefore be proposed to the General Meeting of March 22, 2016.

Outlook for 2016

Schindler expects to see a slight decline in the global elevator and escalator market in 2016 due primarily to the weakening of the Chinese market. Pricing and currency pressures are expected to persist in many markets. However, the long-term drivers of growth remain intact: advancing urbanization, the expanding middle classes, the aging of the population, and the use of energy-efficient products. As a result, the elevator density per person will continue to increase.

The Group will pursue its growth strategy and its measures to improve profitability. Schindler expects to generate an increase in revenue of around 3% to 7% in local currencies for 2016. As in the past, Schindler will issue a forecast concerning its net profit for 2016 when it publishes its half-year results.

Schindler thanks its employees and customers

Over 56 700 Schindler employees around the world have actively contributed to the implementation of our business strategy. With their motivation, expertise, and commitment, they all successfully drove forward the Group's numerous projects. The Board of Directors and the Group Executive Committee wish to express their sincere thanks to all Schindler employees for their hard work, flexibility, and dedication. We also wish to thank our customers and business partners around the globe for their valuable support and continued loyalty to Schindler.

Handwritten signatures of Alfred N. Schindler and Luc Bonnard in black ink.

Alfred N. Schindler
Chairman of the Board of Directors

Luc Bonnard
Vice Chairman of the Board of Directors

Strategy and markets

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Business review

Focus on customers

As urban mobility specialists, we are committed to making tomorrow's world a better place to live. Schindler is proud to be a trusted partner to our customers around the globe – providing them with unique mobility solutions for the exceptional buildings they create. Each time our customers, business partners, and passengers interact with Schindler, we want them to be assured of the quality, the performance and, above all, the safety of our products and services.

Focus on innovation and product quality

In the reporting year, Schindler received an award from the Massachusetts Institute of Technology (MIT) in recognition of its innovative digital business solutions. This award is presented to organizations that make pioneering use of digital technologies to create substantial value for businesses. 'Thanks to an exceptional digital vision and its sustained digital business transformation, Schindler is a front-runner in its industry. The MIT Sloan CIO Symposium Awards Committee is proud to present Schindler with the 2015 CIO Leadership Award,' stated Dr. George Westerman from the MIT Center for Digital Business. Further details are provided on page 58.

Every year, our global Research & Development (R&D) network registers many patents for ideas, technologies, and concepts to make urban mobility more effective, efficient, sustainable, comfortable, and secure. Our product development combines market analysis, R&D, ergonomics and aesthetics, detailed customer research, and rigorous testing before any new product is released. Quality is paramount.

The products we launched in China for 2015 focused on the concept 'Made in China for China,' with a view to potential extension to the global market. Examples of this offering are the expansion of the Schindler 3600, Schindler 5400, and Schindler 5500 elevator product lines. With the same concept, the escalator product line Schindler 9300 was enhanced with new materials and design options such as remote-controlled multicolor lighting options. It was also certified to meet the best energy classification 'A+++' according to the global ISO 25 745 standard. We achieved this thanks to our expanded R&D capabilities.

In 2015, Schindler invested a total of CHF 138 million in R&D.

Focus on employees

Schindler created 2 553 new positions worldwide in the reporting year. We invest continuously in the training and development of our entire workforce of more than 56 000 skilled professionals around the globe. In the case of our technical specialists, safety and technical expertise are our first priority. In view of the need to adapt constantly to the changing operating environment, we encourage managers within our organization to continuously develop their own personal skills and professional competences. In addition, a selected group of our young talents are offered a unique opportunity to gain experience through exposure to a wide range of functions and cultures across our global network.

Focus on investing in our future

Schindler further strengthened its geographical presence and its production and R&D capacity in growth markets during 2015. The new installations business continues to be dominated by Asia-Pacific, with around 7 out of 10 elevators being sold in the region.

Together with our agent network in tier 3 and tier 4 cities, Schindler now has a presence in over 80% of all Chinese cities with an urban population of over 1 million and in around two-thirds of cities with 0.5 million to 1 million inhabitants. In Jiading, Shanghai, our new production plant for elevators opened in the second half of 2015. In Pune, India, our elevator plant began operating, while substantial progress was made in the construction of the new escalator plant on the same campus. At our global headquarters in Ebikon, Switzerland, work began on the project to upgrade our campus, including the construction of a new visitor center and the renovation of our main office building.

Investments in property, plant, and equipment amounted to CHF 183 million in 2015.

Focus on improved profitability

Sustained profitability is essential, not only to give our shareholders the right return on their investment in our company, but also to fund our operations and innovation, as well as to ensure the quality and competitiveness of our offering.

The new organizational structure with two global business areas – ‘New installations and Supply Chain’ and ‘Service Business’ – now complements Schindler’s long-standing geographical organization. The new setup is designed to accelerate the delivery of improved quality and value to our customers, while also driving consistent processes and efficiencies on a global scale. In 2015, the position of Chief Technology Officer is now represented on the Group Executive Committee. The elevation of this function underscores the Group’s commitment to continuous innovation and product excellence.

Operating profit (EBIT) and net profit were impacted by several exceptional items in 2014.

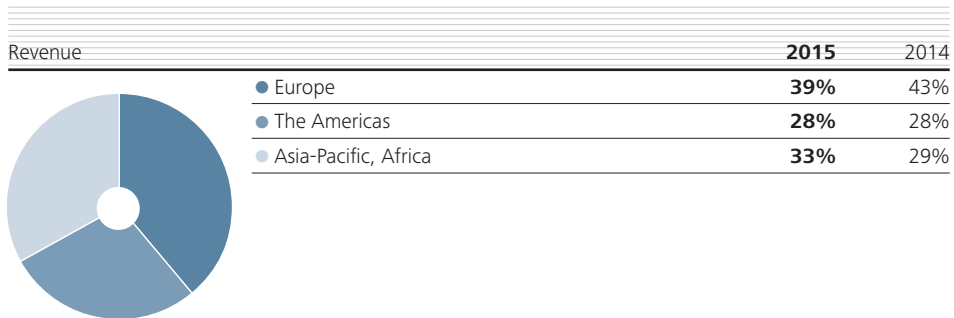
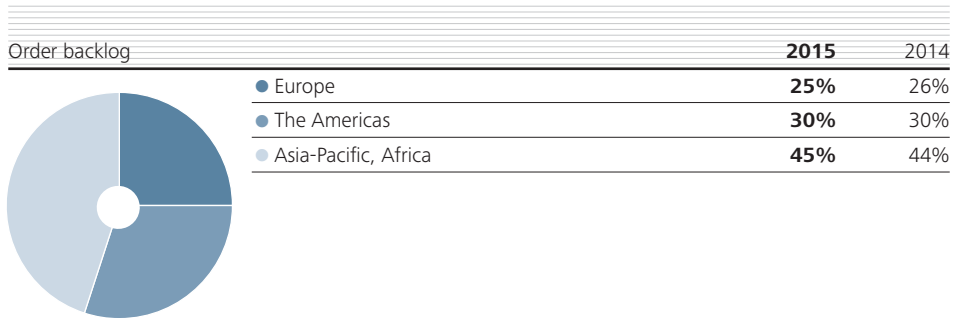
On a comparable basis, operating profit (EBIT) improved by 7.5% in the reporting year (+16.8% in local currencies) to reach CHF 1 002 million. The EBIT margin improved from 10.1% to 10.7%. Key success factors were: increasing economies of scale, cost reductions, pricing measures, and efficiency gains. The strong Swiss franc had a negative impact on operating profit in the amount of CHF 87 million and a negative impact of 40 basis points on the EBIT margin.

On a comparable basis, net profit for 2015 improved by 0.9% to CHF 747 million.

Focus on executing our growth strategy

Today, around 7 out of 10 elevators are sold in Asia-Pacific. Since 2013, Schindler has been pursuing a growth strategy aimed at expanding its presence in this area and, as a result, has grown its global market share. The development of orders received and the order backlog in 2015 was in line with our strategic goal of achieving the strongest growth in the Asia-Pacific region.

Revenue grew by 6.7% in local currencies and was in the range of 6% to 8%, as expected. Negative foreign exchange impacts amounted to CHF 472 million. As a result, the increase in revenue in Swiss francs was 1.6%.



Asia-Pacific and India

Despite the economic deceleration of the last two years and the marginal decline in 2015, China remains by far the largest elevator and escalator market globally with pockets of growth especially in tier 1 cities and in infrastructure-related projects. The Indian market continued to expand, although growth rates were lower than anticipated. In South-east Asia, growth continued unabated as a result of urbanization and despite the slow-down in several commodity-driven countries. Schindler has strengthened its position across the region, exceeding market growth rates.

China

The number of branches and sales offices increased to over 200 in 2015. Based on a progressive geographical expansion model, our market coverage in China is constantly benchmarked against the latest market growth data, with cities not yet directly covered by Schindler served through agents. In the reporting year, the new elevator plant on the Jiading campus began production, adding to our capacity to meet the continuing growth in orders. The new 200-meter test tower will complement Schindler's high-rise expertise at the core of the world's largest high-rise market.

In line with our strategic plan and thanks to our new 'Made in China for China' product lines, Schindler is now in a position to drive growth by entering new segments of the Chinese market – some of which are larger than most other entire geographic areas – where it could never compete before.

India

In Chakan, Pune, the new R&D center and the elevator test tower were completed. Progress was made in the construction of the escalator plant. Once completed, the new campus will provide an additional boost to the growth strategy which is dedicated to serving the fastest-growing and second-largest new installation market worldwide. In 2015, Schindler India completed the installation of escalators and elevators for the Mumbai Monorail, which is part of a major expansion of the city's public transport system. In connection with this project, Schindler India was presented with the Best Performance Award by Larsen & Toubro, India's largest engineering and construction company. The award recognizes Schindler's capabilities in areas including project management, planning and effective execution, managerial and technical competency, and safety.

Southeast Asia and Australia

Schindler recorded good growth across the region and reinforced its leadership position across all product lines. The new Jardine-Schindler training center in Manila, Philippines, is now fully operational and is actively involved in the certification of the front-line technicians, which is essential to deliver state-of-the-art installations and services that are critical to the success of our growth strategy. Schindler Australia won Elevator World's '2015 Project of the Year' award for its impressive installation at Macquarie Bank's new global headquarters in Sydney.

Middle East and Africa

The slowdown witnessed in the Middle East as a result of falling oil prices led to lower investments in construction. Despite these adverse conditions, Schindler recorded good growth in these markets and continued to invest in future growth by opening a new training center in the United Arab Emirates.

In South Africa, the largest elevator and escalator market on the African continent, Schindler reaffirmed its leading position and was able to secure a number of important orders. They include an order to supply 9 Schindler 7000 high-rise elevators with PORT technology, 6 Schindler 5500 elevators, and 2 Schindler 9300 AE escalators for the PricewaterhouseCoopers tower in Johannesburg.

	2015	2014	Δ %	In local currencies
Revenue (in CHF million)	3 101	2 693	+15.2	+14.1
Number of employees	23 217	21 262	+9.2	
Countries	29	29		
Production sites	5	5		

The Americas

North America

The growth of the US construction market continued to accelerate. In the new installations business, commercial construction and public transportation gained particular momentum. Additionally, building owners increased investments in their existing properties. Schindler was able to capitalize on these trends and secured a number of important projects in the new installations and modernization businesses. The strong performance and market acceptance of the Schindler 3300 continued to drive machine room-less orders in the residential segment. As a major breakthrough, its state-of-the-art traction media technology gained government clearance in New York City and Massachusetts, providing further growth potential for the immediate future. The global elevator product line Schindler 5500 was introduced in the US market and attracted very positive feedback from customers. In 2015, Schindler USA celebrated the 25th anniversary of the opening of its escalator plant in Clinton, North Carolina. This is the largest US escalator plant in terms of output, and it has maintained a consistently strong United States presence since its inauguration.

Latin America

In the reporting year, Latin American economies came under pressure due to the combined impacts of the fall in commodity prices and the depreciation of currencies. The resulting effect on property markets also impacted the elevators and escalators business in the region. Against this challenging backdrop, Schindler continued to play a key role across the region. In Brazil, the largest market in Latin America, Schindler succeeded in maintaining its market share and adapted its business activities with a renewed focus on quality and cost efficiency.

	2015	2014	Δ %	In local currencies
Revenue (in CHF million)	2 636	2 578	+2.2	+8.0
Number of employees	13 728	13 369	+2.7	
Countries	12	12		
Production sites	3	3		

Europe

After an extended period of decoupled growth between the North and South of Europe, the region displayed signs of a convergence during the reporting year. Southern Europe continued to face economic challenges with Spain and Italy, two of the largest markets, showing the first signs of recovery. Meanwhile, moderate growth in Northern European economies continued. Schindler was able to maintain its strong market position. In France, Schindler secured two framework agreements with the SNCF and RATP to supply a total of more than 600 new escalators and more than 200 replacement escalators for the public transport system over the next five years. In Germany, construction activity continued to expand, driven by the residential segment, albeit at a slower pace than in prior years. Construction activity in Switzerland grew at a slower pace, while the office property inventory built up over the last few years is being absorbed. Pricing pressure persisted in 2015 both in the new installations business and in the service business.

	2015	2014	Δ %	In local currencies
Revenue (in CHF million)	3 654	3 975	-8.1	+0.8
Number of employees	19 817	19 578	+1.2	
Countries	38	38		
Production sites	5	5		

Long-term business drivers remain strong

According to the United Nations, the world is currently experiencing the largest wave of urban growth in history. For the first time in history, more than half of the world's population now lives in cities, and by 2030 this number is expected to reach around 5 billion. This urbanization trend will result in the construction of taller buildings in an effort to maximize the use of space in densely populated cities. Other key social and demographic trends supporting the industry include the rapid growth of the middle class and the aging of society. Both will lead to an increase in the elevator density per person. In addition, energy-efficient and user-friendly technologies will be used increasingly in products and buildings. Schindler's products, installation and service processes are intended to make contemporary building designs possible and to enable older buildings to be upgraded with state-of-the-art equipment in terms of safety and comfort.

Schindler's growth strategy is designed to build on this historic window of opportunity, creating long-term value by serving more and more customers, across larger geographies and more segments, from new installations and maintenance contracts to the modernization of existing installations.

Examples of significant orders



Órion Goiânia, Brazil

Central 652 – Pardo y Aliaga;
Lima, Peru

The Global Center for Health
Innovation; Cleveland, USA

World on Yonge;
Toronto, Canada

51 Astor Place;
New York, USA

Toreo Parque Central;
Mexico City, Mexico

Tarjeta Naranja;
Cordoba, Argentina



Styria Media Center Graz, Austria

Aviatica;
Prague, Czech Republic

The Gladys Hotel;
London, UK

Bałtyk Tower;
Poznań, Poland

Riviera Mall;
Moscow, Russia



Great Eagle Centre Hong Kong, China

Hanyu Finance and Business Center;
Jinan, China

Four Seasons Hotel Bahrain Bay;
Manama, Bahrain

Menara Astra headquarters;
Jakarta, Indonesia

MLC Centre;
Sydney, Australia

Gimpo International Airport;
Seoul, South Korea

Rosebank Mall;
Johannesburg, South Africa

Petronas Tower 3;
Kuala Lumpur, Malaysia

Americas

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Europe

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Asia-Pacific
and Africa

Page 30

Examples of significant orders in Asia-Pacific and Africa

Great Eagle Centre in Hong Kong

The 33-storey Great Eagle Centre, an iconic office and retail building located next to the Hong Kong Convention & Exhibition Centre in the popular Wan Chai commercial district, was completed in 1983. Schindler modernized 14 elevators across three elevator zones and won the Elevator World 2016 'Project of the Year' award for the modernization of the installations with its PORT Technology. The key challenge was to transform the conventional elevators in this high-traffic landmark commercial building into state-of-the-art installations without affecting the transportation of passengers around the building.



Great Eagle Centre



Modernization of 14 elevators



PORT Technology

Hong Kong, which covers an area of only 1 105 km², has a population of more than 7 million.

Every day, over 12.5 million passenger journeys are made on its public transport system which includes railways, trams, buses, minibuses, taxis, and ferries.

The average life expectancy of its inhabitants is 80 years – one of the highest worldwide.



Great Eagle Centre



Hanyu Finance and Business Center, office and commercial buildings; Jinan, China



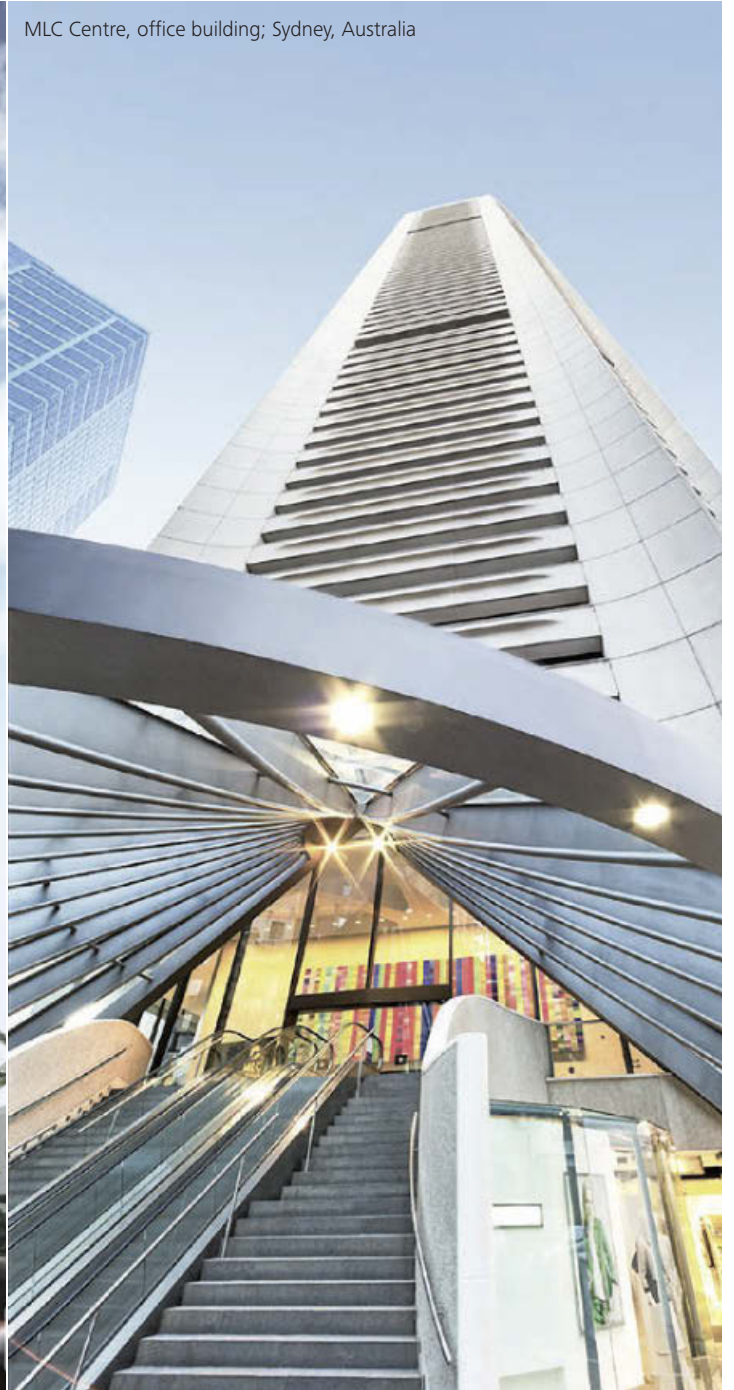
Four Seasons Hotel Bahrain Bay; Manama, Bahrain



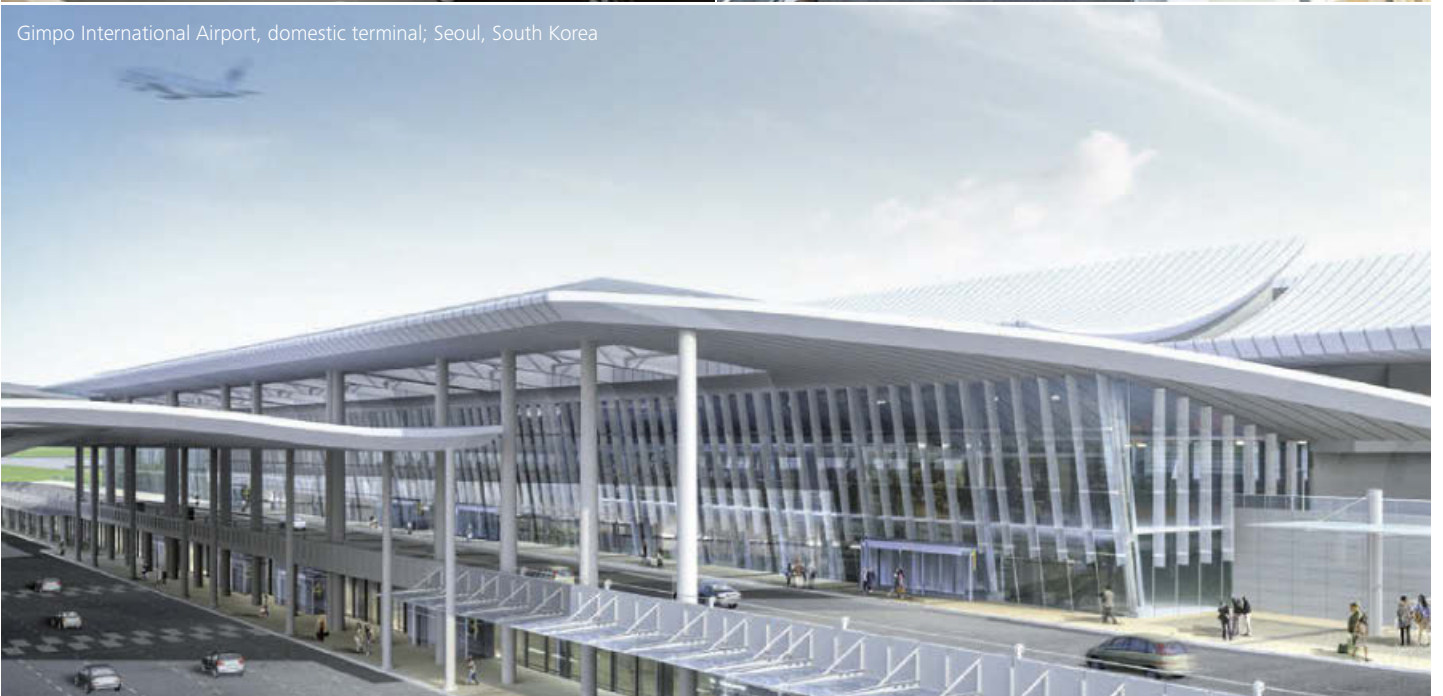
Menara Astra headquarters, commercial tower; Jakarta, Indonesia



MLC Centre, office building; Sydney, Australia



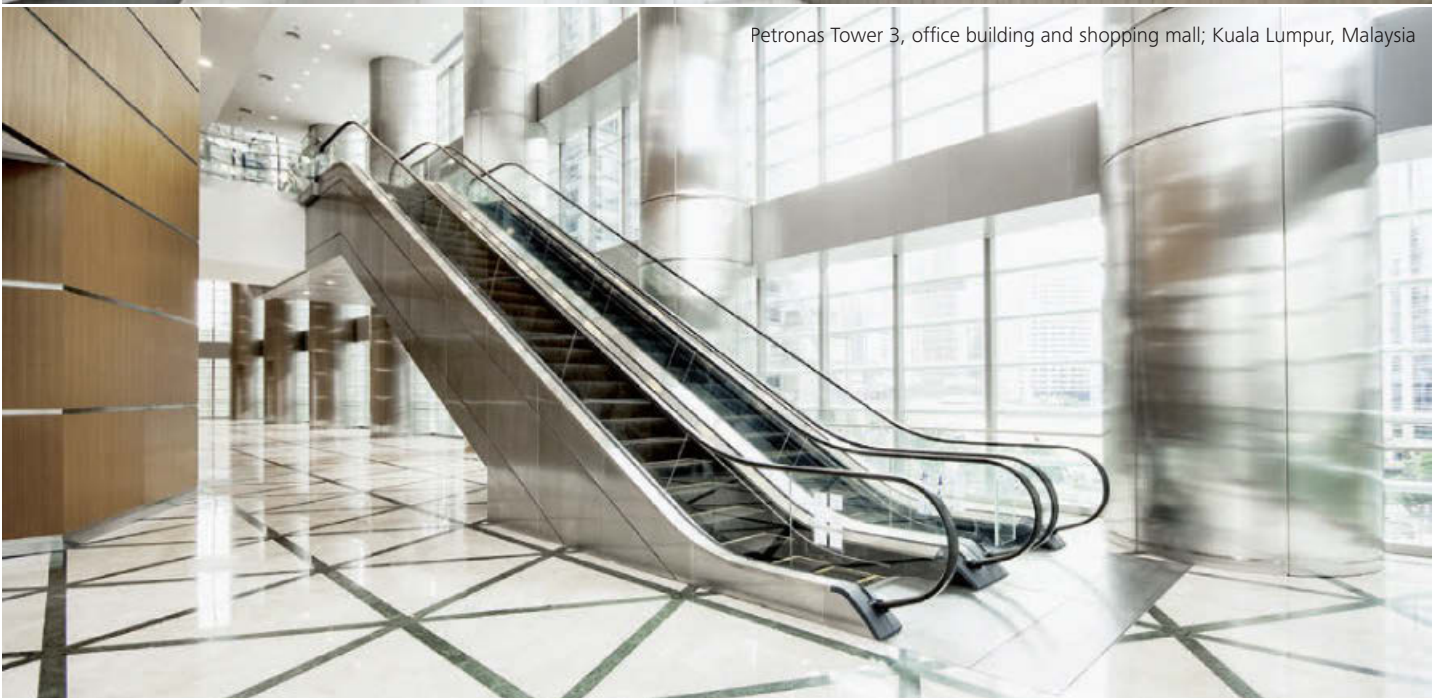
Gimpo International Airport, domestic terminal; Seoul, South Korea



Rosebank Mall, shopping mall; Johannesburg, South Africa



Petronas Tower 3, office building and shopping mall; Kuala Lumpur, Malaysia



Asia-Pacific and Africa

Cambodia	Exchange Square, commercial building, Phnom Penh	12 elevators, including 7 Schindler 7000, of which 6 with PORT Technology, and 5 Schindler 5500; as well as 10 Schindler 9300 AE escalators
	NagaWorld 2, casino and hotel, Phnom Penh	26 elevators, including 25 Schindler 5500; as well as 40 Schindler 9300 AE escalators
	Marriott Hotel, Siem Reap	7 Schindler 5500 elevators
China	Euro-America Financial City, hotel, office and residential buildings, Hangzhou	89 elevators, including 76 Schindler 7000, of which 52 with PORT Technology, and 13 Schindler 5500 AP
	Pazhou Eye, office buildings and hotel, Guangzhou	61 elevators, including 39 Schindler 7000, of which 22 with PORT Technology, and 22 Schindler 5500 AP; as well as 8 Schindler 9300 AE escalators
	Pudong Finance Plaza, office and commercial buildings, Shanghai	51 elevators, including 35 Schindler 7000, of which 18 with PORT Technology, and 16 Schindler 5500 AP; as well as 93 Schindler 9300 AE escalators
	Jinan Yinfeng Fortune Plaza, office buildings, Jinan	59 elevators, including 45 Schindler 7000, of which 24 with PORT Technology, and 6 Schindler 5400 AP
	Shanghai Landmark Center, shopping mall, office and commercial buildings, Shanghai	46 elevators, including 26 Schindler 7000 with PORT Technology and 20 Schindler 5500 AP; as well as 48 Schindler 9300 AE escalators
	One Shenzhen Bay T7 Tower, hotel, office and commercial building, Shenzhen	14 elevators, including 10 Schindler 7000, of which 9 double-deck and 8 with PORT Technology, and 4 Schindler 5500 AP; as well as 4 Schindler 9300 AE escalators
	Shanghai KWG Plaza, office and commercial building, Shanghai	33 elevators, including 16 Schindler 7000, of which 12 with PORT Technology, and 17 Schindler 5500 AP; as well as 8 Schindler 9300 AE escalators
	Mapletree Business City and VivoCity, shopping mall and office buildings, Shanghai	86 elevators, including 19 Schindler 7000, 45 Schindler 5500 AP and 14 Schindler 5400 AP; as well as 89 Schindler 9300 AE escalators and 2 Schindler 9500 AE moving walks
	Lidu International Center, office and commercial buildings, Sichuan	46 elevators, including 23 Schindler 7000, 9 Schindler 5500 AP, and 14 Schindler 5400 AP
	CR Shenzhen Bay, shopping mall, hotel, office, commercial and residential buildings, Shenzhen	12 Schindler 7000 elevators and 89 Schindler 9300 AE escalators
	Guanghua Residential Community, residential buildings, Beijing	183 elevators, including 91 Schindler 5500 AP, 84 Schindler 3600 AP, and 8 Schindler 3300 AP; as well as 2 Schindler 9500 AE moving walks
	UpperHills, hotel, office, commercial and residential buildings, Shenzhen	77 Schindler 5500 AP elevators, 65 Schindler 9300 AE escalators, and 4 Schindler 9500 moving walks
	Beijing Star Media Park, office buildings, Beijing	59 Schindler 5500 AP elevators
	Wuxi Shengang International A2 project, office buildings, Wuxi	129 Schindler 3300 AP elevators
	Feng Dan Ming Di, residential buildings, Shenyang	96 Schindler 3300 AP elevators
	Miyun Yunfeng Garden, phase 2, residential buildings, Beijing	89 Schindler 3300 AP elevators
	Changsha International Finance Center, shopping mall, hotel, and office buildings, Changsha	140 Schindler 9300 AE escalators
Suzhou Center Square, shopping mall, hotel, office and residential building, Suzhou	116 Schindler 9300 AE escalators	
Hefei Metro, line 1, various stations, Hefei	168 Schindler 9300 AE escalators, 12 Schindler 9700 AE escalators, and 2 Schindler 9500 moving walks	
Ninghe Metro Line, phase I, Nanjing	41 Schindler 5400 AP elevators and 85 Schindler 9700 AE escalators	
Wuhan Metro, line 6, Wuhan	115 Schindler 9700 AE escalators	
Shijiazhuang Metro, line 1, phase 1, Shijiazhuang	82 Schindler 9300 AE escalators and 4 Schindler 9700 AE escalators	

Asia-Pacific and Africa

Hong Kong, Macau	Office development at Kowloon Bay, J/O Wang Chiu Road and Lam Lee Street, office building, Hong Kong	17 elevators, including 14 Schindler 7000, of which 12 with PORT Technology, 2 Schindler 5500, and 1 Schindler 5400
	Taikoo Place, phase 2A, office building, Hong Kong	38 elevators, including 27 Schindler 7000, of which 25 with PORT Technology, and 3 Schindler 5500; as well as 2 Schindler 9300 AE escalators
	Tsuen Wan 5 Cityside, residential buildings, Hong Kong	33 elevators, including 12 Schindler 7000 and 21 Schindler 5500; as well as 11 Schindler 9300 AE escalators
	Tsuen Wan 5 Bayside, phase 1, residential buildings, Hong Kong	31 elevators, including 10 Schindler 7000 and 21 Schindler 5500; as well as 12 Schindler 9300 AE escalators
	Tsuen Wan 6, Tsuen Wan West Station, residential building, Hong Kong	18 elevators, including 14 Schindler 7000 and 4 Schindler 5500; as well as 6 Schindler 9300 AE escalators
	Tseung Kwan O, Lot 95, residential buildings, Hong Kong	28 elevators, including 14 Schindler 7000, 5 Schindler 5500, and 8 Schindler 3300
	Factory Street 11-29, residential buildings, Hong Kong	22 elevators, including 8 Schindler 7000 and 14 Schindler 5500
	Hong Kong Disneyland Resort, hotel, Hong Kong	17 Schindler 5500 elevators
	Alexandra House, office building, Hong Kong	Modernization of 14 elevators with Schindler 7000
	Hang Lung Centre, office building, Hong Kong	Modernization of 9 elevators with Schindler 7000
	Exchange Square, Towers 1 and 3, office buildings, Hong Kong	Modernization of 41 elevators with Schindler 7000 and PORT Technology
	One Oasis, Lot 8, residential building, Macau	24 elevators, including 17 Schindler 7000 and 7 Schindler 5500
	Legend Palace Hotel, Macau	16 elevators, including 15 Schindler 5500 and 1 Schindler 2600; as well as 4 Schindler 9300 AE escalators
	India	Sarath's City Capital, shopping mall, hotel, office and commercial building, Hyderabad
Wave One, shopping mall, office and commercial building, Noida		31 elevators, of which 21 with PORT Technology, including 9 Schindler 7000 and 22 Schindler 5500; as well as 34 Schindler 9300 AE escalators
Seawoods Grand Central, shopping mall, hotel, office and commercial buildings, Navi Mumbai		58 elevators, including 56 Schindler 5500 with Miconic 10 and 2 Schindler 2600
Convention Centre, Kolkata		20 Schindler 5500 elevators and 10 Schindler 9300 AE escalators
Prestige Shantiniketan, shopping mall, hotel, and commercial building, Bangalore		7 Schindler 5500 elevators, 31 Schindler 9300 AE escalators, and 1 Schindler 9500 moving walk
Oberoi Esquire, residential buildings, Mumbai		15 Schindler 7000 elevators with Miconic 10
Kidwai Nagar East, shopping mall, office and commercial buildings, New Delhi		44 Schindler 5500 elevators
Balaji Symphony, residential buildings, Navi Mumbai		33 Schindler 5500 elevators
New Cuffe Parade, residential buildings, Mumbai		108 Schindler 5500 elevators
Indonesia	Menara Astra headquarters, commercial tower, Jakarta	30 elevators, including 22 Schindler 7000, of which 20 with PORT Technology, and 8 Schindler 5500; as well as 8 Schindler 9300 AE escalators
	World Trade Center 3, office building, Jakarta	27 elevators, including 23 Schindler 7000, of which 20 with PORT Technology, and 4 Schindler 5500; as well as 8 Schindler 9300 AE escalators
	Sequis Centre Tower, office building, Jakarta	23 elevators, including 14 Schindler 7000, of which 12 with PORT Technology, and 9 Schindler 5500, of which 6 with PORT Technology
	Harco Glodok, shopping mall, Jakarta	54 Schindler 9300 AE escalators
	Pancoran Chinatown Point, shopping mall, Jakarta	28 Schindler 9300 AE escalators
	Alfa headquarters, office building, Greater Jakarta	17 elevators, including 6 Schindler 7000 with PORT Technology, 8 Schindler 5500, of which 6 with PORT Technology, and 3 Schindler 3300

Asia-Pacific and Africa

Malaysia	KL Eco City, shopping mall, hotel, commercial and residential building, Kuala Lumpur	128 elevators, including 65 Schindler 7000, of which 54 with PORT Technology, and 63 Schindler 5500; as well as 50 Schindler 9300 AE escalators
	Capital City, shopping mall and commercial building, Johor Bahru	16 Schindler 5500 elevators, 152 Schindler 9300 AE escalators, and 8 Schindler 9500 moving walks
	Pioneer Haven, shopping mall, Kuala Lumpur	112 elevators, including 2 Schindler 5400 and 110 Schindler 3300; as well as 12 Schindler 9300 AE escalators
	The Conexion, phase 1&2, commercial building, Kuala Lumpur	38 Schindler 3300 elevators, 8 Schindler 9300 AE escalators, and 4 Schindler 9500 moving walks
	Four Seasons Hotel, Kuala Lumpur	40 elevators, including 17 Schindler 7000 and 23 Schindler 5500; as well as 20 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Elite Pavilion, shopping mall, Selangor	17 elevators, including 6 Schindler 7000, 10 Schindler 5500, and 1 Schindler 3300; as well as 32 Schindler 9300 AE escalators
	Angsana Setia, residential building, Kuala Lumpur	23 elevators, including 12 Schindler 7000 and 11 Schindler 5500
	Telekom Tower, Kuala Lumpur	Modernization of 17 elevators with Schindler 7000
Myanmar	Times City, shopping mall, office, commercial and residential building, Yangon	79 elevators, including 38 Schindler 5500 and 41 Schindler 3300; as well as 24 Schindler 9300 AE escalators
	Golden City, commercial building, Yangon	27 Schindler 5500 elevators
	Family Business Group Hotel, Yangon	9 Schindler 5500 elevators and 2 Schindler 9300 AE escalators
	City Mart, shopping malls, various cities	2 Schindler 5500 elevators, 8 Schindler 9300 AE escalators, and 2 Schindler 9500 moving walks
	Electrical Mart, shopping mall and commercial building, Bago	3 elevators, including 1 Schindler 5500 and 2 Schindler 3300; as well as 6 Schindler 9300 AE escalators
	Golden Link Condominium, residential building, Yangon	4 elevators, including 3 Schindler 5500 and 1 Schindler 3300; as well as 2 Schindler 9300 AE escalators
Philippines	Southwoods development, shopping malls, office buildings, and residential buildings, Laguna	25 Schindler 5500 elevators and 20 Schindler 9300 AE escalators
	World Plaza, commercial building, Taguig City	14 elevators, including 12 Schindler 7000 with PORT Technology, and 2 Schindler 5500
	Ore Square, office, commercial and residential building, Taguig City	13 elevators, including 4 Schindler 7000 and 9 Schindler 5500; as well as 2 Schindler 9300 AE escalators
	One Uptown Residences, residential building, Taguig City	8 elevators, including 7 Schindler 7000 and 1 Schindler 3300
	Makati Shangri-La, hotel, Makati	Modernization of 4 elevators with Schindler 7000
Singapore	Jewel, Terminal 1 Changi Airport, shopping mall	50 elevators, including 38 Schindler 5500 and 2 Schindler 2600; as well as 69 Schindler 9300 AE escalators and 62 Schindler 9500 moving walks
	Cecil Street, commercial building	29 elevators, including 16 Schindler 7000, of which 14 with PORT Technology, and 13 Schindler 5500, of which 8 with PORT Technology; as well as 8 Schindler 9300 AE escalators
South Korea	Hanam Union Square, shopping mall, Hanam	69 Schindler 9300 AE escalators and 4 Schindler 9500 AE moving walks
	Gimpo International Airport, domestic terminal, Seoul	25 Schindler 9300 AE escalators and 13 Schindler 9500 moving walks
	Lotte Mall Jinju, shopping mall, Jinju	25 Schindler 9300 AE escalators and 6 Schindler 9500 AE moving walks
	Bauhaus Busan, shopping mall, Busan	69 Schindler 9300 AE escalators
	Gimpo International Airport, underground passageway, Seoul	Modernization of 2 Schindler 9300 AE escalators and 4 Schindler 9500 moving walks

Asia-Pacific and Africa

Taiwan	Farglory, residential tower, Kaohsiung	37 elevators, including 16 Schindler 7000, 14 Schindler 5500, and 7 Schindler 3300; as well as 6 Schindler 9300 AE escalators
	Continental Xin Yi B7, residential building, Taipei	5 Schindler 5500 elevators with PORT Technology
	Carrefour, shopping mall, Pingzhen	14 Schindler 9500 moving walks
	Huang Shiang Marriott Hotel, Taipei	6 Schindler 5500 elevators
	Taipei International Convention Center, Taipei	Modernization of 3 elevators with Schindler 7000
Thailand	5 shopping malls, various locations, Bangkok	60 Schindler 5500 elevators and 218 Schindler 9300 AE escalators
	The SRT Red Line, Bangsue-Rangsit, railway system, phase II, Bangkok	19 Schindler 5500 elevators and 26 Schindler 9300 AE escalators
	Magnolias Ratchadamri Boulevard, residential building, Bangkok	29 elevators, including 9 Schindler 7000, of which 4 with PORT Technology, and 19 Schindler 5500; as well as 4 Schindler 9300 AE escalators
	M Tower, Sukhumvit 62, office building, Bangkok	12 Schindler 5500 elevators, of which 6 with PORT Technology; as well as 10 Schindler 9300 AE escalators
	Iconsiam Superlux Residences, residential building, Bangkok	10 Schindler 7000 elevators
	Amari Watergate, hotel, Bangkok	Modernization of 5 elevators with Schindler 7000
Vietnam	The Central, Vinhomes Central Park, residential building, Ho Chi Minh City	42 elevators, including 22 Schindler 7000 and 20 Schindler 5500
	Saigon Centre, phase 2 and 3, office building and shopping mall, Ho Chi Minh City	17 elevators, including 11 Schindler 7000, of which 8 with PORT Technology, and 6 Schindler 5500
	Tiger Office, office building, Hanoi	10 Schindler 5500 elevators, including 8 with PORT Technology
	Dai Quang Minh, phase 1 and 2, shopping mall, commercial center, residential buildings, Ho Chi Minh City	22 elevators, including 2 Schindler 3300, 16 Schindler 3600, and 4 Schindler 5500; as well as 8 Schindler 9300 AE escalators
	Harmony Hanoi, residential building, Hanoi	17 elevators, including 5 Schindler 7000 and 12 Schindler 5500
	Vincom Ha Long, shopping mall, Ho Chi Minh City	12 Schindler 9300 AE escalators

Asia-Pacific and Africa

Australia	MLC Centre, office building, Sydney	Modernization of 24 elevators with PORT Technology
	One Parramatta Square, office building, Parramatta	8 elevators, including 7 Schindler 7000 with PORT Technology and 1 Schindler 5500; as well as 6 Schindler 9300 AE escalators
	Capital Square, office building, Perth	16 elevators with PORT Technology, including 13 Schindler 7000 and 3 Schindler 5500
	883 Collins Street, 888 Collins Street, 889 Collins Street, residential buildings, Docklands	21 elevators, including 4 Schindler 7000 and 17 Schindler 5500
	Westfield Chatswood, shopping mall, Sydney	5 Schindler 5500 elevators; as well as 14 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Westfield Warringah Mall, shopping mall, Sydney	8 elevators, including 5 Schindler 5500 and 3 Schindler 2600; as well as 8 Schindler 9300 AE escalators and 16 Schindler 9500 moving walks
New Zealand	Christchurch Hospital, Christchurch	13 elevators, including 12 Schindler 5500 AP
Saudi Arabia	Ministry of Justice, office buildings, Dammam	37 Schindler 3300 EU elevators
	Al-Batha Mall, shopping mall, Riyadh	8 Schindler 9300 AE escalators
	Al-Jawhara, office building, Riyadh	12 Schindler 3300 EU elevators
	King Saud University, Riyadh	Maintenance contract for 159 elevators
	King Faisal Specialist Hospital, Dammam	8 Schindler 5500 EU elevators
	Royal Commission, administration building, RC097-C32, Khobar	34 elevators, including 32 Schindler 5500; as well as 2 Schindler 9300 AE escalators
	AKH Tower, commercial building, Khobar	11 elevators, of which 8 with PORT Technology, including 9 Schindler 7000 and 2 Schindler 5500
	Crowne Plaza, hotel, extension, Riyadh	12 Schindler 5500 elevators, of which 7 with PORT Technology
	King Faisal University, boys and girls schools, Khobar	14 Schindler 3300 elevators
South Africa	PricewaterhouseCoopers Tower, commercial building, Midrand	15 elevators, including 9 Schindler 7000 with PORT Technology and 6 Schindler 5500; as well as 2 Schindler 9300 AE escalators
	Discovery Sandton, office and commercial buildings, Sandton	30 Schindler 5500 elevators, of which 12 with PORT Technology; as well as 20 Schindler 9300 AE escalators
	Ballito Junction, shopping mall and commercial building, Ballito	7 elevators, including 5 Schindler 5500 and 2 Schindler 2600; as well as 16 Schindler 9300 AE escalators
	Umlazi Mega City, shopping mall, Durban	6 Schindler 5500 elevators as well as 2 Schindler 9300 AE escalators
	V&A Grain Silo, phase 2, commercial building, Cape Town	12 Schindler 5500 elevators
	Netcare Roggebaai Hospital, Cape Town	8 elevators, including 7 Schindler 5500

Examples of significant orders in the Americas

Órion in Goiânia

Everything in one location: The Órion Business & Health Complex combines a health center, business center, hotel, hospital, and shopping mall. Located in one of the wealthiest districts of Goiânia, it not only features a state-of-the-art design and the latest technology, but also contributes to sustainability through a number of smart systems such as rainwater harvesting, ecological pavements, and occupancy sensors.



Órion



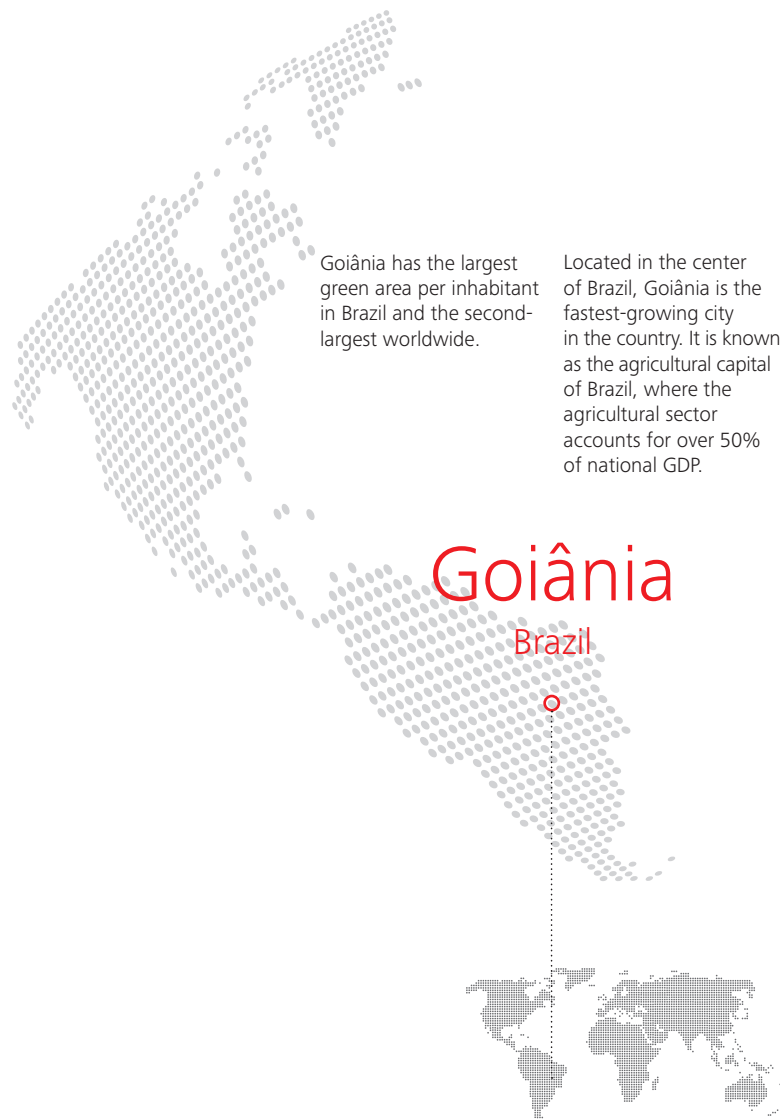
2 Schindler 5300
26 Schindler 5500



4 Schindler 9300 AE



PORT Technology



Goiânia has the largest green area per inhabitant in Brazil and the second-largest worldwide.

Located in the center of Brazil, Goiânia is the fastest-growing city in the country. It is known as the agricultural capital of Brazil, where the agricultural sector accounts for over 50% of national GDP.

The city is also a global benchmark in health care as well as being recognized for its quality of life, which is well above the national average.

Órion



Central 652 – Pardo y Aliaga, office building; San Isidro, Lima, Peru



The Global Center for Health Innovation; Cleveland, USA



World on Yonge, mixed-use buildings; Toronto, Canada





Toreo Parque Central, shopping mall; Mexico City, Mexico



Tarjeta Naranja, office building; Cordoba, Argentina



The Americas

California	Los Angeles County Metropolitan Transportation Authority, regional connector, Los Angeles	12 Schindler 9700 escalators
	IKEA, shopping mall, Burbank	14 elevators; as well as 2 Schindler 9300 AE escalators and 1 Schindler 9500 moving walk
	Market Street Place, shopping mall, San Francisco	10 Schindler 9300 AE escalators
	Transbay Block 5, office building, San Francisco	20 elevators, including 18 Schindler 7000 with PORT Technology and 2 Schindler 330A
	San Francisco Municipal Railway, multiple transit stations, San Francisco	Modernization of 17 escalators with Schindler InTruss
	201 Mission Street, office building, San Francisco	Modernization of 11 elevators with PORT Technology
	Glendale City Center, office building, Los Angeles	Modernization of 13 elevators and 2 escalators
	County of Fresno, government buildings, various cities	Maintenance contract for 48 elevators
Florida	Tampa International Airport, APM and ConRAC, Tampa	22 elevators, including 21 Schindler 5500; as well as 22 Schindler 9300 AE escalators and 8 Schindler 9500 moving walks
	Tampa International Airport, MTAC, Tampa	22 Schindler 9300 AE escalators
	All Aboard Florida, multiple transit stations, various cities	22 elevators, including 5 Schindler 5500 and 17 Schindler 330A
	Orlando International Airport	8 elevators, including 1 Schindler 5500; and 4 Schindler 9300 AE escalators
	Sawgrass Mills Parking Garage, Sunrise	5 Schindler 5500 elevators
Georgia	Dillard's, Green Hills Mall, shopping mall, Atlanta	2 elevators, including 1 Schindler 5500; and 8 Schindler 9300 AE escalators
Hawaii	Ward Village, Auahi tower, block K, residential building, Honolulu	7 elevators, including 5 Schindler 7000 and 2 Schindler 5500
	Keauhou Place, residential building, Honolulu	4 Schindler 7000 elevators
	Hyatt Regency, Waikiki Beach Resort and Spa, Honolulu	Modernization of 12 elevators
Illinois	Chicago O'Hare International Airport, ConRAC, Chicago	10 elevators, including 9 Schindler 5500 and 1 Schindler 330A; as well as 12 Schindler 9300 AE escalators
	451 East Grand, residential building, Chicago	8 elevators, including 7 Schindler 7700 and 1 Schindler 3300
Kentucky	Louisville International Airport	Maintenance contract for 19 elevators and 16 escalators
Massachusetts	Copley South West, shopping mall, Boston	1 Schindler 330A elevator and 8 Schindler 9300 AE escalators
Missouri	State Farm headquarters, office building, St. Louis	12 Schindler 9300 AE escalators
New Jersey	Newark Liberty International Airport, terminal C, Newark	8 Schindler 9300 AE escalators
	Newport 5, office building, Jersey City	Modernization of 16 elevators with Schindler 6400
	Borgata Hotel Casino & Spa, Atlantic City	Maintenance contract for 71 elevators and 21 escalators
New York	Queens Plaza, residential building, New York	17 elevators, including 15 Schindler 7000 with PORT Technology
	160-10 Jamaica Avenue, mixed use, Queens	10 Schindler 9300 AE escalators
	Manhattan West North East Tower, New York	45 elevators, including 39 Schindler 7000 with PORT Technology and 6 Schindler 5500
	28 Liberty Street, office building, New York	Modernization of 37 elevators with PORT Technology and Schindler ID
	599 Lexington Avenue, office building, New York	Modernization of 24 elevators with PORT Technology and Schindler ID
	New York University	Modernization of 12 elevators
	1155 Avenue of the Americas, office building, New York	Modernization of 17 elevators with PORT Technology and Schindler ID
NBCUniversal, office building, New York	Modernization of 14 elevators with PORT Technology and Schindler ID	
North Carolina	Vidant Health, hospital, Raleigh	Maintenance contract for 50 elevators
Ohio	Cleveland Clinic, cancer building, hospital, Cleveland	10 elevators, including 6 Schindler 5500

The Americas

Pennsylvania	The Gallery, fashion outlets, Philadelphia	3 elevators, including 2 Schindler 5500; as well as 19 Schindler 9300 AE escalators
	King of Prussia Mall, shopping mall, Philadelphia	3 Schindler 5500 elevators and 8 Schindler 9300 AE escalators
	SkyVue, residential building, Pittsburgh	5 Schindler 5500 elevators
	Allegheny General Hospital, Pittsburgh	Modernization of 10 elevators with PORT Technology
Texas	Dallas Cowboys, headquarters and multiuse facility, Dallas	23 elevators, including 19 Schindler 5500 and 2 Schindler 330A, as well as 2 Schindler 9300 AE escalators
	Houston Methodist The Woodlands Hospital, Houston	11 elevators, including 7 Schindler 5500
	The Village at River Oaks, residential building, Dallas	7 Schindler 5500 elevators
	San Antonio International Airport, ConRAC, San Antonio	7 Schindler 5500 elevators and 6 Schindler 9300 AE escalators
	919 Milam, office building, Houston	Modernization of 14 elevators
Virginia	VirginiaTech, university, Blacksburg	Maintenance contract for 194 elevators
Washington D.C.	Uline Arena, commercial building, Washington D.C.	9 elevators, including 8 Schindler 5500
	Franklin Square, office building, Washington D.C.	Modernization of 14 elevators
Wisconsin	Milwaukee Intermodal Station, bus and train station, Milwaukee	3 elevators and 4 Schindler 9300 AE escalators
Canada	Scotia Plaza, business community, Toronto	Modernization of 31 elevators, including 22 double-deck with PORT Technology
	Confederation Line, different stations, Ottawa	40 Schindler 9700 elevators
Brazil	Metrô de Salvador, different stations, Salvador	24 Schindler 5500 elevators and 53 Schindler 9300 AE escalators
	Órion Business & Health Complex, Goiânia	28 elevators, including 26 Schindler 5500, of which 13 with PORT Technology, and 2 Schindler 5300; as well as 4 Schindler 9300 AE escalators
	Urbanity, office and residential buildings, São Paulo	25 elevators, of which 9 with Miconic 10, including 5 Schindler 7000, 16 Schindler 5500, and 4 Schindler 5300
	Edifício Itália, commercial building, São Paulo	Modernization of 14 elevators
Chile	Edificio Nueva Las Condes VII, office building, Santiago	12 elevators, including 8 Schindler 7000 with PORT Technology and Lobby Vision, 3 Schindler 3300 EU, and 1 Schindler 3300 AP
	Clínica Dávila, hospital, Santiago	13 elevators, including 12 Schindler 5500 and 1 Schindler 3300 AP
	Los Trapenses, shopping mall and office building, Santiago	7 elevators, including 3 Schindler 5500 AP, 1 Schindler 5400, and 3 Schindler 3300 AP; as well as 2 Schindler 9300 AE escalators and 6 Schindler 9500 moving walks
	Casacostanera, shopping mall and office building, Santiago	16 elevators, including 13 Schindler 5500 AP and 3 Schindler 3300 EU; as well as 22 Schindler 9300 AE escalators
Colombia	Places, shopping mall, hotel, and office buildings, Monteria	8 elevators, including 3 Schindler 5500 and 5 Schindler 3300; as well as 2 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Paramillo Prodesa, residential buildings, Bogota	Modernization of 14 Schindler 6300 elevators
	Hacienda Peñalisa, residential buildings, Bogota	8 Schindler 3300 AP elevators
	Viva Wajira, shopping mall, Riohacha	6 elevators, including 4 Schindler 5500 elevators and 2 Schindler 3300
Mexico	Reforma 26, office and commercial building, hotel, Mexico City	32 elevators, of which 17 Schindler 7000, including 12 with PORT Technology, and 15 Schindler 5500 AP, including 11 with PORT Technology
	Campus Corporativo Santa Fe, office buildings, shopping mall, Mexico City	26 Schindler 5500 AP elevators
	Torre Andares 3, hotel, office and residential buildings, Jalisco	20 elevators, including 3 Schindler 7000 with PORT Technology and 16 Schindler 5500 AP; as well as 2 Schindler 9300 AE escalators

Examples of significant orders in Europe

Styria Media Center in Graz

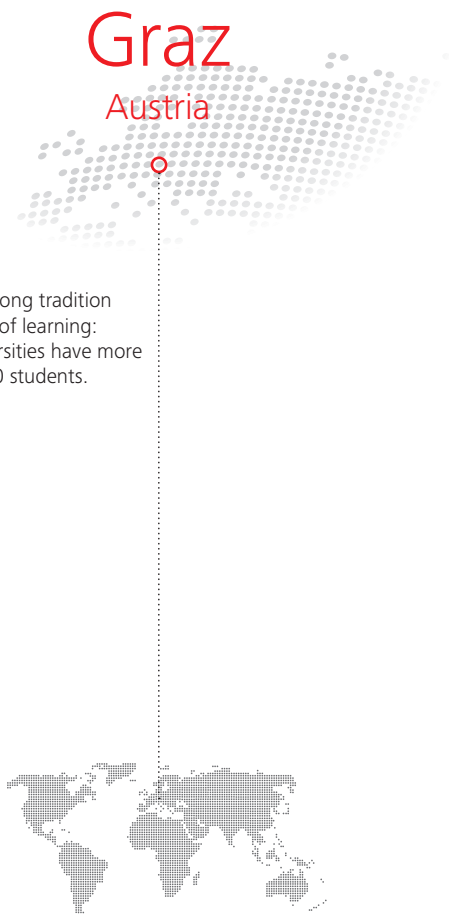
85 000 hours of labor, 18 000 m³ of concrete and 1 800 tons of steel were required for the construction of this 13-storey building back in 2014. Just one year later, 1 200 employees from Styria Media moved into the 60-meter-high office tower, which has 18 000 m² of office space. It is so tall that it can even be seen in the neighboring countries of Slovenia and Croatia – both core markets of Styria Media.



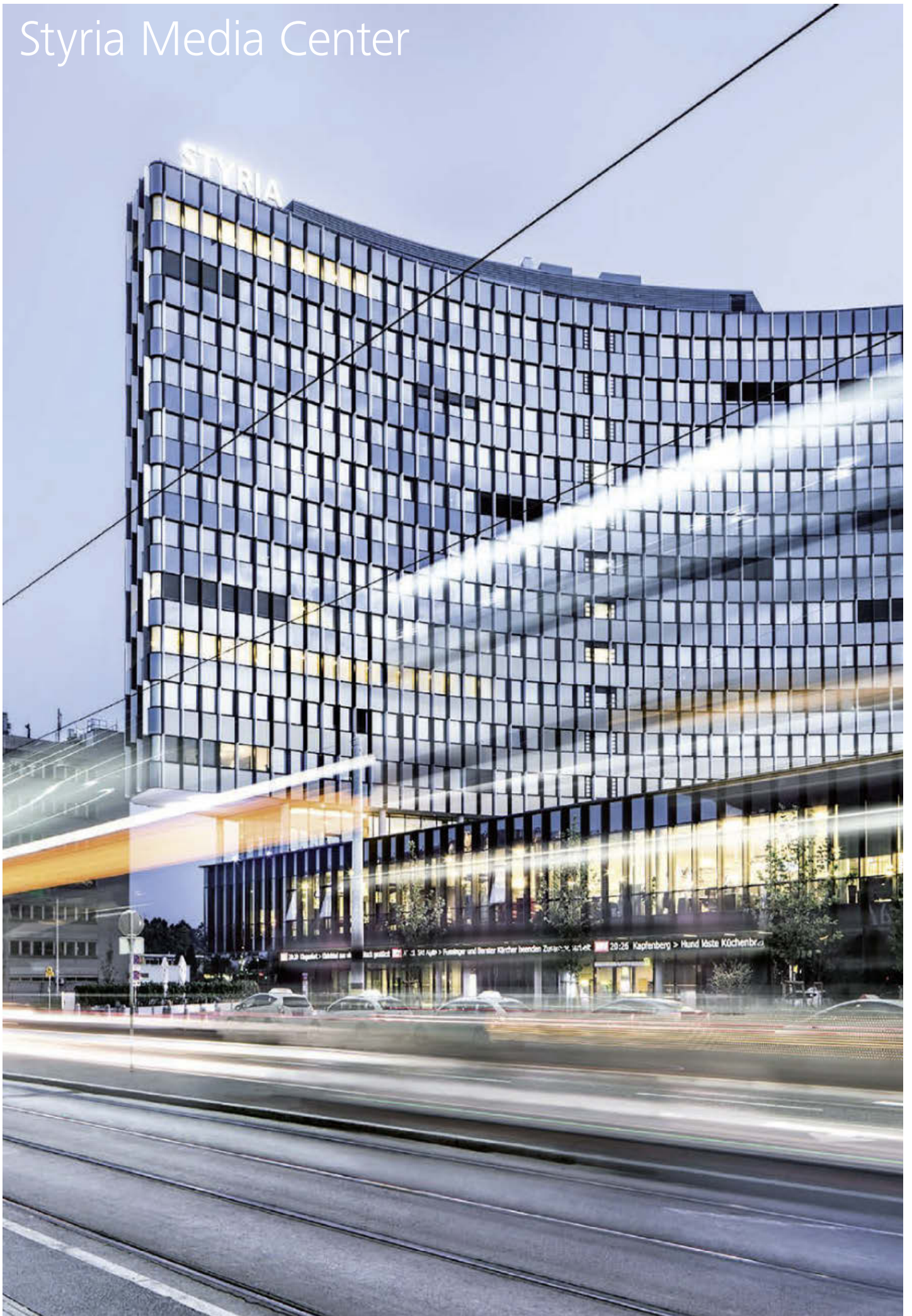
Graz is the capital of Styria and the second-largest city in Austria after Vienna.

The historic city center of Graz has been a UNESCO World Cultural Heritage Site since 1999, and Schloss Eggenberg has also been recognized by UNESCO for its cultural significance since 2010. In 2003, Graz was the Cultural Capital of Europe and still offers a wealth of fascinating cultural and arts attractions.

Graz has a long tradition as a center of learning: its six universities have more than 50 000 students.



Styria Media Center



Aviatica, office and commercial building; Prague, Czech Republic



The Gladys Hotel; London, UK

Bałtyk Tower, office and commercial building; Poznań, Poland



Riviera Mall, shopping mall; Moscow, Russia



Europe

Albania	Sunrise, residential buildings, Tirana	10 Schindler 3300 elevators
Austria	Post am Rochus, headquarters Österreichische Post, office building, Vienna	11 elevators, including 9 Schindler 5500, 1 Schindler 3400, and 1 Schindler 3300; as well as 4 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Doppelmayr, headquarters, Wolfurt	7 Schindler 5500 elevators
	Arkade Einkaufszentrum Liezen, shopping mall, Liezen	6 Schindler 24 elevators and 4 Schindler 9300 AE escalators
	Science Tower, office building, Graz	2 Schindler 5500 elevators
Belgium	AZ Zeno, hospital, Knokke	9 Schindler 5500 elevators, of which 8 with PORT Technology
	UZ Leuven, hospital	9 Schindler 2500 elevators with Miconic 10
	Clinique MontLégia, Liège	47 elevators, of which 42 Schindler 5500, including 13 with PORT Technology
	Chirec, hospital, Brussels	25 elevators, including 24 Schindler 5500 and 1 Schindler 2600
	Gare du Nord, train station, Brussels	Modernization of 18 elevators as well as 17 Schindler 9300 AE escalators
	WoninGent, residential building, Gent	Modernization of 28 elevators
Bosnia and Herzegovina	Kromolj, residential buildings, Sarajevo	6 Schindler 3100 elevators
	Hotel Beymen, Sarajevo	3 Schindler 3300 elevators
Croatia	Sub City, shopping mall, Dubrovnik	9 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Park Boutique Hotel, Varaždin	3 elevators, including 1 Schindler 3300 and 2 Schindler 3100
	Sveučilište Trsat, university, Rijeka	4 Schindler 3300 elevators
Czech Republic	Panorama byty, residential buildings, Brno	22 Schindler 3300 elevators
	Czech Technical University, Prague	10 Schindler 3300 elevators
	Smart byty, residential building, Prague	10 Schindler 3300 elevators
	AB Five, commercial and residential building, Prague	5 Schindler 5500 elevators with PORT Technology
	Central Jablonec, shopping mall, Jablonec nad Nisou	10 elevators, including 4 Schindler 5500 and 4 Schindler 3300; as well as 8 Schindler 9300 escalators and 2 Schindler 9500 moving walks
	Metro stations Karlovo náměstí, Náměstí Republiky, and Smíchovské nádraží, Prague	8 Schindler 9300 escalators
	Španielova, residential building, Prague	Modernization of 7 elevators with Schindler 6200
	Cafourkova 520-526, residential buildings, Prague	Modernization of 6 elevators with Schindler 6300
Ke Skalkám, residential building, Prague	Modernization of 5 elevators with Schindler 6200	
France	Grand Hôtel-Dieu, office building, Lyon	35 elevators, including 1 Schindler 5500 and 26 Schindler 3300
	Aéroports de Paris, headquarters, office building, Roissy	15 elevators, including 14 Schindler 5500 and 1 Schindler 2400
	Porte de Sèvres, office building, Paris	20 elevators, including 12 Schindler 5500 and 2 Schindler 3300
Greece	Hotel Seascape Hill, Kranidi Argolida	6 elevators, including 3 Schindler 3300
	Psychiatric Hospital of Tripoli, Tripoli	5 elevators, including 3 Schindler 5500 and 2 Schindler 3300
	Hospital Lefkada, Lefkada	6 elevators, including 2 Schindler 5500 and 4 Schindler 3300
Hungary	Corvin 4, office buildings, Budapest	12 elevators, including 11 Schindler 5500 with Miconic 10
	ELI-ALPS Research Center, Szeged	9 elevators, including 1 Schindler 5500, 5 Schindler 3300, 1 Schindler 3100, and 1 Schindler 2600
	Zala County Hospital, Zalaegerszeg	7 elevators, including 6 Schindler 5500 and 1 Schindler 2200
	Jász-Nagykun-Szolnok, hospital, Szolnok	5 elevators, including 4 Schindler 5500 and 1 Schindler 3100
	Lenti Thermal Spa and St. George Energy Park, Lenti	5 elevators, including 4 Schindler 3300 and 1 Schindler 3100
Italy	IKEA, shopping mall, Roncadelle	27 elevators, including 9 Schindler 5500 and 17 Schindler 2400; as well as 20 Schindler 9300 AE elevators and 4 Schindler 9500 AE moving walks
	Airport Marco Polo, extension, Venice	21 Schindler 5500 elevators, 6 Schindler 9300 AE escalators, and 10 Schindler 9500 AE moving walks

Europe

Italy	Genoa Towers, World Trade Center, Genoa	Modernization of 29 elevators
	3 cruise ships for MSC	99 elevators
	UniCredit, office buildings, various cities	Maintenance contract for 115 elevators
Kosovo	Albi, shopping mall, extension, Prishtina	3 elevators, including 2 Schindler 5500 and 1 Schindler 2600; as well as 8 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Bankos, shopping mall and commercial building, Prishtina	2 Schindler 3300 elevators and 4 Schindler 9300 AE escalators
Lithuania	UNIQ, business center, Vilnius	3 Schindler 5500 elevators with PORT Technology
	Pušų terasos, residential buildings, Vilnius	14 Schindler 3300 elevators
Luxemburg	Carrefour, shopping mall, Luxemburg	Replacement of 8 elevators with Schindler 6500 elevators
Netherlands	Wootoren Pontsteiger, residential buildings, Amsterdam	12 elevators Schindler 5500, including 4 with PORT Technology
	Leidsche Rijn Centrum, commercial and residential buildings, Amsterdam	62 elevators, including 11 Schindler 5500, 40 Schindler 3300, and 2 Schindler 2600
	Sint Lucas Andreas Ziekenhuis, hospital, Amsterdam	4 Schindler 5500 elevators and modernization of 6 elevators
	ProRail N.V., train stations, various cities	18 elevators
Poland	Wroclavia, shopping mall and office buildings, Wrocław	24 Schindler 5500 elevators, 30 Schindler 9300 escalators, and 4 Schindler 9500 moving walks
	Hotel Hilton, hotel and office building, Wrocław	15 elevators, including 10 Schindler 5500, 3 Schindler 2400, and 2 Schindler 2200
	Office building at Łucka/Wronia street, Warsaw	8 Schindler 5500 elevators, including 5 with PORT Technology
	Bałyk Tower, office and commercial building, Poznań	6 Schindler 5500 elevators
Portugal	Santander Totta, office building, Lisbon	6 elevators, including 4 Schindler 5500 with PORT Technology and 2 Schindler 3300; as well as modernization of 8 elevators with PORT Technology
	Torre 1 Amoreiras, Lisbon	Modernization of 6 elevators with PORT Technology
	Airport Funchal, Madeira	3 elevators, including 1 Schindler 5500 and 2 Schindler 3300; as well as 2 Schindler 9300 AE escalators
	Metro Reboleira, Amadora	3 Schindler 5500 elevators and 8 Schindler 9300 AE escalators
	BANIF, office building, Lisbon	Modernization of 4 elevators with PORT Technology and Lobby Vision
Romania	Bucharest One, office building, Bucharest	12 elevators, including 9 Schindler 7000 with PORT Technology and 3 Schindler 5500
	ParkLake, shopping mall, Bucharest	18 elevators, including 9 Schindler 5500, 1 Schindler 3300, and 8 Schindler 2600; as well as 26 Schindler 9300 AE escalators and 10 Schindler 9500 moving walks
	Oregon Park, commercial building, Bucharest	14 Schindler 5500 elevators with Miconic 10
	City Park, shopping mall, Constanța	5 elevators, including 4 Schindler 5500 and 1 Schindler 3300; as well as 8 Schindler 9300 AE escalators
	Greenfield, residential buildings, Bucharest	26 Schindler 3300 elevators
Russia	Metro Moscow, various stations, Moscow	48 Schindler 9700 escalators
	Lakhta Center, commercial building, St. Petersburg	40 elevators, including 26 Schindler 7000, 3 Schindler 5500, 7 Schindler 5400, and 2 Schindler 3300; as well as 6 Schindler 9300 AE escalators
	Riviera Mall, shopping mall, Moscow	38 elevators, including 32 Schindler 5500 and 6 Schindler 3300; as well as 6 Schindler 9300 AE escalators
	Fili Grad, commercial and residential buildings, Moscow	43 elevators, including 38 Schindler 5500, of which 6 with PORT Technology, and 3 Schindler 3300; as well as 2 Schindler 9300 AE escalators
	Sadovie Kvartaly, phase 2, residential buildings, Moscow	29 elevators, including 4 Schindler 5500 and 25 Schindler 3300
	Wine house, residential buildings, Moscow	24 Schindler 3300 elevators
	Center of hemodialysis, hospital, Volgograd	16 elevators, including 10 Schindler 5500 and 3 Schindler 3300

Europe

Serbia	Aviv Park Zvezdara, shopping mall, Belgrade	6 elevators, including 2 Schindler 5500, 1 Schindler 3300, and 2 Schindler 2600; as well as 6 Schindler 9300 AE escalators and 2 Schindler 9500 moving walks
	Central Garden, residential buildings, Belgrade	4 Schindler 3300 elevators
	Rajiceva Shopping Center, Belgrade	14 elevators, including 10 Schindler 5500 and 2 Schindler 3300
Slovakia	Twin City, commercial building, Bratislava	11 Schindler 5500 elevators with PORT Technology
	AB Rosum, commercial building, Bratislava	9 Schindler 5500 elevators with PORT Technology
	OS Nová Terasa, residential building, Košice	12 Schindler 3300 elevators
	OS Škutétyho, residential building, Bratislava	8 Schindler 3300 elevators
Slovenia	Hotel Atlantida, Rogaška Slatina	5 Schindler 3300 elevators
Spain	Hospital La Línea de la Concepción, Cádiz	16 elevators, including 7 Schindler 5500 and 9 Schindler 3300; as well as 2 Schindler 9500 AE moving walks
	RENFE, rail network, different cities	Maintenance contract for 497 elevators and 560 escalators
	Zurich, office building, Madrid	Modernization of 3 elevators with Schindler 6500 and PORT Technology
	Mango, shopping mall, Madrid	2 elevators, including 1 Schindler 3300, and 6 Schindler 9300 AE escalators
	Torre Europa, office building, Madrid	Maintenance contract for 14 elevators
	L'illa Diagonal, shopping mall, Barcelona	Modernization of 2 elevators and 6 escalators
	Hospital, Ourense	16 elevators, including 7 Schindler 5500 and 9 Schindler 3300
	Orden Hospitalaria San Juan de Dios, various cities	Maintenance contract for 95 elevators
	OAMI headquarters, Alicante	Modernization of 8 elevators with Schindler 6500 and PORT Technology
Sweden	Utopia, hotel, shopping mall, and commercial buildings, Umeå	16 Schindler 9300 AE escalators
	Norra Tornen, residential buildings, Stockholm	5 Schindler 5500 elevators
	HSB Brf Luftskeppet, residential buildings, Stockholm	Modernization of 11 elevators with Schindler 6300
	Serneke/Poseidon, residential buildings, Gothenburg	Modernization of 7 elevators with Schindler 6300
Switzerland	Fachhochschule Nordwestschweiz, Muttenz	17 elevators, including 12 Schindler 5500 with PORT Technology
	Spital Limmattal, hospital, Schlieren	19 elevators, including 11 Schindler 5500, of which 3 with PORT Technology, and 5 Schindler 2200
	Mall of Switzerland, shopping mall, Ebikon	26 elevators, including 17 Schindler 5500, of which 11 with PORT Technology, 1 Schindler 3300, and 8 Schindler 2600; as well as 21 Schindler 9300 AE escalators
Turkey	NEF, residential buildings, Istanbul	94 elevators, including 25 Schindler 5500 AP, 63 Schindler 3300 AP, and 6 Schindler 3300 EU; as well as 4 Schindler 9300 AE escalators
	Akasya Park, commercial buildings and shopping mall, Istanbul	32 elevators, including 6 Schindler 7000, 19 Schindler 5500 AP, and 7 Schindler 3300 AP; as well as 24 Schindler 9300 AE escalators and 4 Schindler 9500 moving walks
	Mahall Ankara, commercial building, Ankara	48 elevators, including 31 Schindler 5500 AP, 15 Schindler 3300 AP, and 2 Schindler 3300; as well as 4 Schindler 9300 AE escalators
	Bahçekent Flora, residential buildings, Istanbul	46 elevators, including 1 Schindler 5500 AP, 2 Schindler 3300 AP, and 43 Schindler 3300
	Tepe Mesa Park, residential buildings, Ankara	46 elevators, including 13 Schindler 5500 and 33 Schindler 3300
	MaviBahçe Shopping Center, commercial and residential buildings, Izmir	14 elevators, including 12 Schindler 5500 AP and 2 Schindler 3300; as well as 44 Schindler 9300 AE escalators
	Novada Manavgat Novada AVM, commercial building, Manavgat	6 Schindler 3300 elevators, 22 Schindler 9300 AE escalators, and 2 Schindler 9500 moving walks
	Bakgörlü, residential buildings, Istanbul	37 Schindler 3300 elevators
	Afra Otomotiv, commercial building, Istanbul	26 elevators, including 25 Schindler 3300 and 1 Schindler 5500

Technology

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Energy-efficient products

Innovative technologies for environmentally friendly buildings

The energy required to operate an elevator can account for up to 80% of its environmental impact over its entire life cycle.

Schindler's hall call destination systems optimize travel within buildings and thus lead to a reduction in energy consumption per passenger. With our PORT Technology, we can increase the transport capacity of elevators by up to 40%, thus significantly reducing the amount of energy they consume while operating. This technology centers on the 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. Further information is available on page 56.

Schindler's efforts to reduce energy consumption already begin in the production phase. Priority is today assigned to the use of materials that have a lower environmental impact, are as lightweight as possible, and can be disposed of in an ecologically sound manner.

In addition, modern elevator drives with energy recovery systems feed unused energy back into the building's electricity network. Power Factor 1 is a technology used by Schindler in regenerative drives. The recuperated clean energy can either be used by other elevators in a group or fed back to the building's electrical grid – without causing harmonic distortions. This results in a reduction in waste heat, thus also significantly reducing elevator cooling requirements. Schindler combines this efficient solution with intelligent controls which, for example, place elevators on standby mode and turn off lights and ventilators when they are not in use.

As a result, the energy efficiency of the Schindler 3300 has increased by up to 50% compared to the previous model due to further development of this product line. In the case of the Schindler 3100, it was possible to improve its environmental performance over its entire life cycle by 50% compared to earlier elevators.

The energy efficiency of escalators is also continuously being improved. With ECOLINE power management, customers can define whether the escalator should run at full speed during peak times and automatically slow down or even stop when there are no passengers. Additional innovations relating to escalator drives and the switch to LED for all escalator lighting have enabled total energy consumption to be reduced by over 30%.

Sustainability throughout the life cycle of the product

For more than a decade, Schindler has been pursuing an approach to product management that takes account of environmental aspects and has been analyzing the environmental footprint of the products it installs. It has, for a number of years, been possible to measure the energy efficiency of elevators according to the VDI 4707 standard. The energy efficiency class achieved by an installation depends primarily on the intensity of usage as well as on the features selected by the client. All of the passenger elevators developed by Schindler in recent years can achieve energy efficiency class A – i.e. the category with the lowest energy usage – depending on the elevator features that are chosen. This is why Schindler products are frequently installed in environmentally friendly buildings that are seeking LEED certification.¹

¹ LEED (Leadership in Energy and Environmental Design) is a globally accepted certification issued by the US Green Building Council that takes account of the entire life cycle of a building and its components.

PORT Technology

myPORT – a significant new development in PORT Technology

Schindler's PORT Technology – with its unique synthesis of industry-leading destination control technology and personalized security access for all building users – has rapidly gained an unrivaled status as the global gold standard for internal transportation solutions in large-scale, premium commercial developments in recent years.

Harvard professor Michael Porter has stated that the engineering industry is today making increased use of smart, connected products – one example is PORT Technology, which reduces elevator waiting times by as much as 50% by predicting elevator demand patterns, calculating the fastest route to a destination, and assigning the appropriate elevator so that passengers can be transported rapidly and efficiently.¹

With myPORT, the PORT concept has been further developed for the smartphone environment. It offers significant improvements in both the availability of transit management systems and their functionality. This means, among other things, that building occupants can dispense with the cards previously used as data carriers. With the myPORT app installed on their smartphones, they can gain entry to the building by simply using their PIN code or fingerprint ID to unlock their phone and then showing it to a reader. Once inside, doors can be opened, preprogrammed elevators can be called and life in general can be made much more convenient for users, all without removing the smartphone from a bag or pocket.

¹ Article 'How Smart, Connected Products Are Transforming Competition,' Harvard Business Review, November 2014



Digitization

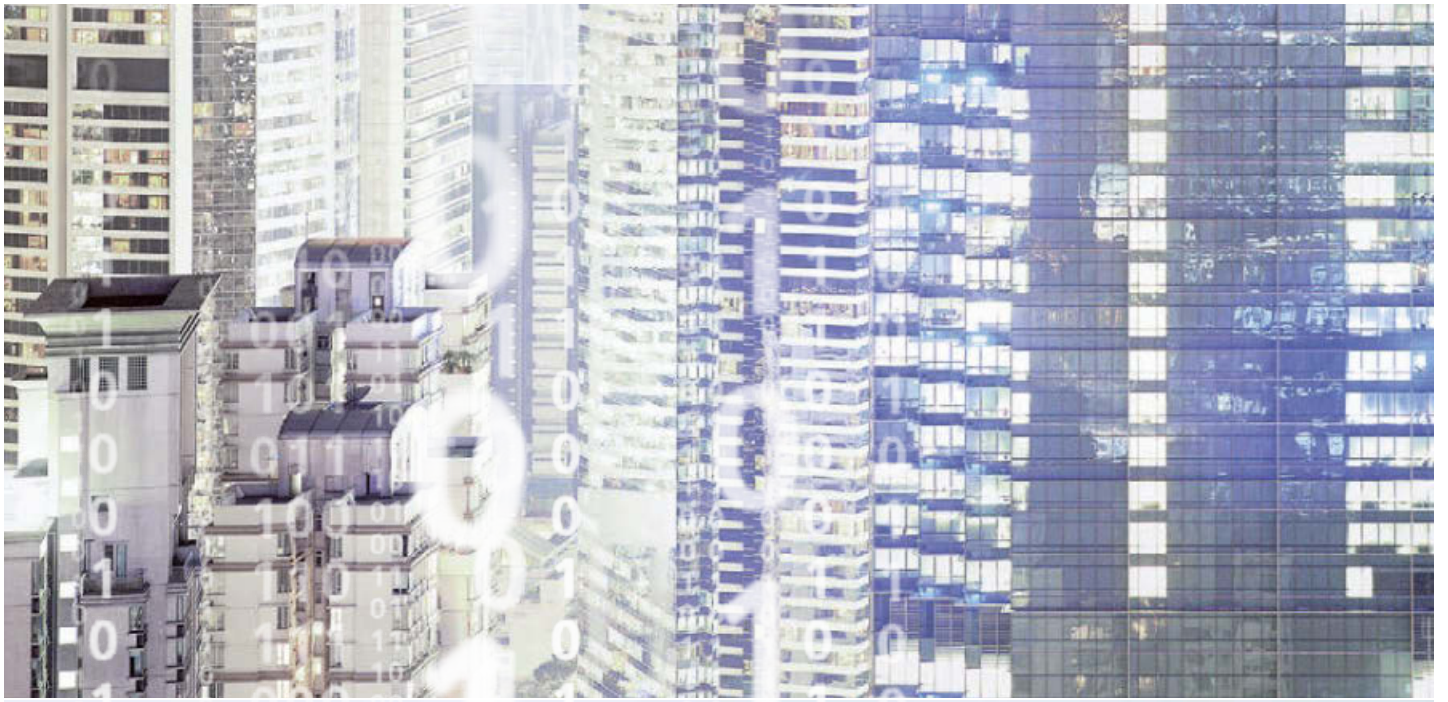
Schindler, a digital leader – for our clients

While technically flawless hardware – i.e. elevators and escalators – was the main focus in the past, software and the digital interconnection of products is today also a key area of business. In a digitalization process spanning several years, Schindler has established itself as a leader in the industry and has gained multiple awards in recognition of its digital achievements, including the coveted MIT Sloan CIO Leadership Award that it received from the Massachusetts Institute of Technology in 2015.

With Schindler's new digital platforms, clients can use an app to stay informed about the operational status of their elevators or escalators, find out whether a Schindler service technician has been dispatched, and obtain notifications as issues get resolved.

The digital toolbox supports Schindler technicians when servicing elevators and escalators. They can access information about the status of the installations at any time, promptly order replacement parts and even optimize their routes. They use the FieldLink app to plan and prepare their daily work schedule: The app prepares lists of jobs based on a real-time analysis of elevators and escalators. If, for example, an elevator stops working, a sensor relays this information to Schindler's back-end system, which then generates a recommendation that action should be taken. A repair job is then assigned to a service technician.

Elevators and escalators do not only communicate with Schindler in urgent cases: As a precaution, they also send notification if they identify a need for maintenance, thus enabling repairs to be planned in advance. With Schindler Direct, elevators and escalators are monitored on a permanent basis and their availability is significantly improved.



Sustainability

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Safety

Schindler is fully committed to developing environmentally friendly products and to running its business sustainably. The safety of over one billion passengers who use our products every day and of over 56 000 employees worldwide who form the 'Schindler Team' is at the center of our corporate responsibilities.

Our focus is on prevention. Schindler specialists carry out regular inspections and safety checks that go beyond regulatory requirements. This allows potential defects to be detected before they can develop into problems undermining either the availability of the installation or the very high safety standards set by Schindler. For eight years, Schindler has also run comprehensive behavior-based safety training for all employees worldwide.

Environment

Schindler pursues a two-pronged environmental strategy that targets ongoing reductions in the amount of energy consumed by our elevators and escalators on the one hand, while striving to continuously improve the energy efficiency and carbon footprint of our production process, our large global service fleet, and our buildings on the other.

Elevators and escalators generally remain in operation for at least 30 years. This means that their main environmental impact occurs while they are in use. Their entire life cycle is therefore planned with a long-term perspective.

Schindler has, for years, also been committed to sustainability at our production plants and in our office buildings. Our new production facilities in the USA, Slovakia, China, and India have obtained globally accepted or country-specific sustainability certifications.

Almost two-thirds of Schindler's total environmental impact is generated by our service fleet of over 20 000 vehicles globally. Particular attention is therefore paid to reducing fuel consumption and optimizing journeys. We select more fuel-efficient or hybrid models when purchasing new vehicles.

Employees

Our Human Resources Policy reflects our belief that our company's success essentially depends on the quality of our employees. Schindler therefore seeks to attract, retain, and develop the right people. Their professional skills and experience are of decisive importance in this context. No consideration is given to our employees' nationality, race, religion, gender, or age.

Schindler develops the skills of all employees to ensure it has well-trained and highly knowledgeable professionals in every area of the business. Employees have annual development reviews to assess their strengths and weaknesses relative to the required skills and competencies. Based on the review, a development plan is drawn up and specific measures are defined. Particular care is given to identifying, developing, and preparing talents at all levels of the organization who can assume broader responsibilities within the company.

Schindler also conducts periodic employee motivation surveys and creates action plans based on the survey results in order to constantly strengthen motivation and maintain it at above the national average in each country.

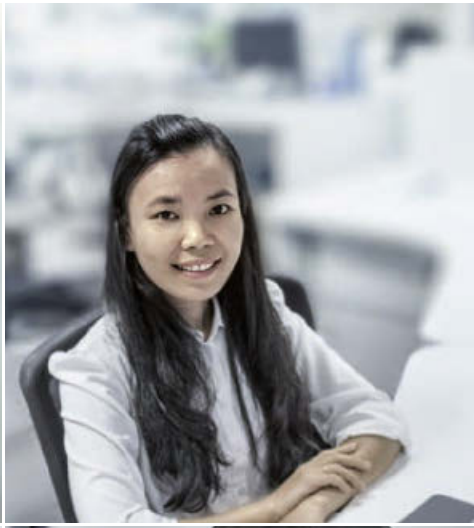
Schindler promotes a working environment with a focus on high standards of health and safety. Employees are encouraged to achieve a good work/life balance. We support employees who wish to assume responsibilities in political, cultural, or charitable organizations.

And finally, Schindler believes in competitive and fair compensation. The Group Compensation Policy takes account of profitability, internal equity, individual performance, and relevant market practices. Schindler promotes the use of incentives and bonuses wherever justified.

Sustainability Reports

Each year, Schindler publishes a Sustainability Report, which is produced in accordance with GRI G3.1 guidelines. This publication and our Sustainability Brochure provide an overview of sustainability topics that are of importance to the company and outline the way in which they are addressed.

www.schindler.com/com/internet/en/about-schindler/sustainability.html



Schindler Award

The Schindler Award goes global

More than 1 500 students of architecture, landscape architecture, urban design, and planning from around the world registered to take part in the new Global Schindler Award. Over 200 of the 600 projects that were submitted made it through the preselection phase. A total of 12 winners were chosen, with the three top prizes going to teams from Spain, China, and France.

2015 was the first year in which the Schindler Award – which was launched by Schindler in 2003 – was held globally in partnership with the Chair of Architecture and Urban Design of the Swiss Federal Institute of Technology (ETH) in Zurich. This architectural competition aims to enhance the quality of life in urban centers and to promote barrier-free mobility for all members of the community. Students taking part in the competition are invited to develop creative concepts for new urban forms that reflect these aspects and challenges.

2015: designing the city as a resource

Students participating in the 2015 competition were asked to create an urban design-based response to a brief focusing on Shenzhen in China with a particular emphasis on mobility-related issues. Shenzhen is located at the center of the Pearl River Delta, which forms an important link between mainland China and Hong Kong as well as between China and the rest of the world. Shenzhen is a model of China's innovation and success in opening up and liberalizing its economy. The submitted projects had to address the social, economic, and environmental challenges presented by globalization and urbanization in Shenzhen and to define scenarios and analytical design proposals centering on mobility.

Award ceremony

Total prize money of USD 150 000 was presented to the winners, including the USD 50 000 prize for students from the Escuela de Ingeniería y Arquitectura in Zaragoza, Spain, who took first place. The award ceremony was held in Shenzhen on April 30, 2015, and included a panel discussion led by juror Doreen Heng Liu from Node, a Shenzhen-based international architecture and design office. All of the nominees and their academic supervisors were invited to attend the ceremony.

The publication 'Global Schindler Award Essays/Projects,' which was issued in conjunction with the award ceremony, contains details of the prizewinning projects together with essays, articles, and interviews.

From Shenzhen to São Paulo

The second Global Schindler Award competition will begin in mid-2016 and the awards will be presented in 2017. The focus will be on São Paulo in Brazil, which – as the largest metropolis in South America and one of the largest in the world – presents a host of challenges in the area of urban mobility and related architectural concepts.

Further information is available at: www.schindleraward.com

Winners of the Schindler Award 2015: Daniel Ariza and Diego García Yagüe, with Thomas Oetterli, CEO Schindler Group China, Professor Dr. Doreen Heng Liu, founder and architect of NODE, Shenzhen, and Prof. Kees Christiaanse from the Swiss Federal Institute of Technology (ETH) in Zurich



Exhibition at the award ceremony in Shenzhen, China



Solar Impulse

Solar Impulse's around-the-world mission

When Solar Impulse embarked on its historic around-the-world flight in March 2015, its goal was to demonstrate that clean energies can change the world. Solar Impulse 2 – which has the same wingspan as a large passenger aircraft – is equipped with over 17 000 solar cells to enable it to circumvent the globe propelled only by solar energy.

As one of its lead partners, Schindler is providing the Solar Impulse team with technical expertise and financial support. Our engineers have contributed to both the structural and electrical design of the plane – including helping to develop the ultra-lightweight wing ribs that are made of carbon fiber or the solar energy management system. Schindler engineers are also working in the mission control center, which guides the plane around the world. Our involvement in this inspiring project underscores our commitment to reinventing sustainable mobility time and again.

Solar Impulse set off on its around-the-world mission from Abu Dhabi on March 9, 2015. It completed eight legs of its circumnavigation and covered almost 18 000 kilometers, with stops in Oman, India, Myanmar, China, Japan, and Hawaii in the US. The aircraft piloted by André Borschberg covered the distance from Japan to Hawaii of almost 7 200 kilometers in 118 hours. In doing so, he broke the record in terms of the distance travelled by a solar-powered aircraft and the duration of the journey.

Stop in Hawaii

After successfully crossing the Pacific – the longest and most difficult leg of the around-the-world flight – Solar Impulse had to suspend its epic journey in Hawaii in July 2015 after its batteries were damaged by overheating. This was not caused by any weakness in the technology: it reflected unexpected temperature fluctuations due to rapid altitude changes in this tropical climate zone. It is estimated that it will take around nine months to repair or replace the damaged battery cells, which are custom-made for the aircraft. Setbacks are often part of bold innovations: they are the cost of pushing back boundaries to deliver great achievements. Solar Impulse is set to continue on its historic journey around the globe in April 2016.

One of the most important clean-tech projects today

We are convinced that Solar Impulse is one of the most important and inspiring clean-tech projects today because it is not only about saving energy but also about conquering new territory from a technological perspective. Schindler therefore remains fully committed to supporting the project until it accomplishes its mission, and our engineers will continue to work closely with the Solar Impulse team. The around-the-world flight has inspired millions of people through its pioneering spirit and unwavering focus on the use of clean technologies and renewable energy. Schindler shares this pioneering spirit, which is a driving force in everything we do.

Getting ready for take-off



Landing in Hawaii

Overview of financial results

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Summary financial statements Group

Consolidated income statement

In CHF million	2015	2014	2013	2012	2011
Revenue	9 391	9 246	8 813	8 258	7 854
Operating profit (EBIT)	1 002	1 138	896	990	793
in %	10.7	12.3	10.2	12.0	10.1
Financial result	-29	-35	-240	-22	-15
Income from associates	9	46	44	15	-1
Profit before taxes	982	1 149	700	983	777
Income taxes	235	247	237	253	211
Profit from continuing operations	747	902	463	730	566
Profit of the disposal group ALSO	-	-	-	-	35
Net profit	747	902	463	730	601

Consolidated balance sheet December 31

In CHF million	2015	2014	2013	2012	2011
Cash and cash equivalents	1 975	2 722	2 228	2 178	2 403
Other current assets	3 500	3 401	3 260	2 992	2 695
Total current assets	5 475	6 123	5 488	5 170	5 098
Property, plant, and equipment	848	802	655	522	483
Intangible assets	870	985	742	804	842
Other non-current assets	1 066	1 015	912	1 326	1 146
Total non-current assets	2 784	2 802	2 309	2 652	2 471
Total assets	8 259	8 925	7 797	7 822	7 569
Financial debts	813	409	594	133	169
Other current liabilities	3 872	3 917	3 380	3 195	3 176
Total current liabilities	4 685	4 326	3 974	3 328	3 345
Financial debts	100	540	413	621	619
Other non-current liabilities	1 117	1 088	885	1 060	954
Total non-current liabilities	1 217	1 628	1 298	1 681	1 573
Total liabilities	5 902	5 954	5 272	5 009	4 918
Equity	2 357	2 971	2 525	2 813	2 651
Total liabilities and equity	8 259	8 925	7 797	7 822	7 569

Cash flow statement

In CHF million	2015	2014	2013	2012	2011
Cash flow from operating activities	1 076	902	808	782	690
Cash flow from investing activities	-502	111	-164	-532	-464
Cash flow from financing activities	-1 298	-554	-584	-459	-102
Exchange differences	-23	35	-10	-16	-41
Change in cash and cash equivalents	-747	494	50	-225	83

Key figures Group

In CHF million	2015	2014	2013	2012	2011
Orders received	9 967	9 979	9 456	8 967	8 249
Δ %	-0.1	5.5	5.5	8.7	-6.0
Δ % in local currencies	4.6	7.8	7.2	8.5	4.8
Revenue	9 391	9 246	8 813	8 258	7 854
Δ %	1.6	4.9	6.7	5.1	-4.1
Δ % in local currencies	6.7	7.3	8.4	5.0	6.9
Operating profit (EBIT), comparable	1 002	932	896	990	928
in %	10.7	10.1	10.2	12.0	11.8
Operating profit (EBIT) including exceptional items	1 002	1 138 ³	896	990	793 ¹
in %	10.7	12.3	10.2	12.0	10.1
Net profit, comparable	747	740	682	730	699
Net profit including exceptional items	747	902 ^{3,4}	463 ²	730	601
Cash flow from operating activities	1 076	902	808	782	690
Investments in property, plant, and equipment	183	183	252	132	124
Research & Development cost	138	134	127	115	113
Total equity	2 357	2 971	2 525	2 813	2 651
Equity ratio in %	28.5	33.3	32.4	36.0	35.0
Order backlog	9 364	9 263	7 722	7 083	6 438
Δ %	1.1	20.0	9.0	10.0	6.0
Δ % in local currencies	7.9	15.4	13.8	12.4	8.3
Number of employees	56 762	54 209	48 169	45 246	44 387

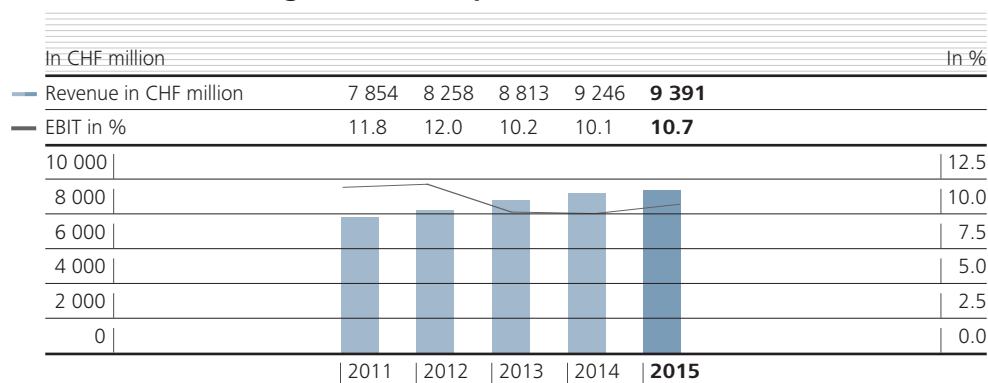
¹ LEAP restructuring costs: CHF 135 million

² Hyundai Elevator Co. Ltd. impairment: CHF 219 million

³ XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, gain on sale of Mall of Switzerland development project: CHF 82 million (CHF 75 million after taxes), impairment of intangible assets: CHF 21 million (CHF 18 million after taxes)

⁴ Hyundai Elevator Co. Ltd. impairment: CHF 40 million

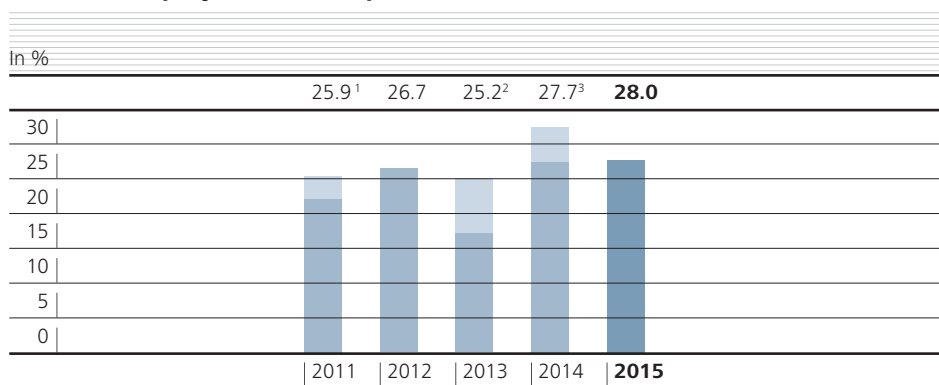
Revenue / EBIT margin before exceptional items



Revenue by market

	2015		2014		2013		2012		2011	
	In CHF million	In %	In CHF million	In %	In CHF million	In %	In CHF million	In %	In CHF million	In %
Europe	3 654	39	3 975	43	3 981	45	3 817	46	3 902	50
The Americas	2 636	28	2 578	28	2 496	28	2 400	29	2 233	28
Asia-Pacific, Africa	3 101	33	2 693	29	2 336	27	2 041	25	1 719	22
Total	9 391	100	9 246	100	8 813	100	8 258	100	7 854	100

Return on equity before exceptional items

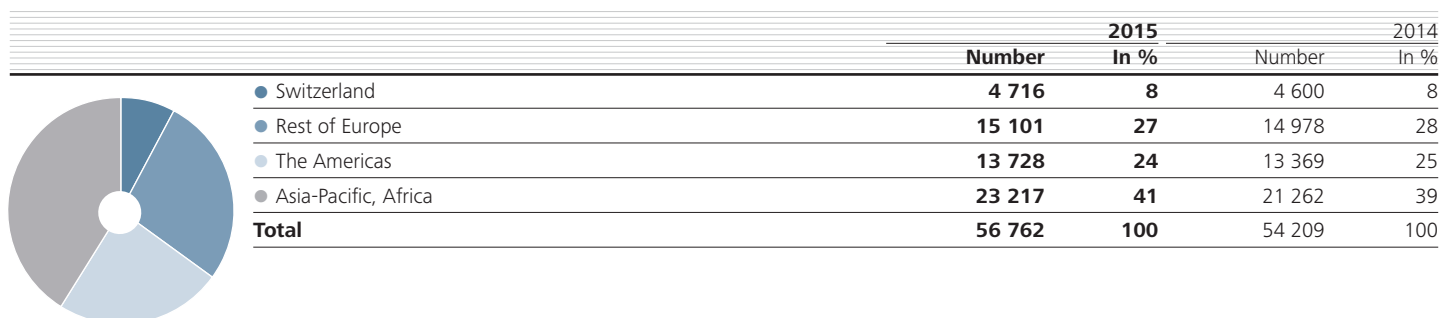


¹ After LEAP restructuring costs: 22.3%

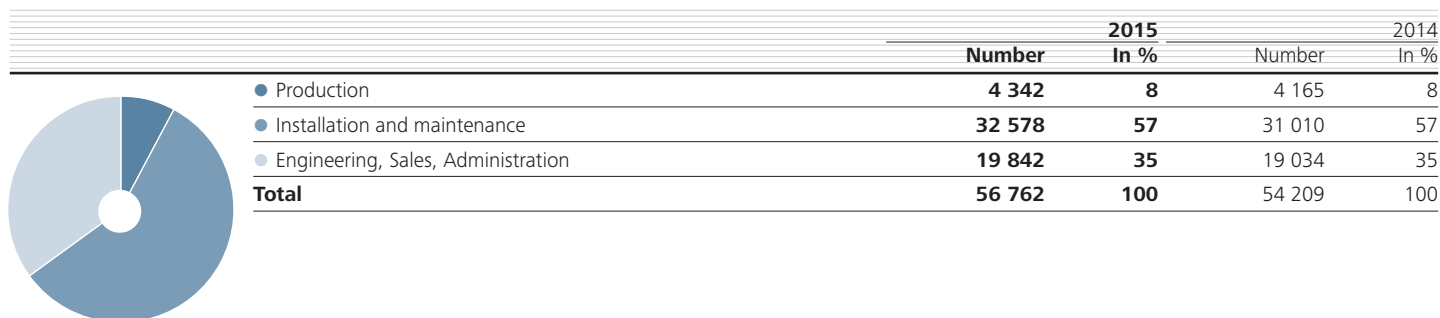
² After Hyundai Elevator Co. Ltd. impairment: 17.3%

³ After exceptional items: 32.8%

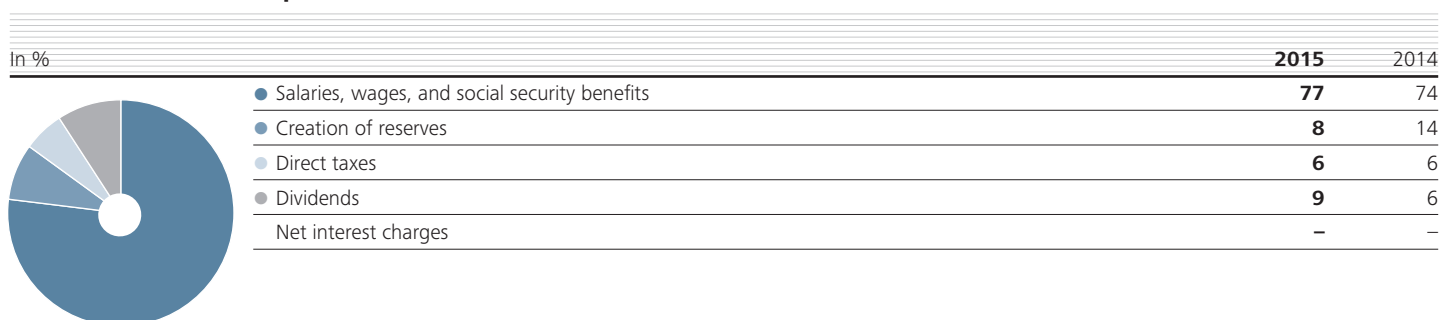
Headcount by market



Headcount by business area



Allocation of the Group's net value added



The Group's total value added is the increase in value achieved by the entire Group within a certain period of time. Net value added is calculated by subtracting the input value of goods and services sourced from other companies, as well as depreciation, amortization, and impairment from revenue. The distribution of the Group's net value added shows the extent to which employees, the state, creditors, the company itself, and its shareholders participate in this economically relevant amount.

Summary financial statements Schindler Holding Ltd.

Income statement¹

In CHF million	2015	2014
Income from participations	521	751
Financial income	24	39
Total operating income	545	790
Other operating expenses	-29	-22
Financial expenses	-21	-10
Total operating expenses	-50	-32
Extraordinary income	-	14
Profit before taxes	495	772
Taxes	-5	-11
Net profit	490	761

Balance sheet December 31¹

In CHF million	2015	2014
Cash and cash equivalents	1 162	1 779
Other current assets	588	713
Long-term financial assets	480	449
Participations	1 525	1 484
Total assets	3 755	4 425
Interest-bearing liabilities	1 025	1 092
Other liabilities	95	92
Total liabilities	1 120	1 184
Share capital and participation capital	11	11
Other equity	2 624	3 230
Total equity	2 635	3 241
Total liabilities and equity	3 755	4 425

¹ Only two comparative periods are shown as a result of the first-time application of the new Swiss Law on Accounting and Financial Reporting

Dividend

In CHF million	2015 ¹	2014	2013	2012	2011
Registered shares	184	216	149	154	140
Participation certificates	119	139	96	100	92
Total dividend	303	355	245	254	232
Gross dividend in CHF	2.70	3.20 ²	2.20	2.20	2.00

¹ Proposal by the Board of Directors

² Ordinary CHF 2.20; additional CHF 1.00

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).

Key figures registered share/ participation certificate

Registered share

In CHF	2015	2014	2013	2012	2011
Number of registered shares outstanding	68 061 802	68 180 352	70 887 645	71 440 056	71 776 700
thereof treasury shares	1 513 747	545 769	3 285 417	1 138 281	1 388 971
Nominal value	0.10	0.10	0.10	0.10	0.10
High	171.00	143.90	142.00	130.50	114.50
Low	125.10	119.80	120.20	104.10	79.25
Year-end rate	169.00	142.60	131.60	129.80	109.10
P/E ratio December 31 (before exceptional items)	27.5	23.0	23.7	21.9	19.5

Participation certificate

In CHF	2015	2014	2013	2012	2011
Number of participation certificates outstanding	44 236 311	44 618 533	46 171 909	46 894 800	48 609 400
thereof treasury shares	3 907 999	785 058	1 953 873	1 555 803	2 543 219
Nominal value	0.10	0.10	0.10	0.10	0.10
High	171.10	145.70	146.90	132.90	113.70
Low	124.90	120.50	121.40	102.60	78.10
Year-end rate	168.00	144.00	131.30	132.00	109.40
P/E ratio December 31 (before exceptional items)	27.4	23.2	23.6	22.3	19.5

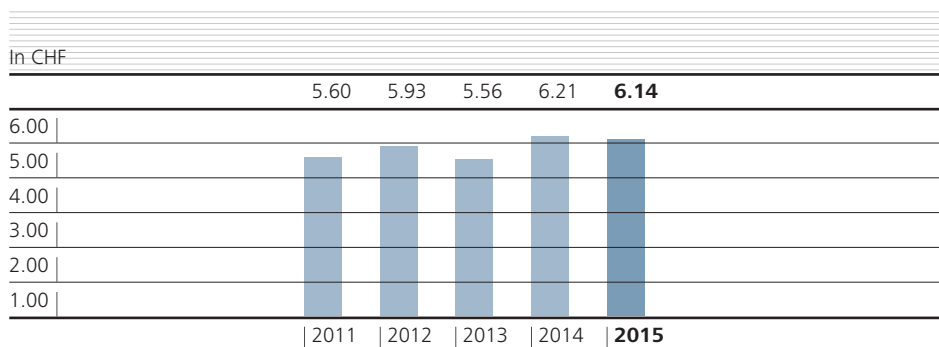
Information per registered share and participation certificate

In CHF	2015	2014	2013	2012	2011
Net profit	6.14	7.64	3.69	5.93	4.78
Net profit before exceptional items	6.14	6.21	5.56	5.93	5.60
Cash flow from operating activities	9.58	8.00	6.90	6.61	5.73
Equity at year-end	21.30	25.70	22.13	24.04	22.50
Gross dividend	2.70¹	3.20 ²	2.20	2.20	2.00
Pay-out ratio (in %)	44.0	41.9	59.6	37.1	41.8
Market capitalization (in CHF million)	18 934	16 148	15 391	15 463	13 149

¹ Proposal by the Board of Directors

² Ordinary CHF 2.20; additional CHF 1.00

Net profit per registered share and participation certificate before exceptional items



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.

Ticker and security number

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

Shareholders

At the end of 2015, registered shares of Schindler Holding Ltd. were held by 6 156 shareholders (previous year: 6 235).

On the same date, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 643 814 registered shares (previous year: 47 639 751) of Schindler Holding Ltd., corresponding to 70.0% (previous year: 69.9%) of the voting rights of the share capital entered in the Commercial Register.

Financial calendar

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	2016	2017
Annual results media conference	February 12	February 15
Ordinary General Meeting Schindler Holding Ltd.	March 22	March 16
First trading date ex-dividend	March 24 ^{1,2}	
Date of Schindler Holding Ltd. dividend payment	March 30 ¹	
Publication of selected key figures as of March 31	April 28	April
Publication of Interim Report as of June 30	August 16	August
Publication of selected key figures as of September 30	October 25	October

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

² The first trading date ex-dividend published in the Interim Report as of June 30, 2015, was subsequently amended. The value date of the dividend payment remains unchanged.

Important addresses

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The Annual Report of the Schindler Group for 2015 consists of the Group Review and the Financial Statements.

The original German version is binding. English and Chinese translations of the Group Review are available. The Financial Statements are published in German and English.

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Christoph Stalder,
Zurich, Switzerland

Premedia

Management Digital Data AG
Lenzburg, Switzerland

Printing

Multicolor Print AG
Baar, Switzerland

Photography

Michael Reinhard
Zurich, Switzerland



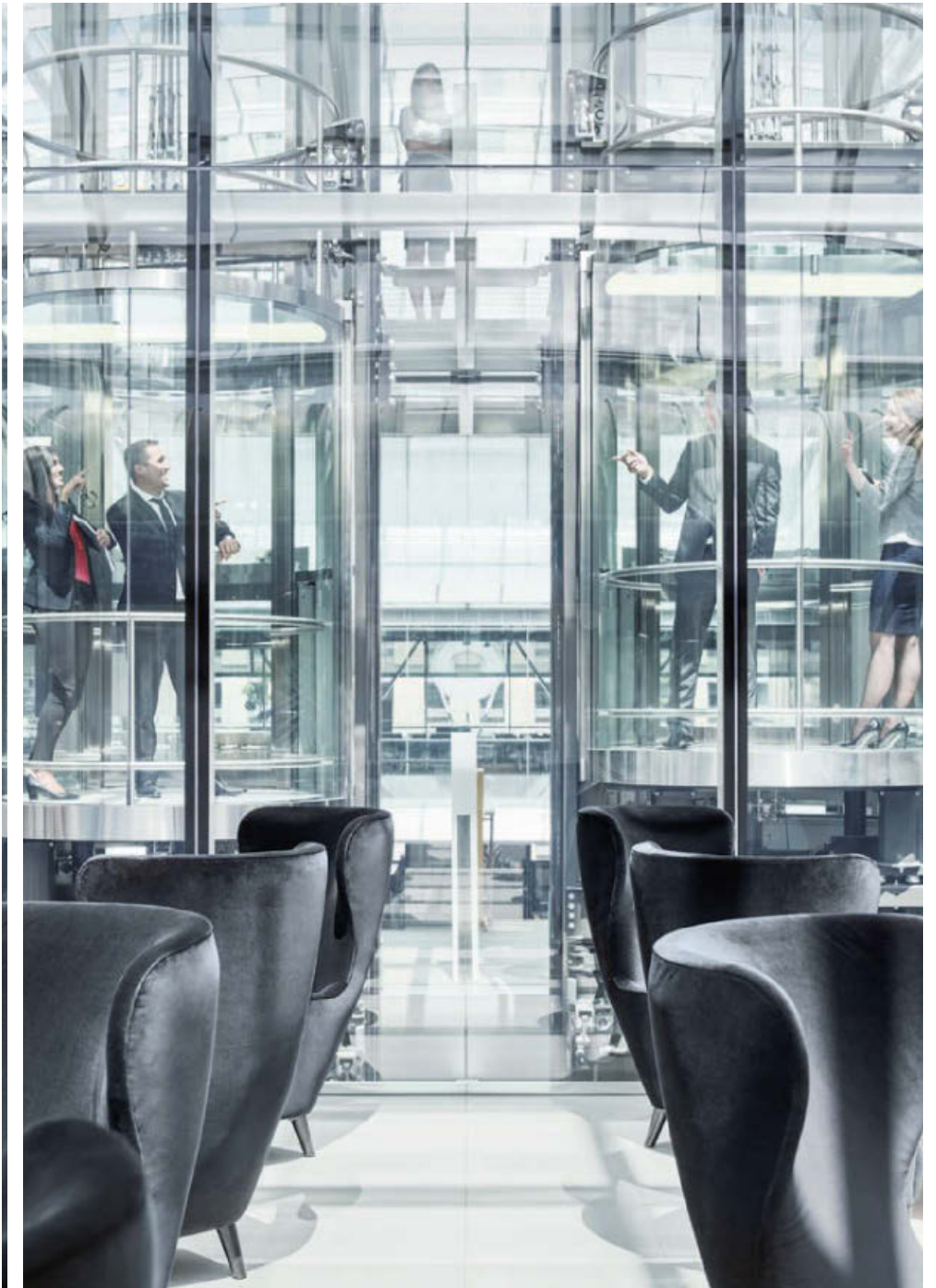


Abstract flow.

Everything has its order – but you must challenge complexity to understand its logic and patterns.

Richmond Burton
No name, 2004
Oil on linen: 277.5 x 121.0 cm

Gallery: Cheim & Read, New York, USA



Macquarie Bank headquarters, Sydney, Australia

This prestigious historic building dates from 1928 and recently underwent extensive renovations. Schindler modernized a number of elevators, supplied new installations, and made use of its state-of-the-art PORT Technology. In 2015, the project was named 'Project of the Year' by Elevator World.



Accelerating business.
Smart mobility solutions.
Financial Statements 2015



Schindler

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Consolidated income statement

In CHF million	Note	2015	%	2014	%
Revenue	4	9 391	100.0	9 246	100.0
Cost of materials		2 900	30.9	2 901	31.4
Personnel expenses	5	3 307	35.2	3 293	35.6
Other operating expenses	6	2 031	21.6	1 998	21.6
Depreciation, amortization and impairment	16, 17	144	1.5	157	1.7
Change in provisions		7	0.1	-14	-0.2
Total operating expenses		8 389	89.3	8 335	90.1
Other income	7	-	-	227	2.4
Operating profit		1 002	10.7	1 138	12.3
Financial income	8	52	0.6	64	0.7
Financial expenses	8	81	0.9	99	1.1
Income from associates	9	9	0.1	46	0.5
Profit before taxes		982	10.5	1 149	12.4
Income taxes	10	235	2.5	247	2.7
Net profit		747	8.0	902	9.7
Net profit attributable to					
Shareholders of Schindler Holding Ltd.		689	7.4	862	9.3
Non-controlling interests		58	0.6	40	0.4
Earnings per share and participation certificate in CHF					
Basic	11	6.28		7.74	
Diluted	11	6.26		7.70	

Consolidated statement of comprehensive income

In CHF million	Note	2015	2014
Net profit		747	902
Other comprehensive income – may be reclassified to the income statement in future			
Exchange differences		-107	62
Hedging transactions		21	-17
Available-for-sale financial assets	32	-6	112
Share of other comprehensive income of associates		-3	-1
Taxes		-4	-5
Total – may be reclassified to the income statement in future		-99	151
Other comprehensive income – not to be reclassified to the income statement in future			
Remeasurements of employee benefits	26	-78	-212
Share of other comprehensive income of associates		-1	-1
Taxes		10	39
Total – not to be reclassified to the income statement in future		-69	-174
Total other comprehensive income		-168	-23
Comprehensive income		579	879
Comprehensive income attributable to			
Shareholders of Schindler Holding Ltd.		532	834
Non-controlling interests		47	45

Consolidated balance sheet

Assets

In CHF million	Note	31.12.2015	%	31.12.2014 Restated ¹	%
Current assets					
Cash and cash equivalents		1 975	23.9	2 722	30.5
Marketable securities	12	557	6.7	321	3.6
Accounts receivable	13	1 652	20.0	1 696	19.0
Taxes receivable		75	0.9	78	0.9
Net assets from construction contracts	14	644	7.8	662	7.4
Inventories	15	435	5.3	508	5.7
Prepaid expenses and accrued income		131	1.6	130	1.4
Assets held for sale		6	0.1	6	0.1
Total current assets		5 475	66.3	6 123	68.6
Non-current assets					
Property, plant, and equipment	16	848	10.3	802	9.0
Intangible assets	17	870	10.5	985	11.0
Associates	19	220	2.7	227	2.5
Long-term financial assets	20	529	6.4	504	5.7
Deferred taxes	21	317	3.8	284	3.2
Total non-current assets		2 784	33.7	2 802	31.4
Total assets		8 259	100.0	8 925	100.0

¹ See note 2.1

Liabilities and equity

In CHF million	Note	31.12.2015	%	31.12.2014 Restated ¹	%
Liabilities					
Current liabilities					
Accounts payable	22	879	10.6	907	10.2
Financial debts	23	813	9.8	409	4.6
Taxes payable		101	1.2	126	1.4
Net liabilities from construction contracts	14	1 128	13.8	1 250	14.0
Accrued expenses and deferred income	24	1 620	19.6	1 497	16.8
Provisions	25	144	1.7	137	1.5
Total current liabilities		4 685	56.7	4 326	48.5
Non-current liabilities					
Financial debts	23	100	1.2	540	6.0
Provisions	25	334	4.1	330	3.7
Deferred taxes	21	107	1.3	107	1.2
Employee benefits	26	676	8.2	651	7.3
Total non-current liabilities		1 217	14.8	1 628	18.2
Total liabilities		5 902	71.5	5 954	66.7
Equity					
Share capital and participation capital	27	11	0.1	11	0.1
Share premium		311	3.8	311	3.5
Treasury shares	27	-819	-9.9	-143	-1.6
Exchange differences		-798	-9.7	-697	-7.8
Other reserves	27	122	1.5	113	1.3
Retained earnings		3 449	41.7	3 270	36.6
Equity of the shareholders of Schindler Holding Ltd.		2 276	27.5	2 865	32.1
Non-controlling interests		81	1.0	106	1.2
Total equity		2 357	28.5	2 971	33.3
Total liabilities and equity		8 259	100.0	8 925	100.0

¹ See note 2.1

Consolidated cash flow statement

In CHF million	Note	2015	2014 ¹
Profit before taxes		982	1 149
Financial result	8	29	35
Income from associates	9	-9	-46
Operating profit		1 002	1 138
Depreciation, amortization, and impairment	16, 17	144	157
Change in provisions		7	-14
Other non-cash items	29	69	-195
Dividends received		11	46
Interest received		26	33
Interest paid		-16	-21
Other financial result		12	4
Income taxes paid		-284	-266
Change in net working capital		105	20
Cash flow from operating activities		1 076	902
Additions			
Property, plant, and equipment	16	-183	-183
Intangible assets	17	-13	-8
Associates		-5	-3
Marketable securities / Long-term financial assets		-730	-535
Disposals			
Property, plant, and equipment	16	5	17
Associates		3	-
Marketable securities / Long-term financial assets		440	690
Assets held for sale		-	37
Disposals of Group companies		-	48
Business combinations		-19	48
Cash flow from investing activities		-502	111
Proceeds from increase in financial debts		13	24
Repayments of financial debts		-63	-240
Acquisition of non-controlling interests		-78	-3
Purchase of treasury shares	27	-784	-93
Disposal of treasury shares	27	22	17
Dividends paid to the shareholders of Schindler Holding Ltd.	39	-355	-245
Dividends paid to non-controlling interests		-53	-14
Cash flow from financing activities		-1 298	-554
Exchange differences		-23	35
Change in cash and cash equivalents		-747	494
Cash and cash equivalents as at January 1		2 722	2 228
Cash and cash equivalents as at December 31		1 975	2 722

¹ See note 2.1

Consolidated statement of changes in equity

In CHF million	Share and PC capital	Share premium	Treasury shares	Exchange differences	Other reserves	Retained earnings	Total	Non- controlling interests	Total Group
December 31, 2013	12	311	-639	-750	23	3 518	2 475	50	2 525
Restatement ¹						-25	-25	-	-25
January 1, 2014	12	311	-639	-750	23	3 493	2 450	50	2 500
Net profit						862	862	40	902
Other comprehensive income				53	90	-171	-28	5	-23
Comprehensive income				53	90	691	834	45	879
Dividends						-245	-245	-14	-259
Cancellation of treasury shares	-1		552			-551	-		-
Change in treasury shares			-56			-20	-76		-76
Share-based payments						19	19		19
Change in non-controlling interests						-117	-117	-19	-136
Business combinations								44	44
December 31, 2014	11	311	-143	-697	113	3 270	2 865	106	2 971
Net profit						689	689	58	747
Other comprehensive income				-101	9	-65	-157	-11	-168
Comprehensive income				-101	9	624	532	47	579
Dividends						-355	-355	-53	-408
Cancellation of treasury shares	-		66			-66	-		-
Change in treasury shares			-742			-29	-771		-771
Share-based payments						27	27		27
Change in non-controlling interests						-59	-59	-19	-78
Change in liabilities towards non-controlling interests						37	37		37
December 31, 2015	11	311	-819	-798	122	3 449	2 276	81	2 357

¹ See note 2.1

Notes to the consolidated 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

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

2.1 Main changes in accounting principles

2.1.1 Changes in IFRS

The following amended IFRS standards were applied with effect from January 1, 2015:

- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle

As of January 1, 2015, the Schindler Group applied the amended IFRS standard Defined Benefit Plans: Employee Contributions – Amendments to IAS 19. In accordance with the option introduced, the Schindler Group now recognizes employee contributions in the period in which the related service is rendered. This resulted in an increase in the defined benefit obligation in the amount of CHF 29 million as of January 1, 2014, and December 31, 2014 (CHF 25 million after tax). The amendment was applied retrospectively, in accordance with IAS 8. The impacts on the income statement are not significant.

The application of the other changes did not have any material impact on accounting practices or on the Schindler Group's financial position, results of operations, and cash flows.

2.1.2 Changes in presentation

The presentation of equity in the consolidated balance sheet and consequently in the consolidated statement of changes in equity was adjusted for the reporting year. Equity positions such as share premium, treasury shares, and exchange differences are newly disclosed on the face of the consolidated balance sheet and consolidated statement of changes in equity. This change is intended to further enhance transparency and to increase the relevance of the information provided.

Furthermore, the presentation of the consolidated cash flow statement has been adjusted to incorporate dividends received, taxes paid, interest received, and interest paid directly as part of cash flow from operating activities. Previously, these items were disclosed separately.

For both changes in presentation prior periods have been adjusted accordingly.

2.2 Published standards, interpretations, and amendments not yet applied

The impact of IFRS 9 – Financial Instruments (effective date: January 1, 2018), IFRS 15 – Revenue from Contracts with Customers (effective date: January 1, 2018) and IFRS 16 – Leases (effective date: January 1, 2019) on accounting practices is currently being analyzed. There are no plans for an early adoption of the standards prior to the mandatory effective date.

The other amendments to IFRS are currently not expected to have any material impact on accounting practices or on the Schindler Group's financial position, results of operations, and cash flows.

2.3 Significant estimates and judgments

The consolidated financial statements prepared in accordance with IFRS contain certain assumptions and estimates that influence the figures presented in this report. They are based on analyses and judgments, which are continuously reviewed and adapted if necessary. The actual results may differ from these estimates.

2.3.1 Estimates and assumptions

Taxes

Current income taxes are calculated on the basis of the results for the reporting year. The actual amount of income tax due may differ from the amount that was originally calculated because the final tax assessment may be made several years after the end of the reporting year. Risks resulting thereof are identified, assessed and recorded if necessary. Deferred tax assets are calculated on the basis of significant estimates. The underlying forecasts cover a period of several years and include interpretations of existing tax laws and regulations.

Provisions

Provisions contain a greater degree of estimation than other balance sheet items and can therefore result in a higher or lower outflow of resources, depending on the development of the relevant situation. Provisions for product liability as well as self-insurance are based on actuarial reports. They take account of all units under maintenance (product liability) and all employees (self-insurance), as well as the probability of occurrence based on historical experience. The amounts recorded as provisions are therefore subject to a degree of uncertainty both in terms of timing and the level of future cash outflows.

Employee benefits

The annual reappraisal of various defined benefit plans depends on long-term actuarial assumptions that may differ from actual future developments. The determination of the discount rate and of future changes in salaries/wages are important assumptions in actuarial valuations.

2.3.2 Judgments

Associates

In general, the Schindler Group is assumed to have significant influence over companies in which it has an investment of more than 20%. However, qualitative factors must also be taken into account in the assessment. In the previous year, the Schindler Group had no significant influence over Hyundai Elevator Co. Ltd., in which it held a 21.5% investment, as it has no representative on the board of directors and has no access to detailed information about the company. Furthermore, no transactions are executed between the Schindler Group and Hyundai Elevator Co. Ltd. Since August 15, 2011, this investment has therefore no longer been recognized as an associate and is, instead, reported as a long-term available-for-sale financial asset. In the reporting year, the investment was diluted to 17.1% (see note 20).

3 Summary of main accounting principles

3.1 Consolidation

3.1.1 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).

There were no material changes to the scope of consolidation during the reporting year. In 2014, Schindler sold its 74% participation in EbiSquare AG, Ebikon, Switzerland (see note 7), and it consolidated XJ-Schindler (Xuchang) Elevator Co. Ltd., Henan, China, for the first time (see note 28).

An overview of material Group companies is provided in note 38.

3.1.2 Consolidation principles

The consolidated financial statements are based on the annual financial statements of the individual Group companies that are prepared according to a uniform set of accounting and reporting principles. These companies are controlled directly or indirectly by Schindler Holding Ltd. Control exists if Schindler is exposed, or has rights, to variable returns or if it has the ability to affect the amount of those returns through its power over a company. When assessing whether Schindler has power over a company, the voting rights held (normally a share of more than 50% of voting rights) and other contractual agreements, as well as operational responsibility, are taken into account.

The assets, liabilities, income, and expenses of all Group companies are consolidated. Non-controlling interests are reported separately. All intra-Group relationships and transactions are eliminated upon consolidation; this includes unrealized profits between Group companies.

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 sold by the Group are consolidated until the date on which control is transferred to the acquirer.

Companies in which Schindler has significant influence but which are not controlled by Schindler are classified as associates and accounted for using the equity method.

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Acquisition costs comprise the consideration paid, including the proportion of the purchase price retained for contractual representations and warranties, and contingent consideration. The latter is recognized at fair value on the transaction date. Subsequent changes in the fair value of contingent consideration are recognized in the income statement. Transaction costs are recognized as operating expenses.

Net assets acquired comprise identifiable assets, liabilities, and contingent liabilities and are recognized at fair value. Identifiable intangible assets mainly consist of service portfolios. The difference between the acquisition costs and the fair value of the proportionate interest in the net assets acquired is recognized as goodwill.

Non-controlling interests are generally recognized in the balance sheet according to their proportionate share of the fair value of the net assets acquired.

Goodwill and changes in the fair value of the net assets are recognized in the assets and liabilities of the acquiree in its functional currency. Goodwill is allocated to those cash-generating units that are expected to benefit from the acquisition and/or to generate future cash flows.

If the Schindler Group gains control of an associate (business combination achieved in stages), the previously held interests are measured at fair value at the acquisition date. Any gain or loss resulting from the remeasurement is recognized in other income. Items previously recognized in other comprehensive income are reclassified to profit or loss where required.

In the case of acquisitions, it is common practice for the Schindler Group to acquire call options and to write put options for the remaining interests that were not acquired. Shares of the profits continue to be allocated to the non-controlling interests. Liabilities from written put options are measured at the present value of the redemption amount. These financial liabilities are remeasured annually and the resulting differences are recorded in retained earnings without any impact on the income statement.

3.1.4 Change in interests held and disposals

Changes in the interests held in Group companies are recognized as equity transactions provided that control is maintained. If control of a Group company is lost, e.g. through its sale, the difference between the consideration received and the net assets disposed of, plus accumulated exchange differences, is reported as other income in the income statement.

3.1.5 Associates

The carrying amount of associates comprises goodwill and the proportionate fair value of the net assets. The Group's share of the associated income as well as amortization and impairments are recognized in the income statement as income from associates. Exchange differences are recognized in other comprehensive income. In the event of a partial or complete sale of an associate, the difference between the consideration received and the carrying amount plus components of other comprehensive income, where required, are recognized in the income statement as income from associates.

3.2 Translation of foreign currency

The functional currency of Group companies is generally the currency used in the primary economic environment in which they operate. Transactions in foreign currencies are translated at the exchange rate that applied on the transaction date. Exchange rate gains and losses resulting from such transactions or from the revaluation of foreign currency assets and liabilities at the balance sheet date are recognized as financial income or expenses.

The annual financial statements of Group companies that are reported in foreign currencies are for consolidation purposes translated into Swiss francs as follows: balance sheet at year-end rates, and the income statement, statement of comprehensive income, and cash flow statement at average rates or at the spot rate for significant transactions.

The change in accumulated exchange differences from the translation of foreign companies is reported in other comprehensive income. If the company is sold, or if part of it is sold and control is lost, the accumulated exchange differences are reclassified to the income statement. Accumulated exchange differences are also recognized in the income statement when control is gained over an associate.

The exchange rates for the most significant foreign currencies are as follows:

			2015		2014	
			Year-end rate	Average rate	Year-end rate	Average rate
Eurozone	EUR	1	1.09	1.08	1.20	1.22
USA	USD	1	1.00	0.97	0.99	0.92
Brazil	BRL	100	25.16	29.47	37.30	39.08
China	CNY	100	15.30	15.38	15.94	14.89

3.3 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.

3.4 Revenue recognition

Income from construction contracts is determined based on the stage of completion of the contract and recognized as revenue (see note 3.8). Anticipated losses on construction contracts are recognized as provisions.

Income from other customer contracts, particularly repairs, is recognized as revenue at the date when they are performed. Maintenance is generally provided periodically and revenue is therefore recognized on a straight-line basis. Discounts, sales taxes, and other sales-related reductions in income are deducted from revenue.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, and time deposits with an original maturity of a maximum of 3 months.

3.6 Marketable securities

Time deposits with a maturity of 3 to 12 months or a residual maturity of up to 12 months, as well as financial instruments that Schindler intends to hold on a short-term basis, are recognized as marketable securities.

3.7 Accounts receivable

Trade accounts receivable and other receivables do not bear interest and are reported at face value less allowances for bad debts.

Bad debt allowances are based on internal guidelines that require individual value adjustments to first be undertaken. Taking account of their age structure and based on historical experience, certain residual balances are subject to additional allowances of between 33% and 100%.

3.8 Construction contracts

Construction contracts are recognized using the percentage of completion (PoC) method. Construction contracts mainly comprise all orders for new installations and the modernization of existing installations. The percentage of work completed is determined by measuring the stage of completion of a contract according to the cost-to-cost method, under which the accumulated costs to date are expressed as a percentage of the expected total costs. After offsetting progress payments from customers, work in progress is recognized as net assets or net liabilities from construction contracts.

3.9 Inventories

Inventories are recognized at the lower of cost of purchase or production cost or the net realizable value. The cost of purchase or production cost is calculated using the weighted average cost method. The net realizable value corresponds to the estimated sales proceeds less the estimated cost of completion. Based on a range analysis, items with a slow rate of turnover are written down by 20% to 100%. Technically obsolete items are written off.

3.10 Property, plant, and equipment

Property, plant, and equipment as well as investment properties not used for operational purposes are valued at cost less accumulated depreciation. Borrowing costs related to qualifying assets are capitalized.

Property, plant, and equipment are depreciated on a straight-line basis over their useful life. Land is not depreciated systematically. In the event that the impairment test indicates that the carrying amount exceeds the recoverable amount, the carrying amount is reduced accordingly. Impairment losses are recognized in the income statement and reported separately in the notes.

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.

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

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

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

3.11 Leasing

Property, plant, and equipment acquired through lease contracts where the benefits and risks are substantially transferred to the Group are classified as finance leases. These assets are recognized both in property, plant, and equipment and in financial liabilities at the lower of fair value or the net present value of future minimum lease payments. Assets from finance leases are depreciated over the shorter of their expected useful life or the duration of the contract.

Operating leases are recognized as an operating expense.

3.12 Intangible assets

Goodwill, service portfolios acquired from third parties, licenses, patents and similar rights, as well as software are recognized 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 impairment may have occurred. Goodwill is not amortized systematically but is, instead, tested for impairment annually, or whenever there are indications that impairment may have occurred.

Impairment losses are recognized in the income statement and disclosed separately in the notes. Impairment expenses from earlier periods may 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	5–20
Software	3–5
Rights, patents, and licenses	3–10

3.13 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 future economic benefits can only be proven when the products are successfully launched in the market.

3.14 Financial instruments

3.14.1 Financial assets

Categorization and measurement

Financial assets comprise cash and cash equivalents, accounts receivable, marketable securities, and other long-term financial assets. Marketable securities are divided into short- and long-term marketable securities. Time deposits with a residual maturity of more than 12 months are recognized as marketable securities under long-term financial assets.

Financial assets are divided into the following categories:

Category	Type of financial assets	Measurement at initial recognition	Subsequent measurement
At fair value through profit or loss	<ul style="list-style-type: none"> – Held for trading – Designated at initial recognition – Derivatives (unless designated for hedge accounting) 	– At fair value	<ul style="list-style-type: none"> – At fair value – All value changes are reported through profit and loss
Loans and receivables	– Non-derivative assets with fixed or determinable payments not quoted in active markets	– At fair value including transaction cost	– At amortized cost using the effective interest method
Available-for-sale	– All other financial assets	– At fair value including transaction cost	<ul style="list-style-type: none"> – At fair value – Unrealized value changes are reported through other comprehensive income – Interest, foreign currency fluctuations, and dividends are recognized through profit and loss – On sale, impairment, or other derecognition the accumulated gains and losses recognized in other comprehensive income are reclassified to profit and loss

All purchases and sales are recognized at trade date, i.e. the date at which the commitment to purchase or sell the asset is entered into.

Financial assets are derecognized when control of them is lost, i.e., when the related rights to the resulting cash flows are sold or expire.

Impairment

Whenever there is objective evidence of possible impairment (e.g. serious financial difficulties of the debtor, insolvency proceedings, etc.), the carrying amounts of financial assets not measured at fair value through profit or loss are tested to determine whether impairment has actually occurred. Impairment expenses are recognized through profit or loss.

In the case of available-for-sale financial instruments, evaluations are carried out to identify significant or prolonged declines in market prices below original cost. The evaluations take account of factors such as the length and extent of the decrease in market prices below original cost, as well as historical price movements. If the requirements are met, an impairment is recognized through profit or loss. Further declines in market prices that occur after an impairment has been recorded are recognized in the income statement. However, reversals of impairment losses are recognized in other comprehensive income.

3.14.2 Financial liabilities

Financial liabilities comprise financial debt instruments issued, especially trade accounts payable, liabilities to banks, liabilities from finance leases, derivative financial liabilities, and financial debts.

Financial debt instruments issued are divided into two categories:

Category	Type of financial liabilities	Measurement at initial recognition	Subsequent measurement
At fair value through profit or loss	<ul style="list-style-type: none"> – Held for trading – Designated at initial recognition – Derivatives (unless designated for hedge accounting) 	– At fair value	<ul style="list-style-type: none"> – At fair value – All value changes are reported through profit and loss
Other financial liabilities	– All other financial liabilities	– At fair value including transaction cost	– At amortized cost using effective interest method

3.14.3 Derivative financial instruments and hedge accounting

Schindler hedges interest rate risks and foreign currency risks arising from its operational activities, financial transactions, and investments using derivative financial instruments. These instruments are measured at fair value. The initial measurement at fair value occurs on the date on which derivative contracts are entered into. They are subsequently recognized at fair value through profit or loss unless the derivative financial instrument was designated for hedge accounting.

For hedge accounting to be applied, various criteria must be fulfilled relating to documentation, probability of occurrence, effectiveness of the hedging instrument, and reliability of the valuation. The Schindler Group decides on an individual basis whether hedge accounting is applied.

Changes in value resulting from cash flow hedge accounting are recognized in other comprehensive income and reclassified to the income statement when the underlying transaction occurs. Ineffective changes in the fair value of designated derivatives are recognized immediately in the financial result.

3.14.4 Fair value hierarchy

All financial instruments are assigned to one of the following fair value levels according to the input data available:

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 input data.

3.14.5 Treasury shares

Treasury shares (including registered shares and participation certificates) are reported as a deduction in equity. The cost of purchasing treasury shares, gains or losses realized on the sale, and other changes in the number or amount of treasury shares held are recognized in equity.

3.15 Provisions

Provisions are only recorded if Schindler has a probable obligation (legal or constructive) to third parties as a result of a past event and if the obligation can be reliably estimated. Existing provisions are reassessed at every 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.

Restructuring provisions are calculated and recognized on the basis of the restructuring plans that have been announced. Provisions for product liability as well as self-insurance are based on external actuarial reports that are drawn up annually.

3.16 Taxes

3.16.1 Current income taxes

Current income taxes are determined on the basis of the results for the reporting year, taking account of national tax laws in the relevant jurisdictions. Additional tax payments or tax refunds that are expected to be made or have been made for previous years are taken into account.

3.16.2 Deferred 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 tax base are recognized accordingly.

Deferred tax assets from unused tax loss carryforwards, as well as deductible temporary differences, are recognized if it is probable that the corresponding tax benefits can be realized. Forecasts serve as the basis for this assessment. Deferred tax liabilities are calculated on all taxable temporary differences.

The change in deferred tax assets and liabilities is recognized as tax expense. If underlying factors leading 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 recognized directly in other comprehensive income.

3.17 Employee benefits

The Schindler Group has both defined contribution plans and defined benefit plans. Its defined benefit plans are covered by separately held assets or are funded directly by the Schindler Group.

In the case of defined contribution plans, contributions are paid to publicly or privately administered pension 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 personnel expenses.

The aggregate of the present value of the defined benefit obligation and the fair value of plan assets for each plan is recognized in the balance sheet as a net defined benefit liability or net defined benefit asset. The defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. Employee contributions are recognized in the period in which the related service is rendered. Plan assets are not available to the creditors of the Schindler Group, nor can they be paid directly to the Group.

Pension costs consist of three elements: service costs, net interest, and rereasurements of employee benefits.

- Service costs are part of personnel expenses and consist of current service costs, past service costs (gains/losses from plan amendments or curtailments), and gains/losses from plan settlements.
- Net interest is recorded in the financial result and is determined by applying the discount rate to the net defined benefit liability or net defined benefit asset that exists at the beginning of the year.
- Gains and losses resulting from the actuarial valuation are recorded in other comprehensive income as rereasurements of employee benefits. The return on plan assets (excluding interest based on the discount rate) and any change in the effect of an asset ceiling are also recorded in this item. Rereasurements of employee benefits are not reclassified to the income statement.

Significant other long-term employee benefits (mainly jubilee benefits) are also measured using the projected unit credit method.

Termination benefits are recognized on the date on which the Schindler Group can no longer withdraw the offer of this type of benefit or on which restructuring provisions are recorded.

3.18 Share-based payments

Executive members of the Board of Directors of Schindler Holding Ltd. and members of the Group Executive Committee and other managers receive share-based payments.

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

The fair value of share-based payments is determined at grant date. At the same date, or over the period until the beneficiary is entitled to receive the award, the amount is charged to personnel expenses and recognized as an increase in equity.

4 Revenue

In CHF million	2015	2014
Billings	9 126	8 890
Change in work in progress (PoC)	228	328
Other operating revenue	34	27
Capitalized own production	3	1
Total revenue	9 391	9 246

Billings comprise all goods and services rendered and invoiced in the areas of production, installation, maintenance, and modernization less any discounts granted. Changes in work in progress that have not yet been invoiced are recognized using the percentage of completion (PoC) method. CHF 5 352 million of total revenue was determined using the PoC method (previous year: CHF 5 150 million).

5 Personnel expenses

In CHF million	Note	2015	2014
Salaries and wages		2 853	2 868
Cost of defined benefit plans	26	56	56
Cost of defined contribution plans		83	78
Share-based payments		27	19
Other personnel expenses		288	272
Total personnel expenses		3 307	3 293

Other personnel expenses primarily consist of social and insurance benefits.

6 Other operating expenses

In CHF million	2015	2014
Production, installation, maintenance, transport, and subcontractors	851	812
Employee-related expenses	304	303
Rent and leasing	152	159
Maintenance and repairs	70	75
Energy supply, consumables, and packing materials	161	175
Insurance, fees, and capital taxes	73	80
Administration and marketing	265	262
Other operating expenses	155	146
Other operating income	–	–14
Total other operating expenses	2 031	1 998

Employee-related expenses primarily consist of training costs, travel and other allowances, and work equipment.

Research and development costs of CHF 138 million were charged to the income statement (previous year: CHF 134 million).

7 Other income

In CHF million	Note	2015	2014
XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain	28	–	145
Gain on sale of Mall of Switzerland project		–	82
Total other income		–	227

In connection with the Mall of Switzerland development project, Schindler sold its 74% participation in EbiSquare AG as well as property, plant, and equipment in 2014. A gain on the sale totaling CHF 82 million was recognized, comprising CHF 51 million from deconsolidation as well as CHF 31 million from property, plant, and equipment held for sale.

8 Financial result

In CHF million	Note	2015	2014
Interest		26	34
Net income from securities		26	30
Total financial income		52	64
Hyundai Elevator Co. Ltd. impairment		–	40
Interest		17	23
Net interest on employee benefits	26	13	13
Increase in the present value of provisions	25	8	8
Net gains/losses on foreign exchange		1	–
0.375% exchangeable bond 2013–2017 revaluation	23	22	2
Other financial expenses		20	13
Total financial expenses		81	99
Financial result		–29	–35

Other financial expenses mainly comprise bank charges and financial transaction costs.

9 Income from associates

In CHF million	2015	2014
Share of profit or loss of associates	10	47
Amortization of intangible assets	–1	–1
Total income from associates	9	46

10 Income taxes

In CHF million	2015	2014
Income taxes for the reporting period	267	287
Income taxes for previous periods	–10	11
Deferred income taxes	–22	–51
Total income taxes	235	247

Reconciliation of income taxes

In CHF million	2015	%	2014	%
Profit before taxes	982		1 149	
Weighted average income tax rate as % of profit before taxes		23.3		21.9
Expected income tax expenses	229		252	
Tax effects of				
XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain	–		–25	
Gain on sale of Mall of Switzerland project	–		2	
Recognition/utilization of unrecognized tax loss carryforwards	–1		–3	
Other non-taxable income/other non-deductible expenses	6		–3	
Non-refundable withholding taxes	13		16	
Previous periods	–10		11	
Other differences	–2		–3	
Total income taxes	235	23.9	247	21.5

The weighted average tax rate is calculated using the enacted tax rates for the individual Group companies in each jurisdiction. Due to the composition of the Group's taxable income as well as changes in local tax rates, the average tax rate varies from year to year.

In the previous year, the tax rates were impacted by the gain on the sale of the Mall of Switzerland development project and the gain from the revaluation of the participation in XJ-Schindler (Xuchang) Elevator Co. Ltd. (see note 7). Excluding these exceptional items, the weighted average tax rate would have been 23.4% and the actual tax rate would have been 24.7%.

11 Earnings per share and participation certificate

		2015	2014
Net profit (shareholders of Schindler Holding Ltd.)	in CHF million	689	862
Shares and participation certificates	Number	112 298 113	112 798 885
Less treasury shares (weighted average)	Number	–2 634 294	–1 373 886
Outstanding shares and participation certificates (weighted average)	Number	109 663 819	111 424 999
Basic earnings per share and participation certificate	in CHF	6.28	7.74
Diluted net profit	in CHF million	689	862
Diluted shares and participation certificates	Number	110 095 691	111 922 971
Diluted earnings per share and participation certificate	in CHF	6.26	7.70

Basic earnings per share and per participation certificate are calculated as follows: net profit divided by the weighted average number of outstanding shares and participation certificates. Diluted earnings per share reflect the impact of the share-based payment plans at Schindler Holding Ltd.

12 Marketable securities

In CHF million	2015	2014
Time deposits	491	305
Other marketable securities	66	16
Total marketable securities	557	321

Other marketable securities mainly comprise bonds and shares.

13 Accounts receivable

In CHF million	2015	2014
Trade accounts receivable	1 485	1 523
Associates	10	11
Other accounts receivable	157	162
Total accounts receivable	1 652	1 696

13.1 Allowance of receivables

In CHF million	2015	2014
January 1	-157	-132
Setup	-36	-17
Usage	21	18
Additions from business combinations	-	-24
Exchange differences	10	-2
December 31	-162	-157

13.2 Aging analysis of receivables

2015

In CHF million	Total carrying amounts	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	1 647	505	336	296	201	125	184
Allowance	-162	-1	-2	-3	-8	-25	-123
Associates	10	3	2	1	2	-	2
Other receivables	157	122	16	6	1	3	9
Total receivables	1 652	629	352	300	196	103	72

2014

In CHF million	Total carrying amounts	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	1 680	485	361	320	195	132	187
Allowance	-157	-1	-2	-3	-6	-29	-116
Associates	11	3	2	2	2	-	2
Other receivables	162	137	12	5	2	1	5
Total receivables	1 696	624	373	324	193	104	78

As at the balance sheet date, there are no indications that customers will not meet their payment obligations for trade accounts receivable that are overdue but not impaired.

14 Construction contracts

In CHF million	2015	2014
Work in progress (PoC)	1 573	1 574
Progress payments from customers	-929	-912
Net assets from construction contracts	644	662
Work in progress (PoC)	1 135	1 086
Progress payments from customers	-2 263	-2 336
Net liabilities from construction contracts	-1 128	-1 250

15 Inventories

In CHF million	2015	2014
Raw materials, semifinished and finished goods	403	461
Advance payments to suppliers	32	47
Total inventories	435	508

Inventories include write-downs and write-offs of CHF 93 million (previous year: CHF 101 million) related to items with a slow rate of turnover and technically obsolete items.

16 Property, plant, and equipment (PPE)

2015

In CHF million	Land	Buildings	Equipment and machinery	Other PPE	Total
Net book values					
January 1	70	361	172	199	802
Additions	1	33	40	123	197
Disposals	–	–1	–3	–2	–6
Depreciation	–	–21	–38	–43	–102
Impairment	–	–1	–	–	–1
Reclassifications	–	45	11	–56	–
Exchange differences	–3	–14	–16	–9	–42
December 31	68	402	166	212	848
Of which finance leases	–	2	–	4	6
Cost	78	680	546	516	1 820
Accumulated depreciation and impairment	–10	–278	–380	–304	–972
December 31	68	402	166	212	848

Other property, plant, and equipment includes IT equipment, furniture, vehicles, and assets under construction. As at December 31, 2015, assets under construction totaled CHF 97 million (previous year: CHF 72 million). CHF 56 million (previous year: CHF 72 million) of the assets under construction were reclassified in the reporting year.

In the reporting year, the sale of property, plant, and equipment resulted in losses of CHF 1 million (previous year: gains of CHF 11 million). The sales proceeds are recognized in other operating income or other operating expenses respectively.

Contractual commitments for the acquisition of property, plant, and equipment amount to CHF 39 million (previous year: CHF 26 million).

Land and buildings include investment properties with a net book value of CHF 44 million (previous year: CHF 49 million). The fair value of investment properties is CHF 58 million (previous year: CHF 66 million). Of this sum, CHF 8 million was determined on the basis of external expert opinions (previous year: CHF 11 million). Rental income totaled CHF 4 million (previous year: CHF 5 million). This compares to operating expenses of CHF 2 million (previous year: CHF 3 million). The operating expenses relating to investment properties without rental income totaled CHF 1 million (previous year: CHF 2 million).

Investment properties are valued using the discounted cash flow method. Input factors such as the discount rate, rental income, and increases in rent are used, resulting in a level 3 fair value classification.

2014

In CHF million	Land	Buildings	Equipment and machinery	Other PPE	Total
Net book values					
January 1	63	240	135	217	655
Additions	–	38	57	92	187
Disposals	–3	–2	–1	–	–6
Depreciation	–	–18	–35	–45	–98
Additions from business combinations	–	31	6	4	41
Reclassifications	8	63	9	–80	–
Exchange differences	2	9	1	11	23
December 31	70	361	172	199	802
Of which finance leases	–	3	–	5	8
Cost					
Cost	80	618	557	496	1 751
Accumulated depreciation and impairment	–10	–257	–385	–297	–949
December 31	70	361	172	199	802

17 Intangible assets

In CHF million	Goodwill	Service portfolio	Other intangible assets	Total
Net book values 2015				
January 1, 2015	773	143	69	985
Additions	–	–	13	13
Amortization	–	–23	–18	–41
Additions from business combinations	–	19	–	19
Exchange differences	–95	–7	–4	–106
December 31, 2015	678	132	60	870
Cost				
Cost	698	408	166	1 272
Accumulated amortization and impairment	–20	–276	–106	–402
December 31, 2015	678	132	60	870
Net book values 2014				
January 1, 2014	520	178	44	742
Additions	–	–	8	8
Amortization	–	–26	–12	–38
Impairment	–7	–14	–	–21
Additions from business combinations	237	5	25	267
Exchange differences	23	–	4	27
December 31, 2014	773	143	69	985
Cost				
Cost	793	400	182	1 375
Accumulated amortization and impairment	–20	–257	–113	–390
December 31, 2014	773	143	69	985

In 2014, additions from business combinations in goodwill and in other intangible assets resulted from the first-time consolidation of XJ-Schindler (Xuchung) Elevator Co. Ltd. (see note 28).

Impairment losses in the service portfolio of CHF 14 million resulting from changes in estimates of future cash flows in the Saudi Arabia service portfolio were recognized in 2014. The recoverable amount of the service portfolio was CHF 18 million. A pre-tax discount rate of 10.7% was assumed when determining its value.

Other intangible assets comprise licenses, patents, and similar rights, as well as software.

18 Impairment test

In the context of the impairment test the value in use is determined annually in the third quarter 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 estimate for the reporting year and the forecast for the following two years form the basis for the test. Factors such as market conditions, sales volumes, revenue, cost of materials, personnel expenses, and operating expenses, as well as capital expenditure and other economic factors, are based on assumptions that management regards as reasonable. An impairment is recognized if the carrying amount of the cash-generating unit exceeds the recoverable amount.

The calculations were based on the following assumptions:

In CHF million	Goodwill 31.12.2015	Assumptions used		
		Pre-tax discount rate	Growth rate	Inflation rate
China	259	10.9%	3.0%	3.0%
Brazil	139	22.9%	4.5%	4.5%
Germany	119	8.6%	1.9%	1.9%
Switzerland	51	7.1%	1.0%	1.0%
Saudi Arabia	35	11.3%	2.9%	2.9%
Others	75			
Total	678			

No impairment was necessary. The item Others comprises five individually not significant cash generating units. A change in the assumptions used, e.g. in the event of a sustained deterioration in operating profit while the balance sheet and cost structure remain unchanged, would not result in an impairment of goodwill. Even if cash flow forecasts were based on 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.

In CHF million	Goodwill 31.12.2014	Assumptions used		
		Pre-tax discount rate	Growth rate	Inflation rate
China	270	9.8%	3.0%	3.0%
Brazil	207	18.9%	4.5%	4.5%
Germany	131	7.2%	1.7%	1.7%
Switzerland	51	6.0%	1.0%	1.0%
Saudi Arabia	34	10.7%	3.5%	3.5%
Others	80			
Total	773			

In 2014, a CHF 7 million impairment was recognized for the cash-generating unit in Saudi Arabia. The correction was based on the latest forecast, which projected lower future cash flows. The recoverable amount of the cash-generating unit in Saudi Arabia was CHF 82 million. If the expected operating profit had been lower or the discount rate had increased, a further impairment would have been recognized.

19 Associates

The values of associates are based on the most recent quarterly financial results of the individual companies for the reporting year. This means that the relevant income from associates is taken into account one quarter after it is reported. The same applies to other disclosures. If there are any material differences compared to the accounting policies applied by the Schindler Group, the values of the local financial statements are adjusted.

The Schindler Group holds a 27.9% investment (previous year: 28.2%) in ALSO Holding AG. ALSO Group, which is headquartered in Emmen, Switzerland, distributes products, solutions, and services in the areas of information technology, consumer electronics, and telecommunication products (ICT) throughout Europe.

ALSO Holding AG is listed on the SIX Swiss Exchange. The proportionate share of the fair value, calculated on the basis of the year-end rate of CHF 68.80 (previous year: CHF 51.85), was CHF 247 million (previous year: CHF 188 million). The carrying amount as at December 31, 2015, was CHF 184 million (previous year: CHF 195 million).

In June 2013, the Schindler Group issued a bond that can be exchanged for shares of ALSO Holding AG. The Schindler Group still has significant influence over ALSO Holding AG and the investment is classified as an associate. See note 23.1 for further details.

ALSO Holding AG

In CHF million	2015	2014
Revenue	8 239	8 521
Profit from continuing operations	63	68
Other comprehensive income	-14	-8
Comprehensive income	49	60
Dividends received	6	5
Current assets	1 587	1 692
Non-current assets	270	293
Current liabilities	1 095	1 199
Non-current liabilities	260	265
Equity	502	521
Investment	27.9%	28.2%
Share in equity	140	147
Goodwill	44	48
Carrying amount	184	195

Group's share of other associates

In CHF million	2015	2014
Profit/loss from continuing operations	-8	28
Comprehensive income	-8	28
Carrying amount	36	32

20 Long-term financial assets

In CHF million	2015	2014
Loans to associates	22	18
Marketable securities	106	112
Investment in Hyundai Elevator Co. Ltd.	213	223
Other long-term financial assets	188	151
Total long-term financial assets	529	504

The investment in Hyundai Elevator Co. Ltd. is treated as a long-term available-for-sale financial asset. The decrease in the value of the investment in the amount of CHF 10 million (previous year: increase of CHF 120 million) was recognized in other comprehensive income. In July 2015, Hyundai Elevator Co. Ltd. carried out a KRW 278 billion (CHF 232 million) capital increase. Schindler did not participate in the capital increase and thus its interest was diluted to 17.1% (previous year: 21.5%).

21 Deferred taxes

21.1 Deferred taxes by category

In CHF million	2015			2014		
	Assets	Liabilities	Net book value	Assets	Liabilities	Net book value
Current assets	83	-65	18	81	-38	43
Property, plant, and equipment	4	-13	-9	5	-10	-5
Intangible assets	11	-64	-53	14	-110	-96
Other non-current assets	1	-10	-9	2	-12	-10
Current liabilities	151	-39	112	143	-75	68
Provisions	89	-13	76	98	-17	81
Employee benefits	65	-	65	87 ¹	-	87
Other non-current liabilities	-	-1	-1	-	-	-
Tax loss carryforwards	11	-	11	9	-	9
Total deferred tax assets / deferred tax liabilities			210			177
of which recognized in the balance sheet as deferred tax assets			317			284¹
of which recognized in the balance sheet as deferred tax liabilities			-107			-107

¹ See note 2.1

The Group does not expect material additional tax liabilities due to dividend payments from Group companies.

21.2 Statement of changes in deferred taxes

In CHF million	2015	2014 ¹
January 1	177	70
Setup and reversal of temporary differences		
through the income statement	22	51
through other comprehensive income	6	34
Additions from business combinations	–	4
Exchange differences	5	18
December 31	210	177

¹ See note 2.1

21.3 Unrecognized deferred tax assets

In CHF million	2015	2014
Temporary differences	217	129
Tax loss carryforwards	192	208
Total basis	409	337
Unrecognized deferred tax assets	119	103

Deferred tax assets, including assets for unused tax loss carryforwards, are only recognized if it is probable that future profits will be available against which these assets can be offset for tax purposes. Unrecognized deferred tax assets mainly apply to companies with a history of tax losses and for which no or only a small taxable profit is expected in the future.

21.4 Tax loss carryforwards

In CHF million	2015		2014	
	Loss carry- forwards	Tax effects	Loss carry- forwards	Tax effects
Total	227	58	236	66
Recognized as deferred tax assets	–35	–11	–28	–9
Total unrecognized	192	47	208	57
of which expiring				
1–5 years	19	3	–	–
> 5 years	173	44	208	57

22 Accounts payable

In CHF million	2015	2014
Supplies and services	598	633
Associates	9	10
Social security	48	48
Indirect taxes and capital taxes	140	133
Other accounts payable	84	83
Total accounts payable	879	907

23 Financial debts

23.1 Current financial debts

In CHF million	2015	2014
Overdrafts	26	31
Liabilities to related parties	124	120
Current portion of non-current financial debts		
of bank loans	15	30
of finance leases	3	2
1.250% bond 2011–2016, nominal CHF 400 million	399	–
0.375% exchangeable bond 2013–2017	246	226
Total current financial debts	813	409

The 0.375% exchangeable bond issued in June 2013 with a nominal value of CHF 218 million can be exchanged for shares of ALSO Holding AG at a price of CHF 60.24 per share at any time during the term of the instrument. It is recognized as a current financial liability at fair value through profit or loss. In the reporting year, CHF 2 million were exchanged resulting in a decrease of the nominal value of the bond to CHF 216 million. As a consequence the Schindler Group holds a 27.9% (previous year: 28.2%) participation in ALSO Holding AG. This participation is still recognized as an associate (see note 19).

The exchangeable bond is listed on the SIX Swiss Exchange. Quoted prices in an active market are available. The market price of the bond was 113.95% (previous year: 104%) at year-end. The difference between the carrying amount at year-end and the amount to be repaid at the end of the term is CHF 30 million (previous year: CHF 8 million). The revaluation of the bond had a negative impact of CHF 22 million (previous year: CHF 2 million) on the financial result. In the reporting year, CHF 0 million (cumulative amount: CHF 0 million) of this amount is attributable to changes in own credit risk.

23.2 Non-current financial debts

In CHF million	2015	2014
1.250% bond 2011–2016, nominal CHF 400 million	–	398
Liabilities towards non-controlling interests	96	133
Finance leases	3	4
Other non-current financial debts	1	5
Total non-current financial debts	100	540

Liabilities towards non-controlling interests relate to the acquisition of XJ-Schindler (Xuchang) Elevator Co. Ltd. (see note 28). The Schindler Group exercised the right to acquire a further 5% of shares in XJ-Schindler (Xuchang) Elevator Co. Ltd. in 2015.

All Group companies complied with all debt covenants.

23.3 Maturity and average interest rate on financial debts

In CHF million	2015		2014	
	Book values	Effective interest rate in %	Book values	Effective interest rate in %
< 1 year	813	1.2	409	1.5
1–5 years	100	0.2	540	1.0
Total financial debts	913	1.1	949	1.3

24 Accrued expenses and deferred income

In CHF million	2015	2014
Personnel expenses	429	439
Follow-up work from construction contracts	371	300
Invoiced service contracts	359	353
Material cost and services	136	98
Other accrued expenses and deferred income	325	307
Total accrued expenses and deferred income	1 620	1 497

25 Provisions

In CHF million	Loss-making contracts	Restructuring costs	Product liabilities and warranties	Self-insurance	Others	Total
Current provisions	20	20	73	11	20	144
Non-current provisions	1	5	207	46	75	334
Total provisions	21	25	280	57	95	478

Statement of changes

January 1, 2015	21	36	255	69	86	467
Setup	31	20	76	10	19	156
Increase in present value	–	–	4	4	–	8
Usage	–30	–27	–50	–13	–7	–127
Reversal	–	–2	–5	–	–1	–8
Exchange differences	–1	–2	–	–13	–2	–18
December 31, 2015	21	25	280	57	95	478

Provisions for loss-making contracts are recorded to cover losses contained in the order backlog. The provisions are calculated on the basis of pre-calculations and past experience. Orders are usually completed within 9 to 24 months. The provisions are reversed as each order progresses.

Provisions for product liability are based on actuarial calculations by independent experts for cases that are expected to occur or have already occurred but are not yet resolved. The provisions are used as the payments are made, which may extend over a period of up to 10 years following the occurrence of damages. The provisions for

product liability are subject to a degree of uncertainty with regard to timing and the amount to be paid. Warranty provisions cover the risk of expenses that are expected to occur before the warranty period expires. These provisions are calculated on the basis of past experience.

The provisions for self-insurance mainly cover risks that are not, or not sufficiently, covered by local or state insurance in individual countries. These provisions are based on actuarial reports. The provisions are used as the payments are made, which may extend over a period of up to 10 years following the occurrence of damages. The provisions are subject to a degree of uncertainty with regard to timing as well as the amount to be paid.

Other provisions cover further risks relating to individual Group companies, such as litigation, as well as direct and indirect taxation. Other provisions are normally used within five years.

26 Employee benefits

In CHF million	2015			2014 ¹		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Switzerland						
Fair value of plan assets	1 873		1 873	1 824		1 824
Present value of defined benefit obligation	-2 111		-2 111	-1 993		-1 993
Plan deficit Switzerland	-238		-238	-169		-169
USA						
Fair value of plan assets	199		199	202		202
Present value of defined benefit obligation	-254	-47	-301	-254	-40	-294
Plan deficit USA	-55	-47	-102	-52	-40	-92
Other plans						
Fair value of plan assets	186		186	204		204
Present value of defined benefit obligation	-231	-266	-497	-244	-325	-569
Plan deficit other plans	-45	-266	-311	-40	-325	-365
Total						
Fair value of plan assets	2 258		2 258	2 230		2 230
Present value of defined benefit obligation	-2 596	-313	-2 909	-2 491	-365	-2 856
Total plan deficit	-338	-313	-651	-261	-365	-626
Present value of other employee benefits		-25	-25		-25	-25
Total net book value of employee benefits	-338	-338	-676	-261	-390	-651

¹ See note 2.1

The Schindler Group has a number of defined benefit plans. Certain plans are managed by legally separate entities. The governing bodies of these entities have an obligation to act in the interests of the plan participants and are also responsible for the investment strategy. The largest plans are in Switzerland and the USA. Together, they account for 83% (previous year: 80%) of the Group's total defined benefit obligation and 92% (previous year: 91%) of its plan assets.

Pension plans in Switzerland

Pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which states that pension plans are to be managed by independent, legally separate entities. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

Plan participants are insured against the financial consequences of old age, disability, and death. The insurance benefits are subject to regulations, with the BVG specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan. If a plan is underfunded, different measures can be taken, such as a reduction in benefits by altering the conversion rates or increasing current contributions. The BVG states how the employer and employees have to jointly fund potential restructurings.

The Schindler Pension Fund has the legal structure of a foundation. All actuarial risks are borne by the foundation. They consist of demographic risks (primarily life expectancy) and financial risks (primarily the discount rate, future increases in salaries/wages, and the return on plan assets) and are regularly assessed by the Board of Trustees. In addition, an actuarial report is drawn up annually in accordance with BVG requirements. The definitive funded status according to the BVG is determined in the first quarter of the following year. According to estimates, the funded status as at December 31, 2015, is 114% (previous year: 116%, definitive).

The Board of Trustees defines the investment strategy as often as necessary – especially in the case of significant market developments or changes to the structure of the plan participants – and at least once annually. When defining the investment strategy, it takes account of the foundation's objectives, benefit obligations, and risk capacity. The investment strategy is defined in the form of a long-term target asset structure (investment policy). The aim is to ensure that plan assets and liabilities are aligned in the medium and long term.

The funded plans also include the Schindler Foundation (an extra-mandatory, semiautonomous management pension plan). This plan for employees in management functions extends the insurance cover provided by the pension plan. All of the Schindler Foundation's actuarial risks are reinsured.

Pension plan in the USA

The Schindler Elevator Corporation Retirement Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which defines minimum standards such as the plan's statutory minimum funded status. An actuarial report on the plan is prepared annually in accordance with ERISA requirements. The definitive funded status is determined in the second quarter of the following year. According to estimates, the funded status as at December 31, 2015, is 113% (previous year: 114%, definitive).

Plan participants are insured against the financial consequences of old age, disability, and death. Contributions to the pension plan are paid entirely by Schindler Elevator Corporation. Pension entitlements are to a large extent insured with the government's Pension Benefit Guaranty Corporation.

The Benefit Administration Committee (BAC) is responsible for the internal structure and supervision of the plan. The BAC consists of qualified employees of Schindler Elevator Corporation, the majority of whom are members of the Executive Board. The assets are held in a legally separate entity. The Benefits Investment Committee (BIC) is responsible for investing the plan assets. The members of the BIC define the investment strategy, taking the plan's objectives, benefit obligations, and risk capacity into account.

No new plan participants have been accepted since 2002. Since 2003, the pension entitlements of employees who were more than 25 years from reaching the normal retirement age at that time were frozen. Instead of this defined benefit plan, a defined contribution plan pursuant to Internal Revenue Code 401(k) is now in place.

26.1 Cost of defined benefit plans

In CHF million	2015	2014
Service costs		
Current service costs	60	56
Gains/losses from settlements	-4	-
Total service costs	56	56
Net interest on employee benefits	13	13
Total pension expenses recorded in income statement	69	69
Of which arising from		
Funded pension plans	55	45
Unfunded pension plans	14	24

Service costs for the reporting year totaled CHF 42 million (previous year: CHF 38 million) for pension plans in Switzerland and CHF 6 million (previous year: CHF 5 million) for the pension plan in the USA. Net interest expenses for the reporting year totaled CHF 1 million (previous year: CHF 0 million) for pension plans in Switzerland and CHF 4 million (previous year: CHF 3 million) for the pension plan in the USA.

26.2 Remeasurements of employee benefits

In CHF million	2015	2014
Actuarial gains/losses		
Changes in demographic assumptions	-6	-35
Changes in financial assumptions	-25	-277
Experience adjustments	-72	1
Return on plan assets (excluding interest based on discount rate)	25	99
Total remeasurements recorded in other comprehensive income	-78	-212
Of which arising from		
Funded pension plans	-75	-176
Unfunded pension plans	-3	-36

Remeasurements recorded in other comprehensive income for the reporting year totaled CHF -68 million (previous year: CHF -121 million) for pension plans in Switzerland and CHF -8 million (previous year: CHF -25 million) for the pension plan in the USA.

26.3 Change in fair value of plan assets

In CHF million	2015	2014
January 1	2 230	2 079
Interest income (based on discount rate)	33	54
Return on plan assets (excluding interest based on discount rate)	25	99
Employee contributions	40	44
Employer contributions	51	53
Benefits paid	-119	-131
Exchange differences	-2	32
December 31	2 258	2 230

26.4 Change in present value of defined benefit obligation

In CHF million	2015			2014 ¹		
	Funded	Unfunded	Total	Funded	Unfunded	Total
January 1	-2 491	-365	-2 856	-2 164	-332	-2 496
Service costs	-51	-5	-56	-46	-10	-56
Interest costs	-38	-8	-46	-56	-11	-67
Actuarial gains/losses	-100	-3	-103	-275	-36	-311
Employee contributions	-40	-	-40	-44	-	-44
Benefits paid	119	18	137	131	21	152
Settlements	-	20	20	-	-	-
Exchange differences	5	30	35	-37	3	-34
December 31	-2 596	-313	-2 909	-2 491	-365	-2 856

¹ See note 2.1

26.5 Asset allocation of investments as at December 31

In %	2015				2014			
	CH	USA	Others	Total	CH	USA	Others	Total
Equity instruments	28.7	23.4	30.0	28.3	27.6	31.0	30.2	28.2
Bonds	20.8	44.5	7.6	21.8	19.9	44.0	10.1	21.2
Real estate	33.1	–	–	27.5	30.3	–	–	24.8
Hedge funds/Private equity	8.0	29.8	25.2	11.3	8.6	23.0	22.9	11.2
Cash and cash equivalents	2.9	2.3	0.9	2.7	5.9	2.0	0.2	5.0
Others	6.5	–	36.3	8.4	7.7	–	36.6	9.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The outflow of funds due to pension payments and other obligations can be forecast reliably. Contributions are paid regularly to funded pension plans. Furthermore, the various investment strategies take account of the need to guarantee the liquidity of the plans at all times. The Group does not make use of any assets held by pension plans.

Equity instruments represent investments in equity funds and direct investments. They generally have quoted market prices in an active market (level 1 fair value classification). The pension plan assets do not include any shares or participation certificates of Schindler Holding Ltd.

Bonds generally have a credit rating that is no lower than 'A' and have quoted market prices in an active market (level 1). They comprise investments in funds and direct investments.

Real estate is divided into residential and commercial properties and mainly comprises direct and indirect investments (level 2 or 3). Real estate that is held directly is valued annually by an independent expert.

Investments in hedge funds and private equity investments serve as alternative asset classes. They are used mainly for risk management purposes. In the case of hedge funds and private equity investments, no quoted market prices in an active market are usually available (level 2 or 3).

Cash and cash equivalents are invested with financial institutions that have at least an 'A' rating.

The item Others includes commodities, insurance-linked securities, and derivative financial instruments, among others (levels 1 to 3). The latter are acquired primarily for the purpose of hedging interest rate risks and foreign currency risks. The use of derivative financial instruments is only permitted if appropriate liquidity or underlying investments are available. Leveraging and short selling are not permitted.

The actual return on plan assets for 2015 was:

- Switzerland: 3% (previous year: 9%)
- USA: 2% (previous year: 11%)

26.6 Plan participants

	Active		Deferred		Retired		Total	
	2015	2014	2015	2014	2015	2014	2015	
Number	22 701	21 446	1 911	2 008	6 985	7 038	31 597	30 492
Present value of defined benefit obligation in CHF million	1 599	1 524 ¹	142	155	1 168	1 177	2 909	2 856 ¹
Share in %	55.0	53.4	4.9	5.4	40.1	41.2	100.0	100.0
Duration in years	15.9	15.6	16.5	17.4	10.5	9.4	13.8	13.7

¹ See note 2.1

Duration in years corresponds to the average weighted period.

The following employer contributions are expected for the reporting year 2016:

- Switzerland: CHF 43 million
- USA: CHF 7 million
- Other plans: CHF 8 million

26.7 Significant actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. Actuarial assumptions are required for this purpose.

In %	Switzerland		USA	
	2015	2014	2015	2014
Discount rate	0.90	1.10	4.46	4.23
Increase in salaries/wages	1.00	1.40	2.50	2.50

Sensitivities of significant actuarial assumptions

The discount rate and the future increase in salaries/wages were identified as significant assumptions. The following impacts on the defined benefit obligation would result from changes in assumptions:

- A 0.25% increase/decrease in the discount rate would lead to a decrease/increase of 3% (previous year: 3%) in the defined benefit obligation.
- A 1.00% increase/decrease in the expected increase in salaries/wages would lead to an increase/decrease of 2% (previous year: 2%) in the defined benefit obligation.

The sensitivity analysis is based on reasonable possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

27 Equity

27.1 Share capital

	31.12.2015	31.12.2014
Number of registered shares	68 061 802	68 180 352
Nominal value in CHF	0.10	0.10
Share capital in CHF	6 806 180	6 818 035

27.2 Participation capital

	31.12.2015	31.12.2014
Number of participation certificates	44 236 311	44 618 533
Nominal value in CHF	0.10	0.10
Participation capital in CHF	4 423 631	4 461 853

The share capital and the participation capital were reduced in 2014 and 2015.

27.3 Treasury shares

	Registered shares			Participation certificates		
	Number	Average share price in CHF	Value in CHF million	Number	Average share price in CHF	Value in CHF million
January 1, 2014	3 285 417		405	1 953 873		234
Cancellation	-2 707 293	129.28	-350	-1 553 376	130.04	-202
Purchase	162 600	129.15	21	544 000	132.35	72
Share-based payments						
Disposal of treasury shares	-82 023	134.11	-11	-	-	-
Exercising of options and Performance Share Units	-112 932	61.98	-7	-159 439	81.54	-13
Difference in value due to disposal			-3			-3
December 31, 2014	545 769		55	785 058		88
Cancellation	-118 550	134.96	-16	-382 222	130.81	-50
Purchase	1 386 293	157.25	218	3 652 502	157.43	575
Share-based payments						
Disposal of treasury shares	-96 011	156.23	-15	-	-	-
Exercising of options and Performance Share Units	-203 754	78.53	-16	-147 339	95.02	-14
Difference in value due to disposal			-5			-1
December 31, 2015	1 513 747		221	3 907 999		598
Reserved for share-based payment plans	592 397			382 185		

See note 11 of the Financial Statements of Schindler Holding Ltd. for further details.

27.4 Other reserves

In CHF million	Hedging transactions	Financial assets available-for-sale	Share of other comprehensive income of associates	Total
January 1, 2014	7	16	–	23
Unrealized changes in fair value	–17	119	–1	101
Taxes on unrealized changes in fair value	1	–7		–6
Realized/reclassified changes in fair value	1	–7	–	–6
Taxes on realized/reclassified changes in fair value	–	1		1
December 31, 2014	–8	122	–1	113
Unrealized changes in fair value	19	–6	–3	10
Taxes on unrealized changes in fair value	–5	–		–5
Realized/reclassified changes in fair value	3	–	–	3
Taxes on realized/reclassified changes in fair value	1	–		1
December 31, 2015	10	116	–4	122

28 Business combinations

In early August 2014, the Schindler Group acquired a further 5% of shares in XJ-Schindler (Xuchang) Elevator Co. Ltd. This transaction was approved by the relevant Chinese authorities on August 18, 2014. From that date, the Schindler Group has held a controlling interest of 51% in XJ-Schindler (Xuchang) Elevator Co. Ltd., which has since been included in the scope of consolidation.

The purchase price was paid entirely in cash. As part of this business combination, the value of the previously held 46% participation was increased by CHF 145 million to fair value. The fair value was based on the agreed purchase price and was supported by an external expert opinion. The revaluation gain was recognized in other income (see note 7).

In 2014, the Group also obtained further rights to acquire 5% of shares in the company in each of the following three years (2015–2017). If these acquisition rights are not exercised, the vendor has the right in each of the subsequent years (2016–2018) to sell the corresponding 5% interest in the company to Schindler. Schindler concluded that it did not have present ownership in the 15% of XJ-Schindler (Xuchang) Elevator Co. Ltd. for which the call and put options exist. The 15% were therefore recognized as part of the non-controlling interests upon the first-time consolidation of XJ-Schindler (Xuchang) Elevator Co. Ltd. and receive an allocation of profit and loss. In the reporting year Schindler Group has exercised its first 5% of the call option thus resulting in a decrease of the liabilities towards non-controlling interests (see note 23).

XJ-Schindler (Xuchang) Elevator Co. Ltd., which is headquartered in Henan Province, is a leading Chinese elevator and escalator company with its own production, installation, and maintenance operations. With the acquisition of a majority interest in XJ-Schindler (Xuchang) Elevator Co. Ltd., Schindler strengthened its position in the residential and affordable housing segment – currently the largest segment of China's elevator market – and expanded its geographical presence.

The following assets and liabilities were consolidated at fair value as at August 18, 2014:

In CHF million	Fair value at acquisition date
Assets	
Cash and cash equivalents	80
Accounts receivable / prepaid expenses and accrued income	67
Net assets from construction contracts / inventories	31
Property, plant, and equipment	41
Intangible assets	25
Other non-current assets	6
Liabilities and equity	
Current liabilities	-153
Non-current liabilities	-2
Net assets	95
Fair value of 51% participation	288
Non-controlling interests	44
Total	332
Fair value of net assets	-95
Goodwill	237

Gross trade accounts receivable totaled CHF 88 million and the related provisions for bad debts totaled CHF 24 million. The fair value of all acquired receivables was therefore CHF 64 million. The identified intangible assets mainly comprised the acquired order backlog. Goodwill mainly reflected the value of the acquired market share of the Chinese elevator market, the complementary market coverage, and the expected synergy effects from the development of the market. The goodwill was allocated to the cash-generating unit China. Goodwill is not expected to be tax-deductible. The non-controlling interests were recognized according to their proportionate share of the fair value of the net assets acquired. In 2014, the newly consolidated company contributed CHF 127 million to Group revenue. The EBIT margin of XJ-Schindler (Xuchang) Elevator Co. Ltd. exceeded the average of the Schindler Group.

In addition, Schindler acquired the business activities or all the shares of various smaller companies in 2014 and 2015 that sell, install, modernize, and maintain elevators and escalators. Viewed individually and collectively, these acquisitions are, however, not significant. A total of CHF 19 million (previous year: CHF 32 million, including XJ-Schindler (Xuchang) Elevator Co. Ltd.) was paid for business combinations of the reporting year and deferred purchase consideration related to business combinations of previous years.

29 Other non-cash items

In CHF million	2015	2014
XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain	–	–145
Mall of Switzerland project	–	–75
Share-based payments	27	19
Others	42	6
Total other non-cash items	69	–195

In 2014 cash flows related to the Mall of Switzerland development project were disclosed in cash flow from investing activities.

30 Off-balance sheet transactions

30.1 Contingent liabilities

In CHF million	2015	2014
Guarantees in favor of third parties	78	72

Guarantees are reported as contingent liabilities and are only recognized as a provision if an outflow of resources embodying economic benefits is probable to occur.

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

The decision by the European Commission on February 21, 2007, regarding fines under competition law, as well as the decision by the Higher Regional Court in Vienna on December 14, 2007, to impose fines, resulted in civil damage claims against Schindler companies and other elevator companies being lodged with courts in Belgium, the Netherlands, and Austria. The total capital amount claimed jointly and severally from all the defendants involved in the proceedings – in which Schindler companies are involved as defendants – was EUR 233 million at the end of 2015. The Schindler companies in question consider the claims to be without merit.

On September 24, 2015, Schindler informed that Chinese authorities arrested managers of the Field Operation, including the local managing director. The investigations are still ongoing and focus on embezzlements of several investigated persons to the detriment of the company. Schindler is cooperating closely with the authorities and, as of this point, expects no further material consequences. Accordingly, no provisions were set-up.

30.2 Other unrecognized obligations

In CHF million	2015	2014
Irrevocable payment commitments resulting from unrecognized contracts	71	34

30.3 Maturity of lease payments

In CHF million	2015		2014	
	Real estate	Other operating leases	Real estate	Other operating leases
< 1 year	62	50	58	49
1–5 years	126	89	114	75
> 5 years	25	9	32	2
Total payments	213	148	204	126

Other operating leases mainly comprises vehicles, as well as equipment and machinery.

31 Financial risk management

31.1 Principles for risk management

As an internationally active group, Schindler is exposed to a variety of general and industry-specific risks. The most significant financial risks to which the Group is exposed are market risks (including interest rate risk, foreign currency risks and price risk), liquidity risks, and credit risks. These risks can have a material impact on the Group's financial position, results of operations, and cash flows.

Group Treasury manages these risks based on principles and guidelines determined annually by the Board of Directors, the Supervisory and Nomination Committee, and the Group Executive Committee. The risk policy is intended to promote sustainable growth, increase the value of the business, and minimize potential adverse effects on the Group's financial performance.

Schindler uses various risk management and control systems to anticipate, measure, monitor, and address risks. The Group Executive Committee and the Audit Committee review the appropriateness of the risk management and internal control systems at regular intervals – or immediately if unexpected risks arise – and changes are made if necessary. The Board of Directors and the Supervisory and Nomination Committee are informed promptly about material risks.

31.2 Market risks

In the course of its normal business activities, the Group is exposed to market risks arising mainly from changes in interest rates, foreign currency exchange rates, and prices of equity instruments.

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

31.2.1 Risk measurement and management

The Group-wide management of market risks is one of the main responsibilities of Group Treasury and is monitored by the Supervisory and Nomination Committee and the Finance Committee. The Finance Committee is composed of internal experts who are not members of the Board of Directors. If necessary, 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. They provide an approximate measurement of the risk that can arise based on specific assumptions in the event of isolated changes to individual parameters of a defined amount. The actual impacts on the statement of comprehensive income may differ substantially depending on how the market develops.

31.2.2 Interest rate risks

Interest rate risks result from changes in interest rates that can negatively affect the Group's financial position, results of operations, and cash flows. Fluctuations in interest rates lead to changes in the interest cost and interest income of variable interest-bearing assets and liabilities. The fair value of the bond that can be exchanged for ALSO shares is also impacted by changes in interest rates. The resulting fluctuations in value are recognized in the financial result.

The Schindler Group is exposed to interest rate risks primarily on the income side due to the strong positive net cash position. A significant portion of the financial assets are held in Swiss francs and therefore the Group is exposed to negative interest rates which have been avoided in the reporting year. The risk arising from financial liabilities is limited since the relevant interest rates are mainly fixed. The principal currencies in which Schindler is exposed to interest rate risks are the Swiss franc, the euro, the US dollar, the Brazilian real, the Indian rupee, and the Chinese renminbi.

The Supervisory and Nomination Committee defines the target structure of fixed and variable interest-bearing financial liabilities. Local short-term interest rate risks are not usually hedged by the Group companies. Taking account of the existing and planned debt structure, Group Treasury uses interest rate derivatives where necessary to align the financial liabilities to the structure defined by the Supervisory and Nomination Committee.

Risks from changes in interest rates are modelled using sensitivity analyses that demonstrate the effects of changes in market interest rates on interest expense and interest income. If market interest rates had been 100 basis points higher/lower during the reporting year, net interest income would have been CHF 27 million higher/lower (previous year: CHF 27 million higher/lower).

31.2.3 Foreign currency risks

The Group uses the Swiss franc as its reporting currency. The Group is exposed to foreign currency exchange movements, primarily in euro, US dollar, Chinese renminbi, and various other emerging-market currencies. This risk is categorized into transaction risk due to income and expenses in currencies other than the local reporting currency, or translation risk arising from the consolidation of the financial statement of foreign entities in Swiss francs.

The majority of income and expenses from operating activities are incurred in local currency. Where transactions in foreign currencies occur, these are managed either through matching the invoicing currency to the source currency of the materials expense, or by hedging through currency derivative transactions with counterparties with high-quality credit ratings.

Group-wide guidelines require each Group company to determine net transaction-related foreign currency exposure and hedge this, either centrally through Group Treasury, if possible or directly with external counterparties. Group Treasury combines the transaction risks by currency and creates natural hedging relationships. The remaining transaction risks are hedged by Group Treasury externally. Through this process Schindler is able to reduce its transaction-related foreign currency risks to a minimum.

Hedge accounting is applied in some Group companies where there is significant transaction risk. As a result, any gains or losses arising from marking to market these derivative hedge transactions are recognized in other comprehensive income and only reclassified to the income statement once the underlying hedged transaction is recognized.

Foreign currency positions may be taken for the purpose of optimizing the Group's financial result. Such transactions are subject to limits defined by the Board of Directors. The Supervisory and Nomination Committee receives quarterly updates from Group Treasury detailing the foreign currency risk exposures of the Group.

The Group companies are not permitted to speculatively obtain or invest in foreign currency cash. The Group's internal financing is executed in the relevant local currency.

The following tables show the net positions of significant currency hedges and the impact on the financial result in the event of a movement of +/- 5% in the respective currency.

2015

In CHF million	EUR	USD	GBP	AUD	BRL	CAD	CNY
Total ¹	104	-31	-34	-74	-9	-28	61

¹ – short positions / + long positions

In CHF million	Changes in value of +/-5%						
	EUR	USD	GBP	AUD	BRL	CAD	CNY
Impact on net financial result (+5%)	5	-2	-2	-4	-	-1	3
Impact on net financial result (-5%)	-5	2	2	4	-	1	-3

2014

In CHF million	EUR	USD	GBP	AUD	BRL	CAD	CNY
Total ¹	80	-22	-49	-66	-22	-59	46

¹ – short positions / + long positions

In CHF million	Changes in value of +/-5%						
	EUR	USD	GBP	AUD	BRL	CAD	CNY
Impact on net financial result (+5%)	4	-1	-2	-3	-1	-3	2
Impact on net financial result (-5%)	-4	1	2	3	1	3	-2

Unhedged net positions amount to less than CHF 10 million and the resulting foreign currency risks to the Group are insignificant.

Translation risks are only hedged in exceptional cases.

31.2.4 Price risks

The Group is exposed to price risks related to equity instruments held by the Group that are classified either as available-for-sale or at fair value through profit or loss. Investments in equity instruments are made on an individual basis upon the instruction of the Supervisory and Nomination Committee, the Finance Committee, or Group Treasury.

Schindler has investments in equity instruments totaling CHF 320 million (previous year: CHF 278 million). The investment in Hyundai Elevator Co. Ltd. accounts for the major proportion of these investments (CHF 213 million, previous year: CHF 223 million). Equity instruments also include shares and alternative investments. The corresponding price risks relate to price changes, which can negatively impact the Group's financial position, results of operations, and cash flows.

If the prices of the various equity instruments as at December 31, 2015, had been 10% higher/lower, net financial income would have been CHF 4 million higher or lower (previous year: CHF 4 million higher or lower). Other comprehensive income would have been CHF 28 million higher or lower (previous year: CHF 24 million higher or lower).

31.3 Liquidity risks

Liquidity risk is defined as the risk that the Group encounters difficulties in meeting its obligations on time or at a reasonable price.

The Schindler Group maintains a substantial liquidity reserve in the form of cash and cash equivalents in order 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.

Financial liabilities: carrying amounts and cash outflows

2015

In CHF million	Carrying amounts	Total	Cash outflows		
			< 1 year	1–5 years	> 5 years
Accounts payable	-691	-691	-691	-	-
Financial debts	-565	-578	-574	-4	-
Liabilities towards non-controlling interests	-96	-96	-	-96	-
Finance lease liabilities	-6	-7	-2	-4	-1
0.375% exchangeable bond 2013–2017	-246	-217	-217	-	-
Other financial liabilities	-849	-849	-849	-	-
Derivatives					
Cash inflows		2 472	2 366	106	-
Cash outflows		-2 488	-2 382	-106	-
Net	-16	-16	-16	-	-
Total	-2 469	-2 454	-2 349	-104	-1

2014

In CHF million	Carrying amounts	Total	Cash outflows		
			< 1 year	1–5 years	> 5 years
Accounts payable	-726	-726	-726	-	-
Financial debts	-584	-600	-186	-414	-
Liabilities towards non-controlling interests	-133	-133	-	-133	-
Finance lease liabilities	-6	-7	-2	-4	-1
0.375% exchangeable bond 2013–2017	-226	-219	-219	-	-
Other financial liabilities	-802	-802	-802	-	-
Derivatives					
Cash inflows		2 446	2 224	222	-
Cash outflows		-2 462	-2 240	-222	-
Net	-16	-16	-16	-	-
Total	-2 493	-2 503	-1 951	-551	-1

This information is based on contractually agreed, i.e. undiscounted interest payments and principal payments.

With the exception of coupon payments, the 0.375% exchangeable bond is not expected to result in outflows of cash but rather in a conversion into ALSO shares during its term to maturity. This delivery can take place on an ongoing basis. If the bond is not exchanged for ALSO shares, it will be redeemed on June 5, 2017. The coupon payments amount to less than CHF 1 million per year (see note 23.1).

31.4 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 not only comprises the immediate risk of default but also the risk of a credit rating downgrade, together with the potential occurrence of cluster risks.

Credit risks related to commercial business activities are managed by the Group companies, while counterparty risk related to financial institutions is centrally managed by Group Treasury.

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

The Group's risk policy stipulates that a major proportion of cash and cash equivalents must be invested in broadly diversified counterparties with a low default risk. Consequently, cash and cash equivalents are invested mainly in time deposits and in high-quality, low-risk, liquid securities issued by financial institutions that fulfill certain minimum requirements in terms of their credit ratings.

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

To actively manage its credit risk, the Group has defined limits for the value of assets that may be held with any one financial institution. The limits are regularly assessed and determined based upon credit ratings and credit default swaps.

Creditworthiness is categorized using the following ratings:

- 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

2015

In CHF million	AAA		AA		A		Rating		Total
	%		%		%		<A	%	
Cash and cash equivalents	20	1	605	31	676	34	674	34	1 975
Marketable securities ¹	152	31	188	38	23	5	129	26	492
Long-term financial assets ¹	86	31	–	–	59	22	130	47	275
Total	258	9	793	29	758	28	933	34	2 742

¹ Excluding equity instruments

2014

In CHF million	AAA		AA		A		Rating		Total
	%		%		%		<A	%	
Cash and cash equivalents	172	6	1 236	46	949	35	365	13	2 722
Marketable securities ¹	25	8	–	–	7	2	278	90	310
Long-term financial assets ¹	71	30	–	–	35	15	131	55	237
Total	268	8	1 236	38	991	30	774	24	3 269

¹ Excluding equity instruments

31.4.2 Trade accounts receivable

In view of Schindler's large customer base and global presence, concentration of credit risk in trade receivables is limited (see note 13). The payment terms and outstanding receivables are regularly monitored by Group companies. The progress payments from customers provide additional security.

31.5 Capital management

The Group's capital management activities strive to maintain its strong credit rating and robust key performance indicators in order to support its operational activities and increase shareholder value. Measures that can be taken include changes to dividend payments, the repayment of capital to shareholders in the form of a repurchase program, or the issuing of new shares.

The Schindler Group manages capital through monitoring the net liquidity and the equity ratio. Net liquidity is defined as cash and cash equivalents, marketable securities, and long-term financial assets less financial liabilities.

In CHF million	2015	2014
Net liquidity	1 935	2 375
Equity ratio in %	28.5	33.3

A repurchase program at market prices ran from 2013 to 2015. Further details of this repurchase program are disclosed under note 11.4 in the Financial Statements of Schindler Holding Ltd.

32 Financial instruments

2015

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		1 975				1 975	1 975
Marketable securities	8	491	58			557	557
Accounts receivable		1 529				1 529	1 529
Prepaid expenses and accrued income	25	106				131	131
Long-term financial assets	66	210	253			529	529
Accounts payable					691	691	691
Financial debts				246	667	913	919
Accrued expenses and deferred income				41	849	890	890
Total	99	4 311	311	287	2 207		
Changes recorded through profit or loss							
Interest income/expense	–	26	–	–	–17	9	
Net income from securities	21	3	2	–22		4	
Allowance of receivables		–36				–36	
Total	21	–7	2	–22	–17	–23	
Changes recognized in other comprehensive income							
Changes in fair value			–6			–6	
realized through/reclassified to income statement			–			–	
Total			–6			–6	
Total recorded in comprehensive income	21	–7	–4	–22	–17	–29	

2014

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		2 722				2 722	2 722
Marketable securities	11	305	5			321	321
Accounts receivable		1 572				1 572	1 572
Prepaid expenses and accrued income	26	104				130	130
Long-term financial assets	66	169	269			504	504
Accounts payable					726	726	726
Financial debts				226	723	949	959
Accrued expenses and deferred income				42	802	844	844
Total	103	4 872	274	268	2 251		
Changes recorded through profit or loss							
Interest income/expense	–	30	4	–	–23	11	
Net income from securities	7		23	–2		28	
Allowance of receivables		–17				–17	
Hyundai Elevator Co. Ltd. impairment			–40			–40	
Total	7	13	–13	–2	–23	–18	
Changes recognized in other comprehensive income							
Changes in fair value			119			119	
realized through/reclassified to income statement			–7			–7	
Total			112			112	
Total recorded in comprehensive income	7	13	99	–2	–23	94	

32.1 Fair value hierarchy

In CHF million				2015				2014
	Level 1	Level 2	Level 3	Total fair values	Level 1	Level 2	Level 3	Total fair values
Financial assets								
at fair value through profit or loss								
Marketable securities	8	–	–	8	11	–	–	11
Derivatives	–	17	–	17	–	20	–	20
Long-term financial assets	66	–	–	66	66	–	–	66
available-for-sale								
Marketable securities	58	–	–	58	5	–	–	5
Long-term financial assets	241	–	12	253	259	–	10	269
Financial liabilities								
at fair value through profit or loss								
Financial debts	246	–	–	246	226	–	–	226
Derivatives	–	19	–	19	–	26	–	26
Other disclosed fair values								
Financial assets								
Marketable securities	–	491	–	491	–	305	–	305
Derivatives	–	8	–	8	–	6	–	6
Long-term financial assets	–	210	–	210	–	169	–	169
Financial liabilities								
Financial debts	405	172	–	577	408	192	–	600
Derivatives	–	22	–	22	–	16	–	16
Liabilities towards non-controlling interests	–	–	96	96	–	–	133	133

The fair values for cash and cash equivalents, accounts receivable, prepaid expenses and accrued income, accrued expenses and deferred income, and accounts payable are expected to approximate their carrying amounts given the short-term nature of these financial instruments. Derivatives are reported within the positions prepaid expenses and accrued income or accrued expenses and deferred income.

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 transfers between the different levels).

32.2 Valuation methods

The following methods and assumptions were applied to determine the fair values:

- Marketable securities: The equity instruments and bonds are traded primarily in active markets and quoted prices are available (level 1). Level 2 mainly comprises time deposits with a residual maturity of 3 to 12 months. Their value is measured using the discounted cash flow method and is based on observable market data such as interest rates, counterparty risks, and other risk factors.
- Long-term financial assets: The equity instruments and bonds are traded primarily in active markets and quoted prices are available (level 1). Level 2 mainly comprises time deposits with a residual maturity of over 12 months. Their value is measured using the discounted cash flow method and is based on observable market data such as interest rates, counterparty risks, and other risk factors.
- Financial debts: The bond and the exchangeable bond that were issued are traded in active markets; quoted prices are available (level 1). Level 2 mainly comprises bank loans and liabilities to related parties.
- Liabilities towards non-controlling interests are calculated using the discounted cash flow method and are based on unobservable input parameters. As a result, they are assigned to level 3.
- Derivatives: The Schindler Group holds derivative financial instruments such as foreign currency contracts and interest rate swaps (level 2). The value of foreign currency contracts is measured on the basis of observable spot rates and yield curves using the discounted cash flow method. The value of interest rate swaps is measured on the basis of observable forward rates using the present value method. Schindler's own risk of default and that of counterparties are taken into account when measuring the value of derivatives.

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

32.3 Reconciliation of fair values of level 3 financial instruments

In CHF million	2015	2014
Long-term financial assets		
January 1	10	15
Changes in value recognized in the income statement	–	–1
Changes in value recognized in other comprehensive income	2	–1
Disposals	–	–3
December 31	12	10

32.4 Derivatives

In CHF million	2015			2014		
	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	–	–	4	–	1	27
Currency instruments	16	19	1 856	20	25	1 971
Total held for trading	16	19	1 860	20	26	1 998
Fair value hedges						
Currency instruments	1	–	28	–	–	17
Total fair value hedges	1	–	28	–	–	17
Cash flow hedges						
Currency instruments	8	22	559	6	16	405
Total cash flow hedges	8	22	559	6	16	405
Total derivatives	25	41	2 447	26	42	2 420

33 Pledged assets

In CHF million	2015	2014
Marketable securities	38	31
Accounts receivable	20	16
Inventories	5	5
Property, plant, and equipment	8	7
Long-term financial assets	16	22
Total pledged assets	87	81

Pledged assets serve as security for the Group's own liabilities.

34 Segment reporting

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 investing and financing purposes.

In addition to segment information, other selected information is published on a voluntary basis.

Since internal and external reporting is based on the same accounting principles, there is no need to reconcile the management reporting figures to the financial reporting figures.

34.1 Segment information

2015

In CHF million	Group	Finance	Elevators & Escalators	Additional information on the segment			
				Europe	Americas	Asia-Pacific, Africa	Eliminations
Revenue from third parties	9 391	–	9 391	3 654	2 636	3 101	–
Revenue from other regions		–	–	329	12	137	–478
Total revenue	9 391	–	9 391	3 983	2 648	3 238	–478
Operating profit	1 002	–31	1 033				
Additions to property, plant, and equipment, and intangible assets	210	–	210	69	42	99	–
Total depreciation and amortization	144	–	144	60	33	51	–
of which impairment	1	–	1	1	–	–	–
Income from associates	9	18	–9				
Assets	8 259	2 021	6 238	2 223	1 166	2 849	–
Associates	220	184	36				
Liabilities	5 902	829	5 073	2 330	976	1 767	–

2014

In CHF million	Group	Finance	Elevators & Escalators	Additional information on the segment			
				Europe	Americas	Asia-Pacific, Africa	Eliminations
Revenue from third parties	9 246	–	9 246	3 975	2 578	2 693	–
Revenue from other regions		–	–	341	13	142	–496
Total revenue	9 246	–	9 246	4 316	2 591	2 835	–496
Operating profit	1 138	198 ¹	940				
Additions to property, plant, and equipment, and intangible assets	195	–	195	54	41	100	–
Total depreciation and amortization	157	–	157	64	32	61	–
of which impairment	21	–	21	–	–	21	–
Income from associates	46	19	27				
Assets	8 925 ²	2 416	6 509 ²	2 371 ²	1 410	2 728	–
Associates	227	195	32				
Liabilities	5 954 ²	807	5 147 ²	2 395 ²	1 100	1 652	–

¹ Operating profit Finance: CHF –29 million, XJ-Schindler (Xuchang) Elevator Co. Ltd. revaluation gain: CHF 145 million, Gain on sale of Mall of Switzerland project: CHF 82 million

² See note 2.1

34.2 Geographical information

In CHF million	2015			2014		
	Switzerland	Other countries	Group	Switzerland	Other countries	Group
Revenue from third parties	910	8 481	9 391	910	8 336	9 246
Non-current assets ¹	449	1 489	1 938	434	1 580	2 014

¹ Excluding long-term financial assets and deferred taxes

35 Share-based payments

The Schindler Group has several share-based payment plans in place. Current plans comprise those plans for which instruments were granted during the reporting year. Instruments listed under previous plans are still disclosed if they are subject to vesting conditions that are only fulfilled in the reporting year or future years.

	Current plans			Previous plans		
	Performance Share Plan (PSP)	Bonus Share Plan (BSP)	Deferred Share Plan (DSP) 2015	Deferred Share Plan (DSP) 2012	Capital Participation Plans 2000/2003	Long Term Incentive Plan
Year of implementation	2013	2013	2015	in 2015 replaced by DSP 2015	in 2013 replaced by BSP and PSP	in 2012 replaced by DSP 2012
Instruments used	Registered shares or participation certificates	Registered shares or participation certificates	Performance Share Units	Performance Share Units	Options and registered shares or participation certificates	Options and Performance Share Units
Beneficiaries	VRA ¹ until 2014, all executive members of the Board of Directors since 2015	Group management (approximately 500 employees)	Group Executive Committee	Group Executive Committee and the executive member of the Board of Directors who is not member of the VRA ¹	Group management (approximately 500 employees)	Group Executive Committee and the executive member of the Board of Directors who is not member of the VRA ¹

¹ VRA: Supervisory and Nomination Committee

35.1 Current plans

35.1.1 Performance and Bonus Share Plan

Each year, the Board of Directors determines the specific conditions of each plan (including the number of shares and the applicable terms of exercise) and its beneficiaries and defines whether registered shares or participation certificates of Schindler Holding Ltd. are to be allocated under the plans.

The allocated registered shares or participation certificates are transferred to the ownership of the employees once the vesting conditions have been met and include all associated rights. However, the shares and participation certificates are blocked for a period of three years, during which they may not be disposed of.

In the reporting year, a provisional number of 96 000 registered shares was granted in connection with the plans. The final number will be allocated in April 2016 based on the extent to which targets are achieved.

Personnel expenses are calculated on the basis of the provisional number of registered shares and the fair value on the date of grant (fair value per registered share: CHF 141.70). For the registered shares granted in the previous year, personnel expenses were adjusted based on the final number of registered shares allocated, which totaled 96 011 (fair value per registered share: CHF 132.90).

35.1.2 Deferred Share Plan 2015

Under the Deferred Share Plan 2015, a number of Performance Share Units are granted based on a contractual target bonus amount. Each Performance Share Unit gives the beneficiary the right to a still-to-be-determined number of registered shares or participation certificates of Schindler Holding Ltd.

At the start of the reporting year, a combination of growth and profitability targets that applies to all members of the Group Executive Committee is set for the next three business years. The achievement of those targets is determined after the end of this three-year service period. Depending on the extent to which the targets are achieved, the Performance Share Units will be converted into registered shares or participation certificates at a conversion rate of between 0% and 300%. The maximum value of the converted registered shares or participation certificates that a participant may receive is three times the contractual target bonus amount.

The Performance Share Units are converted three years after they are granted, always in the month of April, and transferred to the ownership of the beneficiaries. From that date, the registered shares or participation certificates include all of the associated rights. In the event of any breaches of the Schindler Code of Conduct, the beneficiary forfeits the right to have their Performance Share Units converted.

In the reporting year, a provisional number of 31 018 Performance Share Units were granted under the Deferred Share Plan 2015, based on the expected achievement of targets. The resulting personnel expenses are recognized over the 40-month vesting period. The fair value of CHF 133.48 corresponds to the price of the registered share at grant date less the present value of the expected dividends over the vesting period.

35.2 Previous plans

35.2.1 Deferred Share Plan 2012

Under the terms of the Deferred Share Plan 2012, certain individual strategic business objectives (referred to as breakthrough objectives) had to be achieved. The extent to which the objectives had been achieved was determined after the end of the reporting year (performance period) by the Chairman of the Board of Directors or the CEO. Depending on the extent to which the objectives were achieved, the bonus that was awarded may amount to between 0% and 150% of the target bonus agreement.

The conversion of the Performance Share Units into registered shares or participation certificates takes place three years after they were granted, always in the month of April, provided the employee has not previously left the company or breached the regulations set out in the Schindler Code of Conduct. The registered shares or participation certificates are then transferred to the ownership of the beneficiary, who is free to dispose of them from that date.

In the previous year 51 289 Performance Share Units were allocated under the Deferred Share Plan 2012 based on the individual achievement of objectives. The resulting personnel expenses are recognized over the 40-month vesting period. The fair value of CHF 124.84 corresponds to the price of the registered share at the grant date less the present value of the expected dividends over the vesting period.

35.2.2 Capital Participation Plans 2000/2003

The plans each consisted of a share plan and an option plan.

The registered shares and participation certificates were granted for the last time in 2012 and were transferred to the ownership of employees. However, they were blocked for a period of three years, during which they could not be disposed of.

In April 2013, options were allocated under the Capital Participation Plans for the last time. After three years, they will be transferred to the unrestricted ownership of the beneficiaries, provided they have remained with the company throughout this period. An exercise period of six years will subsequently apply.

35.2.3 Long Term Incentive Plan

The Performance Share Units 2011, which were granted under the Long Term Incentive Plan in 2011 (fair value of CHF 103.86), give the beneficiaries the right to receive participation certificates of Schindler Holding Ltd. The conversion of these 29 241 Performance Share Units 2011 into participation certificates took place in April 2014 at a conversion rate of 1. The beneficiaries are free to dispose of the participation certificates from the conversion date.

35.2.4 Conditions of options on registered shares and participation certificates of Schindler Holding Ltd.

35.2.4.1 Capital Participation Plans 2000/2003

	2013	2012	2011	2010	2009	2008	2007	2006
Options allocated	138 012	162 002	222 621	207 896	464 175	357 092	160 711	138 376
Exercised/expired in previous years	-8 965	-18 383	-97 352	-122 970	-351 882	-279 048	-142 733	-128 325
Outstanding as of January 1, 2015	129 047	143 619	125 269	84 926	112 293	78 044	17 978	10 051
Options exercised/expired	-3 088	-49 192	-40 960	-22 691	-33 223	-24 016	-8 070	-10 051
Balance as of December 31, 2015	125 959	94 427	84 309	62 235	79 070	54 028	9 908	-
Exercisable	-	94 427	84 309	62 235	79 070	54 028	9 908	-
Entitles holder to purchase	Shares	PC	PC	PC	Shares	Shares	Shares	Shares
Exercise price	137.84	108.20	85.10	53.60	56.40	80.90	56.20	48.80
Vesting period ends	30.04.2016	30.04.2015	30.04.2014	30.04.2013	30.04.2012	30.04.2011	30.04.2010	30.04.2009
Exercise period ends	30.04.2022	30.04.2021	30.04.2020	30.04.2019	30.04.2018	30.04.2017	30.04.2016	30.04.2015
Allocation ratio	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Weighted average share price on exercise in 2014		135.46	136.89	134.77	133.65	134.83	135.50	136.05
Weighted average share price on exercise in 2015		162.77	155.85	157.16	157.75	157.15	155.38	151.88

The Capital Participation Plans 2000/2003 were replaced by the Performance and Bonus Share Plans in 2013. No options are granted under the Performance and Bonus Share Plans.

35.2.4.2 Long Term Incentive Plan

	2011	2010	2009	2008
Options allocated	104 854	107 739	314 783	155 311
Exercised/expired in previous years	–	–36 592	–208 610	–136 549
Outstanding as of January 1, 2015	104 854	71 147	106 173	18 762
Options exercised/expired	–29 352	–5 435	–55 770	–
Balance as of December 31, 2015	75 502	65 712	50 403	18 762
Entitles holder to purchase	PC	PC	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	1:1	1:1	1:1	1:1
Weighted average share price on exercise in 2014		136.54	133.20	135.40
Weighted average share price on exercise in 2015	165.32	152.90	156.94	–

The Long Term Incentive Plan was replaced by the Deferred Share Plan in 2012. No options are granted under the Deferred Share Plan.

35.3 Allocation to the Board of Directors and Group Executive Committee

	2015	2014
Registered shares/participation certificates of Schindler Holding Ltd.	15 238	11 292
Performance Share Units	31 018	51 289

36 Related parties

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

At December 31, 2015, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 643 814 registered shares (previous year: 47 639 751) of Schindler Holding Ltd. This corresponds to 70.0% (previous year: 69.9%) 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. Goods and services transactions are based on prices 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.

As at the balance sheet date, the Schindler Group had an unused financing commitment towards ALSO Holding AG of CHF 25 million (previous year: CHF 25 million).

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

Associates

In CHF million	2015	2014
Billings	44	46
Material and operating expenses	26	27
Receivables and loans	32	29
Liabilities	9	10

Other related parties

In CHF million	2015	2014
Liabilities towards shareholders	124	120
Interest cost	–	–

37 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 2.8 million (previous year: CHF 2.8 million).

In addition, the executive members of the Board of Directors and the members of the Group Executive Committee receive fixed compensation as well as performance-related variable compensation.

In CHF million	2015	2014
Salary payments (incl. cash bonuses and lump-sum expenses), fees	22	22
Contributions to pension plans and social benefits	4	4
Share-based payments	8	9
Total	34	35

The disclosure of compensation and participations in accordance with statutory requirements is provided in the Compensation Report.

38 Material Group companies

Country	Head office	Name of company	Participation in %		Nominal capital (in thousands of local currency)		
			2015	2014			
Argentina	Buenos Aires	Ascensores Schindler S.A.	100.0	100.0	3 084	ARS	●
Australia	Sydney	Schindler Lifts Australia Pty. Ltd.	100.0	100.0	8 500	AUD	●
Austria	Vienna	Schinac Verwaltungs AG	100.0	100.0	70	EUR	○
		Schindler Aufzüge und Fahrtreppen GmbH	100.0	100.0	2 000	EUR	●
		Schindler Fahrtreppen International GmbH	100.0	100.0	2 000	EUR	●
Belgium	Brussels	S.A. Schindler N.V.	100.0	100.0	22 000	EUR	●
Brazil	São Paulo	Elevadores Atlas Schindler S.A.	100.0	100.0	70 479	BRL	● ●
British Virgin Islands	Tortola	Jardine Schindler Holdings Ltd.	50.0	50.0	1	USD	○
Canada	Toronto	Schindler Elevator Corporation	100.0	100.0	25 100	CAD	●
Chile	Santiago de Chile	Ascensores Schindler (Chile) S.A.	100.0	100.0	59 200	CLP	●
China	Henan	XJ-Schindler (Xuchang) Elevator Co. Ltd.	56.0	51.0	251 000	CNY	● ●
	Hong Kong SAR	Schindler Lifts (Hong Kong) Ltd. ¹	100.0	100.0	25 000	HKD	●
	Macau SAR	Jardine Schindler Lifts (Macao) Ltd. ¹	100.0	100.0	25	MOP	●
	Shanghai	Schindler (China) Elevator Co. Ltd.	100.0	100.0	941 400	CNY	● ●
	Suzhou	Suzhou Esca Step Co. Ltd.	100.0	100.0	38 914	CNY	●
Colombia	Medellin	Ascensores Schindler de Colombia S.A.S.	100.0	100.0	10 199 551	COP	●
Czech Republic	Prague	Schindler CZ a.s.	100.0	100.0	101 000	CZK	●
Denmark	Herlev	Schindler Elevatorer A/S	100.0	100.0	3 000	DKK	●
Egypt	Cairo	Schindler Ltd.	100.0	100.0	24 250	EGP	●
Finland	Helsinki	Schindler Oy	100.0	100.0	100	EUR	●
France	Vélizy-Villacoublay	Schindler S.A.	100.0	100.0	8 594	EUR	●
Germany	Berlin	Schindler Aufzüge und Fahrtreppen GmbH	100.0	100.0	9 715	EUR	●
	Stuttgart	C. Haushahn GmbH & Co. KG	100.0	100.0	8 997	EUR	●
Greece	Athens	Schindler Hellas S.A.	100.0	100.0	3 638	EUR	●
Hungary	Budapest	Schindler Hungária Lift és Mozgólépcső KFT	100.0	100.0	460 000	HUF	●
India	Mumbai	Schindler India PVT Ltd.	100.0	100.0	1 217 879	INR	● ●
Indonesia	Jakarta	PT Berca Schindler Lifts ¹	64.0	64.0	6 745 000	IDR	●
Israel	Petah Tikva	Schindler Nechushtan Elevators Ltd.	100.0	100.0	7 045	ILS	●
Italy	Concorezzo	Schindler S.p.A.	100.0	100.0	8 400	EUR	●
Japan	Kagoshima	Mercury Ascensore Ltd.	100.0	100.0	25 000	JPY	●
	Tokyo	Schindler Elevator K.K.	99.9	99.9	500 000	JPY	●
Kenya	Nairobi	Schindler Ltd.	100.0	100.0	5 000	KES	●
Liechtenstein	Vaduz	Reassur AG	100.0	100.0	20 000	CHF	○
Malaysia	Kuala Lumpur	Antah Schindler Sdn. Bhd. ¹	70.0	70.0	5 000	MYR	●
Mexico	Mexico City	Elevadores Schindler S.A. de C.V.	100.0	100.0	32 073	MXN	●
Morocco	Casablanca	Schindler Maroc S.A.	100.0	100.0	10 000	MAD	●
Netherlands	The Hague	Schindler Liften B.V.	100.0	100.0	567	EUR	●
New Zealand	Auckland	Schindler Lifts NZ Ltd.	100.0	100.0	1 000	NZD	●

● Production ● Sales, installation, maintenance ○ Other services

¹ Participations of Jardine Schindler Holdings Ltd., BVI

Country	Head office	Name of company	Participation in %		Nominal capital (in thousands of local currency)	
			2015	2014		
Norway	Bergen	Schindler Stahl Heiser A/S	100.0	100.0	5 000 NOK	●
	Vennesla	Reber-Schindler Heis A/S	100.0	100.0	8 000 NOK	●
Peru	Lima	Ascensores Schindler del Perú S.A.	100.0	100.0	6 718 PEN	●
Philippines	Manila	Jardine Schindler Elevator Corp. ¹	100.0	100.0	277 000 PHP	●
Poland	Warsaw	Schindler Polska Sp. z o.o.	100.0	100.0	5 000 PLN	●
Portugal	Carnaxide	Schindler – Ascensores e escadas rolantes, S.A.	100.0	100.0	4 000 EUR	●
Romania	Bucharest	Schindler Romania S.R.L.	100.0	100.0	125 RON	●
Russia	Moscow	ZAO Schindler	100.0	100.0	21 RUR	●
Saudi Arabia	Jeddah	Schindler Olayan Elevator Company Ltd.	90.0	90.0	30 000 SAR	●
Singapore	Singapore	Schindler Lifts (Singapore) Pte. Ltd. ¹	100.0	100.0	8 500 SGD	●
Slovakia	Dunajská	Schindler Dunajská Streda a.s.	100.0	100.0	5 950 EUR	●
		Schindler Eskalátory s.r.o.	100.0	100.0	1 236 EUR	●
South Africa	Johannesburg	Schindler Lifts (SA) (PTY) Ltd.	100.0	90.0	0,09 ZAR	●
South Korea	Seoul	Schindler Elevator Company Ltd.	100.0	100.0	6 155 000 KRW	●
Spain	Madrid	Schindler S.A.	99.8	99.8	27 801 EUR	● ● ○
	Saragossa	Schindler Ibérica Management S.A.	100.0	100.0	4 420 EUR	○
Sweden	Danderyd	Schindler Hiss AB	100.0	100.0	9 440 SEK	●
Switzerland	Ebikon	Schindler Aufzüge AG	100.0	100.0	25 000 CHF	● ●
		Schindler Digital Business AG	100.0	100.0	1 000 CHF	○
		Schindler Management AG	100.0	100.0	1 000 CHF	○
	Hergiswil	Inventio AG	100.0	100.0	11 000 CHF	○
		Schindler Pars International Ltd.	100.0	100.0	5 000 CHF	● ○
	Locarno	Schindler Elettronica S.A.	100.0	100.0	2 000 CHF	●
	Küssnacht a.R.	AS Aufzüge AG	100.0	100.0	7 000 CHF	●
Taiwan	Taipei	Jardine Schindler Lifts Ltd. ¹	100.0	100.0	100 000 TWD	●
Thailand	Bangkok	Jardine Schindler (Thai) Ltd. ¹	100.0	100.0	90 268 THB	●
Turkey	Istanbul	Schindler Turkeli Asansor Sanayi A.S.	100.0	100.0	14 459 TRY	●
UK	Sunbury	Schindler Ltd.	100.0	100.0	2 005 GBP	●
United Arab Emirates	Dubai	Schindler Pars International Ltd.	100.0	100.0	– –	●
		(Dubai and Abu Dhabi branches)				
USA	Gantano	Schindler Corp. of Puerto Rico	100.0	100.0	1 USD	●
	Morristown	Schindler Elevator Corporation	100.0	100.0	1 USD	● ●
	Mountainside	Slade Industries, Inc.	100.0	100.0	1 USD	●
Vietnam	Ho Chi Minh City	Schindler Vietnam Ltd. ¹	100.0	100.0	20 818 485 VND	● ●

● Production ● Sales, installation, maintenance ○ Other services

¹ Participations of Jardine Schindler Holdings Ltd., BVI

39 Dividends paid and proposal by the Board of Directors

In 2015, CHF 355 million was paid in dividends (previous year: CHF 245 million). This corresponds to an ordinary dividend of CHF 2.20 (previous year: CHF 2.20) and an additional dividend of CHF 1.00 per registered share and per participation certificate.

The Board of Directors proposes to the General Meeting of Shareholders that a dividend of CHF 2.70 per registered share and per participation certificate be distributed for the reporting year 2015. This represents a total gross dividend payment of CHF 303 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 of Shareholders.

40 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 11, 2016, and will be presented to the General Meeting of Shareholders for approval on March 22, 2016.

Report of the statutory auditor

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 66), for the year ended December 31, 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these 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 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 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, 2015 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 11, 2016

Ernst & Young Ltd.

Christian Schibler
Licensed audit expert
(Auditor in charge)

Ralf Noffke
Licensed audit expert

Financial Statements of Schindler Holding Ltd.

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Income statement

In CHF 1 000	Note	2015	2014
Income from participations	1	520 749	751 321
Financial income		23 753	39 044
Total operating income		544 502	790 365
Other operating expenses		-28 704	-21 745
Financial expenses		-20 793	-9 870
Total operating expenses		-49 497	-31 615
Extraordinary income	2	-	13 639
Profit before taxes		495 005	772 389
Taxes		-4 616	-11 290
Net profit		490 389	761 099

Balance sheet

Assets

In CHF 1 000	Note	31.12.2015	%	31.12.2014	%
Current assets					
Cash and cash equivalents	3	1 161 615		1 778 764	
Marketable securities	4	89 388		38 408	
Other receivables	5	496 755		673 239	
Prepaid expenses and accrued income		1 393		1 492	
Total current assets		1 749 151	46.6	2 491 903	56.3
Non-current assets					
Long-term financial assets	6	480 376		449 240	
Participations	7	1 525 039		1 484 015	
Total non-current assets		2 005 415	53.4	1 933 255	43.7
Total assets		3 754 566	100.0	4 425 158	100.0

Liabilities and equity

In CHF 1 000	Note	31.12.2015	%	31.12.2014	%
Liabilities					
Trade accounts payable		604		561	
Interest-bearing liabilities	8	1 024 816		692 492	
Other liabilities	9	13 488		2 659	
Accrued expenses and deferred income		5 203		9 685	
Provisions	10	1 431		2 059	
Total current liabilities		1 045 542	27.8	707 456	16.0
Interest-bearing liabilities	8	–		400 000	
Provisions	10	74 008		76 152	
Total non-current liabilities		74 008	2.0	476 152	10.7
Total liabilities		1 119 550	29.8	1 183 608	26.7
Equity					
Share capital	11	6 806		6 818	
Participation capital	11	4 424		4 462	
Legal reserves	11	317 121		317 121	
Free reserves					
Profit brought forward		37 419		31 508	
Net profit		490 389		761 099	
Other free reserves	11	2 597 511		2 263 315	
Treasury shares	11	–818 654		–142 773	
Total equity		2 635 016	70.2	3 241 550	73.3
Total liabilities and equity		3 754 566	100.0	4 425 158	100.0

Notes to the financial statements

Business activities

Schindler Holding Ltd. has its registered office in Hergiswil (Canton of Nidwalden, Switzerland). The purpose of the company is the management and financing of participations in Switzerland and abroad. Schindler Holding Ltd. did not have any employees in the reporting year or in the previous year.

First-time application of new Swiss Law on Accounting and Financial Reporting

The 2015 financial statements were prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations) for the first time. To ensure comparability, the structure of the balance sheet and of the income statement as well as the disclosures in the notes to the financial statements for the previous year were adapted to the new requirements. The impact on equity is disclosed in note 11.

Basis of preparation

The financial statements of Schindler Holding Ltd. were prepared in accordance with the principles set out in the Swiss Code of Obligations. The main accounting principles applied are described below.

Marketable securities

Marketable securities solely include securities with market prices that are valued at the current price as at the balance sheet date. Marketable securities are reported at the lower of cost or market price. Changes in value that exceed the acquisition costs are recognized in a valuation reserve. If the value of securities falls below the acquisition costs, this change in value is recognized through the financial result. Securities are disclosed net of the valuation reserve.

Participations

Participations are disclosed at cost less appropriate write-downs.

Treasury shares

Own registered shares and participation certificates (treasury shares) are recognized at the acquisition costs as at the acquisition date and deducted from equity. No subsequent valuation is made. If treasury shares are later disposed of, the resulting gain or loss is recognized in the income statement.

Share-based payments

The Schindler Group has several share-based payment plans in place. Schindler Holding Ltd. charges the costs of share-based payments to the respective Group companies that employ the recipients of those payments.

Gains or losses are recognized in the income statement as other operating expenses or other operating income when share-based payment plans are charged to Group companies. The gain or loss results from the difference between the acquisition value of the treasury shares and their fair value at the date of allocation. For treasury shares that have not yet been acquired, a provision corresponding to this difference is recorded if the current market price exceeds the fair value at the date of allocation.

1 Income from participations

Income from participations comprises dividends from Group companies, contractually agreed payments for services rendered, as well as gains on sales of participations.

2 Extraordinary income

The extraordinary gain reported in the previous year was generated in connection with the sale of EbiSquare AG (Mall of Switzerland development project).

3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, and time deposits with an original maturity of a maximum of 3 months. The reported amount consists mainly of cash and cash equivalents in Swiss francs.

4 Marketable securities

The valuation reserve totaled CHF 7.0 million as at the balance sheet date (previous year: CHF 2.3 million).

5 Other receivables

In CHF 1 000	2015	2014
From third parties	394 379	176 417
From Group companies	102 376	496 822
Total other receivables	496 755	673 239

Other receivables from third parties mainly comprise time deposits with a maturity of 3 to 12 months totaling CHF 390.8 million (previous year: CHF 175.0 million).

6 Long-term financial assets

In CHF 1 000	2015	2014
Loans to Group companies	426 800	442 064
Other financial assets	53 576	7 176
Total long-term financial assets	480 376	449 240

7 Participations

In CHF 1 000	2015	2014
January 1	1 484 015	1 503 103
Additions	41 024	28 687
Disposals	–	–47 775
December 31	1 525 039	1 484 015

An overview of the companies in which Schindler Holding Ltd. holds direct or indirect participations is provided in note 38 to the consolidated financial statements.

8 Interest-bearing liabilities

In CHF 1 000	2015		2014	
	Short-term	Long-term	Short-term	Long-term
To third parties (bonds)	616 235	–	218 070	400 000
To Group companies	284 874	–	354 680	–
To shareholders	123 707	–	119 742	–
Total interest-bearing liabilities	1 024 816	–	692 492	400 000

8.1 Bonds

In CHF 1 000	2015	2014
1.250% bond 2011–2016, due November 21, 2016	400 000	400 000
0.375% exchangeable bond 2013–2017, due June 5, 2017	216 235	218 070

The exchangeable bond can be exchanged for shares of ALSO Holding AG at a price of CHF 60.24 per share at any time during the term of the instrument. A total of CHF 1.8 million was exchanged during the reporting year (previous year: CHF 0 million).

9 Other liabilities

In CHF 1 000	2015	2014
To third parties	11 980	873
To pension plans	1 288	1 526
To shareholders and governing bodies	220	260
Total other liabilities	13 488	2 659

10 Provisions

The provisions to cover financial risks amount to CHF 75.4 million (previous year: CHF 78.2 million). They consist mainly of provisions for guarantees and provisions to cover obligations arising from share-based payments.

11 Equity

In CHF 1 000	Share capital	Participation capital	Legal reserves	Reserves for treasury shares	Other free reserves	Available earnings	Treasury shares	Total equity
December 31, 2013	7 089	4 617	317 121	638 436	1 666 400	786 392	–	3 420 055
Dividend						–244 884		–244 884
Allocation to other free reserves					510 000	–510 000		–
Reduction as of May 26, 2014	–271	–155		–551 947	426			–551 947
Change in reserves for treasury shares				56 284	–56 284			–
Net profit						761 099		761 099
December 31, 2014	6 818	4 462	317 121	142 773	2 120 542	792 607	–	3 384 323
Transfer of treasury shares				–142 773	142 773		–142 773	–142 773
January 1, 2015	6 818	4 462	317 121	–	2 263 315	792 607	–142 773	3 241 550
Dividend						–355 188		–355 188
Allocation to other free reserves					400 000	–400 000		–
Reduction as of May 27, 2015	–12	–38			–65 804		65 854	–
Additions/disposals of treasury shares							–741 735	–741 735
Net profit						490 389		490 389
December 31, 2015	6 806	4 424	317 121	–	2 597 511	527 808	–818 654	2 635 016
Of which share premiums (unchanged)			311 321					

With effect from January 1, 2015, holdings of treasury shares are disclosed as a deduction from equity due to the first-time application of the new Swiss Law on Accounting and Financial Reporting. Holdings of treasury shares were transferred from current assets to equity. This resulted in a CHF 142.8 million reduction in equity. The reserves for treasury shares were released and reclassified to other free reserves.

11.1 Share capital

	in CHF		
	Number	Nominal value	Share capital
December 31, 2012	71 440 056	0.10	7 144 006
Reduction as of June 6, 2013	–552 411		–55 241
December 31, 2013	70 887 645	0.10	7 088 765
Reduction as of May 26, 2014	–2 707 293		–270 729
December 31, 2014	68 180 352	0.10	6 818 035
Reduction as of May 27, 2015	–118 550		–11 855
December 31, 2015	68 061 802	0.10	6 806 180

11.2 Participation capital

	Number	Nominal value	in CHF Participation capital
December 31, 2012	46 894 800	0.10	4 689 480
Reduction as of June 6, 2013	-722 891		-72 289
December 31, 2013	46 171 909	0.10	4 617 191
Reduction as of May 26, 2014	-1 553 376		-155 338
December 31, 2014	44 618 533	0.10	4 461 853
Reduction as of May 27, 2015	-382 222		-38 222
December 31, 2015	44 236 311	0.10	4 423 631

11.3 Treasury shares

	Registered shares			Participation certificates		
	Number	Average share price in CHF	Value in CHF million	Number	Average share price in CHF	Value in CHF million
January 1, 2014	3 285 417		405	1 953 873		234
Cancellation	-2 707 293	129.28	-350	-1 553 376	130.04	-202
Purchase	162 600	129.15	21	544 000	132.35	72
Share-based payments						
Disposal of treasury shares	-82 023	134.11	-11	-	-	-
Exercising of options and Performance Share Units	-112 932	61.98	-7	-159 439	81.54	-13
Difference in value due to disposal			-3			-3
December 31, 2014	545 769		55	785 058		88
Cancellation	-118 550	134.96	-16	-382 222	130.81	-50
Purchase	1 386 293	157.25	218	3 652 502	157.43	575
Share-based payments						
Disposal of treasury shares	-96 011	156.23	-15	-	-	-
Exercising of options and Performance Share Units	-203 754	78.53	-16	-147 339	95.02	-14
Difference in value due to disposal			-5			-1
December 31, 2015	1 513 747		221	3 907 999		598
Reserved for share-based payment plans	592 397			382 185		

11.4 Repurchase program

In September 2012, the Board of Directors of Schindler Holding Ltd. decided to launch a repurchase program that was to run for a maximum of three years (2013–2015) at market prices. Under the program, a maximum of 4 273 284 registered shares – corresponding to 3.6% of the capital stock and 6.0% of voting rights at that time – and a maximum of 9 378 960 participation certificates (7.9% of the capital stock) could be repurchased with effect from January 3, 2013. The total amount of shares and participation certificates repurchased could not exceed 9.5% of the capital stock.

A total of 1 028 900 registered shares and 3 652 502 participation certificates were repurchased in connection with the repurchase program in the reporting year for the purpose of reducing capital. In accordance with the decision of the General Meeting of Shareholders of March 20, 2015, 44 550 of these registered shares and 133 022 participation certificates were cancelled on May 27, 2015, by means of

a capital reduction. The Board of Directors will propose to the forthcoming General Meeting of Shareholders of March 22, 2016, that the capital stock be reduced by the remaining 984 350 registered shares and 3 519 480 participation certificates repurchased.

In accordance with the decision of the General Meeting of Shareholders of March 20, 2015, additional 74 000 registered shares and 249 200 participation certificates repurchased in the previous year were cancelled on May 27, 2015, by means of a capital reduction.

As of December 30, 2015, Schindler Holding Ltd. ended the share buyback program. In the context of the buyback program, including a fixed-price repurchase offer from November 1st to November 14, 2013, a total of 3 810 193 registered shares and 5 455 078 participation certificates were repurchased, which represents 7.8% of the capital stock recorded in the Commercial Register at the start of the buyback program.

12 Contingent liabilities

The contingent liabilities of Schindler Holding Ltd. total CHF 857.2 million (previous year: CHF 808.2 million). They mainly comprise guarantees, letters of comfort, and guarantee bonds in favor of Group companies.

Schindler Holding Ltd. is part of the Swiss Schindler value-added tax group and is therefore jointly liable for existing and future VAT claims from the Swiss Federal Tax Administration.

13 Significant shareholders

See note 36 to the consolidated financial statements for information about shareholders' agreements.

14 Benefits for related parties

In the reporting year, Schindler Holding Ltd. paid pensions amounting to CHF 0.1 million (previous year: CHF 0.2 million) to two widows of former executive members of the Board of Directors. The actuarially determined present value of these payments is recalculated annually and, as at December 31, 2015, amounted to CHF 1.1 million (previous year: CHF 1.2 million). This amount is recognized as a provision.

15 Equity instruments and Performance Share Units allocated to executive members of the Board of Directors

	Share-based payments in	2015		2014	
		Number	Value in CHF 1 000	Number	Value in CHF 1 000
Alfred N. Schindler, Chairman	Registered shares	3 953	593	4 063	582
Dr. Rudolf W. Fischer	Registered shares	7 084	1 063	5 418	776
Jürgen Tinggren	Registered shares	8 500	1 276	5 757	824
Prof. Dr. Karl Hofstetter	Registered shares/Performance Share Units	6 234	936	7 693	900

The number of shares disclosed in the reporting year is a provisional figure. The final number is reported in the following year.

16 Levels of participation

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

16.1 Board of Directors

2015

As of 31.12.	Participation		Number
	Registered shares	certificates	Options
Alfred N. Schindler, Chairman ^{1,2}	4	39 287	4 043 ⁵
Luc Bonnard, Vice Chairman ³	4	–	–
Dr. Rudolf W. Fischer ^{1,2}	20 841	–	–
Jürgen Tinggren ^{1,2}	51 178	5 203	18 115 ⁶
Prof. Dr. Karl Hofstetter ²	65 532	21 159	28 204 ⁷
Prof. Dr. Pius Baschera ³	3 000	–	–
Patrice Bula ³	1 500	–	–
Prof. Dr. Monika Bütler ³	1 500	–	–
Anthony Nightingale ³	3 000	–	–
Rolf Schweiger ³	3 375	–	–
Carole Vischer ³	4	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–

¹ Member of the Supervisory and Nomination Committee

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. Together with related parties, they held a total of 47 643 814 shares as at December 31, 2015, corresponding to 70.0% of the voting rights of the share capital entered in the Commercial Register.

⁵ Fully vested options on participation certificates granted under the Capital Participation Plan 2000 (option plan allocation 2012)

⁶ Fully vested options on participation certificates granted under the Long Term Incentive Plan 2010

⁷ Fully vested options on participation certificates granted:

– under the Long Term Incentive Plan 2010: 14 492

– under the Long Term Incentive Plan 2011: 13 712

2014

			Number
	Registered shares	Participation certificates	Options
As of 31.12.			
Alfred N. Schindler, Chairman ^{1,2}	4	34 764	4 523 ⁵
Luc Bonnard, Vice Chairman ³	4	1 155	–
Dr. Rudolf W. Fischer ^{1,2}	26 726	–	5 999 ⁶
Jürgen Tinggren ^{1,2}	30 920	5 203	63 326 ⁷
Prof. Dr. Karl Hofstetter ²	56 251	21 159	28 204 ⁸
Prof. Dr. Pius Baschera ³	3 000	–	–
Prof. Dr. Monika Bütler ³	1 500	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–
Anthony Nightingale ³	3 000	–	–
Rolf Schweiger ³	3 375	–	–
Carole Vischer ³	4	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–

¹ Member of the Supervisory and Nomination Committee

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. Together with related parties, they held a total of 47 639 751 shares as at December 31, 2014, corresponding to 69.9% of the voting rights of the share capital entered in the Commercial Register.

⁵ Fully vested options on participation certificates granted under the Capital Participation Plan 2000 (option plan allocation 2011)

⁶ Fully vested options on participation certificates granted under the Long Term Incentive Plan 2011

⁷ Fully vested options granted:

- under the Long Term Incentive Plan 2009: 27 000 (registered shares)
- under the Long Term Incentive Plan 2010: 18 115 (participation certificates)
- under the Long Term Incentive Plan 2011: 18 211 (participation certificates)

⁸ Fully vested options on participation certificates granted:

- under the Long Term Incentive Plan 2010: 14 492
- under the Long Term Incentive Plan 2011: 13 712

16.2 Group Executive Committee

2015

	Number		Number of vested options on						
	Registered shares	Participation certificates	Registered shares allocated 2007 ¹	Registered shares allocated 2008 ¹	Registered shares allocated 2008 ²	Registered shares allocated 2009 ³	Participation certificates allocated 2010 ⁴	Participation certificates allocated 2011 ⁵	Participation certificates allocated 2012 ¹
As of 31.12.									
Silvio Napoli, CEO	13 211	9 981	992	3 018	8 528	10 729	6 340	5 999	–
Miguel A. Rodríguez	23 575	–	562	4 279	10 234	19 509	6 340	5 999	–
Erich Ammann	18 931	–	–	–	–	–	–	8 570	–
Karl-Heinz Bauer	–	–	–	–	–	–	–	–	–
David Clymo	2 900	1 251	–	–	–	–	–	–	–
Paolo Compagna	1 505	284	–	–	–	–	–	508	483
Carlos Gueembe	1 579	1 989	–	–	2 415	7 246	2 355	2 228	–
Albert Haffert	6 685	3 000	–	–	–	2 000	4 982	6 856	–
Thomas Oetterli	9 553	7 307	–	–	–	2 000	4 529	5 142	–
Oswald Schmid	1 101	4 358	–	–	–	–	2 944	3 000	–

¹ Options from Capital Participation Plan 2000

² Options from Long Term Incentive Plan 2008

³ Options from Long Term Incentive Plan 2009

⁴ Options from Long Term Incentive Plan 2010

⁵ Options from Long Term Incentive Plan 2011

2014

	Number		Number of vested options on						
	Registered shares	Participation certificates	Registered shares allocated 2006 ¹	Registered shares allocated 2007 ¹	Registered shares allocated 2008 ¹	Registered shares allocated 2008 ²	Registered shares allocated 2009 ³	Participation certificates allocated 2010 ⁴	Participation certificates allocated 2011
As of 31.12.									
Silvio Napoli, CEO	8 420	9 981	325	992	3 018	8 528	10 729	6 340	5 999 ⁵
Miguel A. Rodríguez	23 629	–	2 565	562	4 279	10 234	19 509	6 340	5 999 ⁵
Erich Ammann	12 696	5 225	–	–	–	–	–	–	8 570 ⁵
David Clymo	–	2 390	–	–	–	–	–	–	1 858 ¹
Carlos Gueembe	3 693	1 989	–	–	–	2 415	7 246	2 355	2 228 ⁵
Albert Haffert	3 285	6 928	–	–	3 773	–	8 361	4 982	6 856 ⁵
Thomas Oetterli	4 998	7 307	–	–	–	–	8 361	4 529	5 142 ⁵
Oswald Schmid	1 101	4 358	–	–	–	–	8 361	2 944	3 000 ⁵
Jakob Züger	14 111	–	–	–	–	–	–	–	6 856 ⁵

¹ Options from Capital Participation Plan 2000

² Options from Long Term Incentive Plan 2008

³ Options from Long Term Incentive Plan 2009

⁴ Options from Long Term Incentive Plan 2010

⁵ Options from Long Term Incentive Plan 2011

See note 35.2 to the consolidated financial statements for information on option conditions.

Appropriation of available earnings

In CHF 1 000	Proposal of the Board of Directors 31.12.2015	Resolution of the General Meeting of Shareholders 31.12.2014 ²
Available earnings		
Net profit for the year	490 389	761 099
Profit brought forward	37 419	31 508
Total available earnings	527 808	792 607
Appropriation of available earnings		
Ordinary dividend (gross)		
per registered share	CHF 2.70 (previous year: CHF 2.20)	183 767¹
per participation certificate	CHF 2.70 (previous year: CHF 2.20)	119 438¹
Additional dividend (gross)		
per registered share	CHF 0.00 (previous year: CHF 1.00)	–
per participation certificate	CHF 0.00 (previous year: CHF 1.00)	–
Total dividend	303 205	355 188
Allocation to other free reserves	200 000	400 000
Total appropriation of available earnings	503 205	755 188
Profit brought forward	24 603	37 419

¹ The total dividend amount covers all outstanding registered shares and participation certificates (including treasury shares).

² Resolution of the General Meeting of Shareholders as of March 20, 2015; payment excludes dividends on treasury shares

Report of the statutory auditor

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 income statement, the balance sheet and notes (pages 70 to 81), for the year ended December 31, 2015.

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, 2015 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 11, 2016

Ernst & Young Ltd.

Christian Schibler
Licensed audit expert
(Auditor in charge)

Ralf Noffke
Licensed audit expert

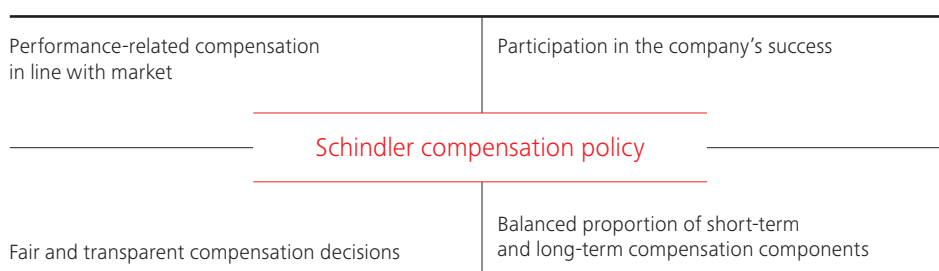
Compensation Report

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The Compensation Report contains information about the compensation and shareholdings of the members of the Board of Directors and the Group Executive Committee, as well as loans granted to these individuals. The disclosures are made in accordance with the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV). The information relates to the reporting year 2015 unless otherwise stated.

1 Compensation principles

The Schindler Group’s success depends to a large extent on the quality and commitment of its employees. Its compensation policy is designed to attract, motivate, and retain well-qualified professionals. In addition, the awarding of performance-related and, in particular, share-based components of variable compensation is intended to promote an entrepreneurial mindset and approach.



2 Compensation system

2.1 Overview

Article 33 of the Articles of Association of Schindler Holding Ltd. states that fixed and variable compensation can be paid to members of the Board of Directors and the Group Executive Committee. Compensation can be paid in the form of cash, shares, other equity instruments, options, comparable instruments, or units. In addition, non-cash benefits or services can be provided. For further details, refer to Article 33 of the Articles of Association (www.schindler.com/com/internet/en/investor-relations/articles-of-association.html).

In accordance with the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV), and Article 32 of the Articles of Association of Schindler Holding Ltd., the General Meeting of Shareholders votes annually on the total compensation of the Board of Directors and the Group Executive Committee to approve:

- The maximum permissible total fixed compensation of the members of the Board of Directors and the Group Executive Committee for the current financial year (prospective approval)
- The total variable compensation of the members of the Board of Directors and the Group Executive Committee for the reporting year (retrospective approval)

Article 32 of the Articles of Association of Schindler Holding Ltd. states that the maximum permissible fixed compensation shall be increased by 20% if, following the approval of the fixed compensation, additional members or replacement members are appointed to the Group Executive Committee.

	Board of Directors		
	Executive members	Non-executive members	Group Executive Committee

Fixed compensation – Prospective approval

Cash (gross)	Executive members	Non-executive members	Group Executive Committee
Annual salary	●		●
Fixed Board of Directors' fee	●	●	
Flat-rate expense allowances			
Flat-rate allowance	●	●	
Representation allowance	●		●
Car allowance	●		●
Pension, social, and other benefits			
Pension benefits			
Pension fund	●		●
Schindler Foundation	●		●
Social contributions	●	●	●
Other benefits	●		●

Variable compensation – Retrospective approval

Short-term – cash bonus	●		●
Long-term – equity instruments			
Performance Share Plan (PSP)	●		
Deferred Share Plan (DSP)			●
Social and other benefits			
Social contributions	●		●
Other benefits			●

2.2 Basic principles

The disclosed compensation of the Board of Directors and the Group Executive Committee comprises the compensation for the full reporting year, irrespective of which Schindler company paid it, subject to the following additions and limitations:

- The compensation paid to new members of the Board of Directors or the Group Executive Committee is included from the date on which the member takes over the relevant function.
- If a member transfers from the Group Executive Committee to the Board of Directors, or vice versa, the full compensation is taken into account and reported under the new function.
- If a member resigns from office and/or steps down from the Board of Directors or the Group Executive Committee, the compensation paid up to the date on which the member stepped down, plus any compensation paid in the reporting year in

connection with his/her former activities, is included. Statutory compensation paid in the following year is reported separately under benefits for former members of governing bodies.

- Compensation is reported according to the accrual principle based on estimates. The actual amounts paid may differ from these estimates, especially in the case of social and other benefits.

2.3 Fixed compensation

The fixed compensation of the executive members of the Board of Directors and members of the Group Executive Committee comprises an annual salary, a representation allowance and a car allowance, as well as pension (pension fund, Schindler Foundation), social and other benefits. In individual cases – depending on the country in which a member of the Group Executive Committee lives – a company car may be provided. Benefits may also be paid if a member of the Group Executive Committee is sent on an international assignment. Such benefits related to fixed compensation are reported under pension, social, and other benefits. Fringe benefits are included in fixed compensation and are reported as benefits if any single benefit exceeds CHF 500 or if total benefits exceed CHF 20 000 in the reporting year. Other benefits also comprise health insurance contributions and premiums for management insurance policies.

All members of the Board of Directors receive a fixed Board of Directors' fee, as well as a flat-rate expense allowance.

2.4 Variable compensation

2.4.1 Executive members of the Board of Directors

The amount of variable compensation awarded is based on the consolidated cash flow from operating activities (before changes in net working capital) of the Group. Variable compensation is paid in cash (50%) and in shares (50%) in accordance with the rules of the Performance Share Plan.

Bonus on cash flow

The bonus is calculated on the basis of a rate per thousand of cash flow. The rate per thousand is set by the Board of Directors for each individual executive member of the Board of Directors. When determining the rate per thousand that applies to the Chairman of the Board of Directors, the contractually agreed range – the upper limit of which has remained unchanged since 1997 – is taken into account. For the other executive members, the achievement of strategic targets as well as individual targets set by the Chairman of the Board of Directors is also taken into account when determining bonuses.

Cash flow from operating activities is used as a parameter to measure performance in order to promote a long-term increase in the value of the Group rather than short-term profit maximization. This compensation system ensures, among other things, that restructuring projects are initiated as early as possible and that the associated depreciation and amortization and the corresponding provisions are recognized.

Performance Share Plan

Under the Performance Share Plan, the shares are allocated in April of the following year (year of allocation). The Board of Directors decides each year whether registered shares or participation certificates will be allocated.

The allocated shares include all of the associated rights but they are blocked for a period of three years, during which they may not be disposed of. The final number of shares allocated is calculated on the basis of the volume-weighted average price in March of the year of allocation, less a discount. The Board of Directors may deviate from this method.

The number of shares disclosed in the reporting year is a provisional figure based on the volume-weighted average price in December of the reporting year, less a discount of 20%. The final number is always reported in the following year's Compensation Report.

In order to include them in total compensation for the reporting year, the shares that are to be allocated are valued at the volume-weighted average price in December, less a discount of 10%. The discount reflects the fact that once they have been allocated, the shares are then blocked for a period of three years.

Provisional number of shares	=	50% of the performance-related bonus achieved	÷	Volume-weighted average share price in December of the reporting year less discount
Value disclosed in Compensation Report	=	Volume-weighted average share price in December of the reporting year (less 10%)	×	Provisional number of shares
Number of shares allocated	=	50% of the performance-related bonus achieved	÷	Volume-weighted average share price in March of the allocation year less discount
Value disclosed in Compensation Report +1	=	Volume-weighted average share price in March of the allocation year (less 10%)	×	Number of shares allocated

2.4.2 Group Executive Committee

The members of the Group Executive Committee receive an annual performance-related cash bonus (short-term compensation component) and an annual grant of Performance Share Units (long-term compensation component) in accordance with the rules of the Deferred Share Plan 2015.

The targeted split of compensation into fixed compensation, short-term and long-term variable compensation is 31%/31%/38% for the CEO and 47%/24%/29% for the other members of the Group Executive Committee (assuming 100% target achievement).

Annual performance-related cash bonus

The annual performance-related cash bonus is calculated on the basis of the achievement of personal, operational, and financial targets. The targets that need to be

achieved, as well as the target bonus, are set at the start of the reporting year. Depending on the extent to which the targets are achieved, the cash bonus that is awarded may amount to between 0% and 150% of the target bonus and is paid in April of the following year.

Deferred Share Plan 2015

Under the Deferred Share Plan 2015, a number of Performance Share Units (PSU) are granted for the reporting year based on a contractual target bonus amount. The Board of Directors decides each year whether the Performance Share Units will be converted into registered shares or participation certificates.

The number of Performance Share Units granted is calculated on the basis of the volume-weighted average price of the shares in March of the reporting year, less a discount. The Board of Directors may deviate from this method. At the start of the reporting year, a combination of growth and profitability targets that applies to all members of the Group Executive Committee is set for the next three business years. The achievement of those targets is determined after the end of the three-year period. Depending on the extent to which the targets are achieved, the Performance Share Units will be converted into shares at a conversion rate of between 0% and 300%. The maximum value of the converted shares that a participant may receive is three times the contractual target bonus amount.

The Performance Share Units are converted into shares three years after they are granted and transferred to the ownership of the beneficiaries. From that date, the shares include all of the associated rights. In the event of any breaches of the Code of Conduct, beneficiaries forfeit the right to have their Performance Share Units converted into shares.

In order to include them in total compensation, the Performance Share Units that are finally granted are valued at the volume-weighted average price in March of the reporting year (month of grant), less a discount of 10%. This discount reflects the fact that the Performance Share Units can only be converted three years after they were granted.

Number of PSU granted	=	Contractual target bonus amount	÷	Volume-weighted average share price in March of the reporting year less discount
Value reported in Compensation Report	=	PSU granted (estimated performance)	×	Volume-weighted average share price in March of the reporting year (less 10%)
Number of shares granted (after 3 years)	=	PSU granted	×	Performance evaluation between 0% and 300%

The Deferred Share Plan 2015 applies with effect from the reporting year 2015. Details of the previous plan can be found in the Compensation Report 2014.

2.4.3 Social and other benefits

Benefits related to variable compensation such as social security contributions and taxes for international assignments are reported as social or other benefits.

3 Responsibilities and determination process

The compensation system and the capital participation plans are defined by Corporate Human Resources and are reviewed by the CEO, the Supervisory and Nomination Committee, and the Compensation Committee before being submitted to the Board of Directors for approval. Executive members of the Board of Directors are not present when decisions are made on their respective compensation awards. No external consultants were involved in this process in the reporting year.

The Compensation Committee holds at least two meetings per year. In the reporting year it met five times.

Members of the Compensation Committee

As of 31.12.2015		
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Chairman
Dr. Rudolf W. Fischer	Executive member of the Board of Directors	Member
Rolf Schweiger	Independent member of the Board of Directors	Member

The Compensation Committee

- Proposes the terms of the employment contract and the annual variable compensation of the Chairman of the Board of Directors for approval by the Board of Directors
- Proposes, at the request of the Chairman of the Board of Directors, the terms of the employment contracts and the target compensation of the other executive members of the Board of Directors and the CEO for approval by the Board of Directors
- Proposes, at the request of the CEO, the target compensation of the other members of the Group Executive Committee for approval by the Board of Directors

The Chairman of the Board of Directors

- Proposes the terms of the employment contracts and the target compensation of the executive members of the Board of Directors (excluding the Chairman of the Board of Directors) and the CEO for review by the Compensation Committee and for approval by the Board of Directors
- Determines the annual variable compensation of the executive members of the Board of Directors (excluding the Chairman of the Board of Directors) and the CEO

The CEO

- Proposes the terms of the employment contracts and the target compensation of the other members of the Group Executive Committee for review by the Compensation Committee and for approval by the Board of Directors
- Determines the annual variable compensation of the other members of the Group Executive Committee

The Board of Directors

- Approves, at the request of the Compensation Committee, the terms of the employment contracts and the target compensation of the executive members of the Board of Directors (including the Chairman of the Board of Directors), the CEO, and the other members of the Group Executive Committee
- Determines, at the request of the Compensation Committee, the annual variable compensation of the Chairman of the Board of Directors
- Approves the compensation system (including the compensation and bonus regulations)

Overview of compensation process: Board of Directors

		Target compensation		Actual variable compensation	
		Proposal/request	Determination/ approval	Proposal/request	Determination/ approval
Chairman of the Board of Directors	Compensation Committee		Board of Directors	Compensation Committee	Board of Directors
Other executive members	VRP ¹ /Compensation Committee		Board of Directors	–	VRP ¹
Non-executive members	VRP ¹ /Compensation Committee		Board of Directors	–	–

¹ VRP = Chairman of the Board of Directors

Overview of compensation process: Group Executive Committee

		Target compensation		Actual variable compensation	
		Proposal/request	Determination/ approval	Proposal/request	Determination/ approval
CEO	VRP/Compensation Committee		Board of Directors	–	VRP ¹
Other members of Group Executive Committee	CEO/Compensation Committee		Board of Directors	–	CEO

¹ VRP = Chairman of the Board of Directors

4 Compensation for the reporting year

4.1 Board of Directors

In CHF 1 000	Fixed compensation			Variable compensation		Total for 2015
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)/other	Registered shares	Social and other benefits	
Alfred N. Schindler, Chairman ^{1,2}	2 125	267	527	593	58	3 570⁹
Luc Bonnard, Vice Chairman ³	300	14	535 ⁸	–	68 ⁸	917
Dr. Rudolf W. Fischer ^{1,2,4}	952	318	945	1 063	113	3 391
Jürgen Tinggren ^{1,2,4,10}	972	298	1 134	1 276	136	3 816
Prof. Dr. Karl Hofstetter ²	730	308	832	936	100	2 906
Prof. Dr. Pius Baschera ³	200	11	–	–	–	211
Patrice Bula ^{3,5}	156	9	–	–	–	165
Prof. Dr. Monika Bütler ³	200	12	–	–	–	212
Dr. Hubertus von Grünberg ^{3,6}	54	2	–	–	–	56
Anthony Nightingale ³	200	9	–	–	–	209
Rolf Schweiger ³	200	9	–	–	–	209
Carole Vischer ³	200	12	–	–	–	212
Prof. Dr. Klaus W. Wellershoff ³	240 ⁷	14	–	–	–	254
Total compensation	6 529	1 283	3 973	3 868	475	16 128

¹ Member of the Supervisory and Nomination Committee

² Executive member

³ Non-executive member

⁴ Employed on an 80% basis

⁵ Since the General Meeting of Shareholders 2015

⁶ Until the General Meeting of Shareholders 2015, including fee for work as a member of the Technology Board

⁷ Including fee for work as a member of the Audit Committee of CHF 40 000

⁸ Fee for consulting services CHF 602 888

⁹ Alfred N. Schindler donated over CHF 1 million of this sum to a charitable foundation under Swiss law

¹⁰ Variable compensation (cash bonus) includes the amount of CHF 853 000, the payment of which is dependent on the achievement of additional personal targets

For the reporting year, the variable component of the compensation awarded to the executive members of the Board of Directors averaged 56% (previous year: 50%) of total compensation; this comprised 45% in the form of a cash bonus (previous year: 41%), 50% in the form of shares (previous year: 51%), and 5% in the form of social and other benefits (previous year: 8%).

Board of Directors' fees (including a flat-rate expense allowance) remain unchanged: full-time Chairman CHF 400 000, Vice Chairman CHF 300 000, other members CHF 200 000.

The Board of Directors has decided to allocate registered shares under the Performance Share Plan for the reporting year and to apply a discount of 20%.

The variable compensation reported is always subject to the approval of the General Meeting of Shareholders.

The employment contracts of the executive members of the Board of Directors are aligned with the provisions of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV). In particular, the company has no employment contracts that have a term or notice period exceeding 12 months or that contain any entitlements to severance payments.

In the reporting year, no collateral or guarantees were granted to members of the Board of Directors. Neither Schindler Holding Ltd. nor any other Group company waived any claims against members of the Board of Directors.

Registered shares

	Number
Alfred N. Schindler, Chairman	3 953
Dr. Rudolf W. Fischer	7 084
Jürgen Tinggren	8 500
Prof. Dr. Karl Hofstetter	6 234

The number of shares disclosed is a provisional figure based on the volume-weighted average price in December 2015, less a discount of 20%. The final number is reported in the following year's Compensation Report.

In CHF	Performance Share Plan
Participation right	Registered share
Volume-weighted average price in December 2015	166.76
Value for inclusion in variable compensation	150.08

4.2 Group Executive Committee

For details of the composition of the Group Executive Committee, which was taken into account when determining total compensation, refer to the Corporate Governance Report, note 4.1

In CHF 1 000	Fixed compensation		Variable compensation				Total 2015
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Other benefits	Social contributions	
Total compensation	5 777	1 951	5 456	4 441	548	521	18 694
Highest individual compensation: Silvio Napoli, CEO	906	207	1 700 ¹	1 125	10	160	4 108

¹ Includes a CHF 200 000 special bonus in recognition of the fact that Silvio Napoli served as responsible for Americas in addition to performing his role as CEO

For the reporting year, the variable component of the compensation awarded to the members of the Group Executive Committee averaged 59% (previous year: 57%) of total compensation; this comprised 50% in the form of a cash bonus (previous year: 43%), 40% in the form of Performance Share Units (previous year: 44%), and 10% in the form of social and other benefits (previous year: 13%).

The cash bonus was based on personal and operational targets (50%), and financial targets (50%).

The total cash bonus awarded to the Group Executive Committee reflects an average achievement factor of 132% based on the targets set for 2015.

The Board of Directors has decided to grant Performance Share Units convertible into registered shares in accordance with the rules of the Deferred Share Plan 2015 for the reporting year and to apply a discount of 20%.

The Board of Directors has defined Group revenue growth and EBIT targets for 2017. The number of Performance Share Units reported represents the number of registered shares that would be granted if these targets are achieved (i.e. 100% achievement factor), which is based upon the most recent interim assessment. In order to include them in total compensation, the Performance Share Units are valued at the volume-weighted average price in March of the reporting year less a discount of 10%.

The variable compensation of the Group Executive Committee reported is always subject to the approval of the General Meeting of Shareholders.

The employment contracts of the executive members of the Group Executive Committee are aligned with the provisions of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV). In particular, the company has no employment contracts that have a notice period exceeding 12 months or that contain any entitlements to severance payments.

In the reporting year, no collateral or guarantees were granted to members of the Group Executive Committee. Neither Schindler Holding Ltd. nor any other Group company waived any claims against the members of the Group Executive Committee.

Performance Share Units

	Number
Total Group Executive Committee	31 018
Silvio Napoli, CEO	7 857

Value per Performance Share Unit

In CHF	Deferred Share Plan
Participation right	PSU on registered shares
Volume-weighted average price in March 2015	159.10
Value for inclusion in variable compensation	143.19

4.3 Approved fixed compensation

In CHF 1 000	Board of Directors	Group Executive Committee
Approved by the General Meeting of Shareholders 2015	8 100	7 700
Actual fixed compensation	7 812	7 728

The actual fixed compensation for the Group Executive Committee is higher than the amount approved by the General Meeting of Shareholders as a result of Karl-Heinz Bauer joining the Group Executive Committee on June 1, 2015. This appointment had not been decided at the time when fixed compensation was approved by the General Meeting of Shareholders.

5 Compensation for the previous year

5.1 Board of Directors

In CHF 1 000	Fixed compensation			Variable compensation			Total 2014
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)/other	Registered shares	Performance Share Units	Social and other benefits	
Alfred N. Schindler, Chairman ^{1,2}	2 125	293	517	582	–	53	3 570 ⁹
Luc Bonnard, Vice Chairman ³	300	14	352 ⁸	–	–	58 ⁸	724
Dr. Rudolf W. Fischer ^{1,2,4}	952	317	690	776	–	91	2 826
Jürgen Tinggren ^{1,2,4,5}	989	299	733	824	–	83	2 928
Prof. Dr. Karl Hofstetter ²	725	308	585	–	900	252	2 770
Prof. Dr. Pius Baschera ³	200	12	–	–	–	–	212
Prof. Dr. Monika Bütler ³	200	12	–	–	–	–	212
Dr. Hubertus von Grünberg ³	200	9	–	–	–	–	209
Anthony Nightingale ³	200	9	–	–	–	–	209
Lord Charles Powell ^{3,6}	43	2	–	–	–	–	45
Rolf Schweiger ³	200	9	–	–	–	–	209
Carole Vischer ³	200	12	–	–	–	–	212
Prof. Dr. Klaus W. Wellershoff ³	280 ⁷	16	–	–	–	–	296
Total compensation	6 614	1 312	2 877	2 182	900	537	14 422

¹ Member of the Supervisory and Nomination Committee

² Executive member

³ Non-executive member

⁴ Employed on an 80% basis, Jürgen Tinggren since April 1, 2014

⁵ Since the General Meeting of Shareholders 2014, including compensation until the General Meeting of Shareholders 2014 (Jürgen Tinggren was CEO until December 31, 2013)

⁶ Until the General Meeting of Shareholders 2014

⁷ Including fee for work as a member of the Audit Committee in 2013/2014 of CHF 80 000 (including CHF 40 000 for 2013)

⁸ Fees for consulting services CHF 409 835

⁹ Alfred N. Schindler donated over CHF 1 million of this sum to a charitable foundation under Swiss law

Board of Directors' fees (including a flat-rate expense allowance) amounted to: Full-time Chairman CHF 400 000, Vice Chairman CHF 300 000, other members CHF 200 000.

The Board of Directors had decided to allocate registered shares under the capital participation plans.

Allocated registered shares and Performance Share Units

	Registered shares	Performance Share Units
Alfred N. Schindler, Chairman	4 063	–
Dr. Rudolf W. Fischer	5 418	–
Jürgen Tinggren	5 757	–
Prof. Dr. Karl Hofstetter	–	7 693

The final number of registered shares was calculated using an allocation value of CHF 127.28, which corresponds to the volume-weighted average share price in March 2015 less 20%. The number reported in the previous year was based on a provisional value (volume-weighted average share price of registered shares in December 2014, less 20%, resulting in a provisional allocation value of CHF 110.37).

5.2 Group Executive Committee

In CHF 1 000	Fixed compensation			Variable compensation			Total 2014
	Cash (gross)	Pension, social, and other benefits	Cash bonus (gross)	Performance Share Units	Other benefits	Social contributions	
Total compensation	6 283	2 253	4 966	5 100	1 194	261	20 057
Highest individual compensation: Silvio Napoli, CEO	865	425	1 200	1 350	20	–	3 860

The variable compensation awarded to the Group Executive Committee reflects an average achievement factor of 115% based on the targets set for 2014.

Allocated Performance Share Units

	Performance Share Units
Total Group Executive Committee	43 596
Silvio Napoli, CEO	11 539

6 Benefits for former members of governing bodies

Jakob Züger left the Group Executive Committee on December 31, 2014, and Didier Gaudoux left the Group Executive Committee on November 17, 2014. In 2015, the amounts due for their contractual notice period and a severance payment required under French legislation totaled CHF 4 066 000. No other compensation as defined in Article 14, para. 1, section 4 of the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies (VegüV) was paid to former members of a governing body in the reporting year.

7 Loans and credits

Article 34 of the Articles of Association of Schindler Holding Ltd. states that the Board of Directors may grant loans or credits to members of the Board of Directors or the Group Executive Committee. The total amount of these loans and credits must not exceed CHF 10 million and they may only be granted at market rates and subject to the applicable abstention rules.

7.1 Present and former members of governing bodies

No loans or credits were granted by Schindler Holding Ltd. or any other Group company to present or former members of governing bodies, and no such loans were outstanding as of December 31, 2015.

7.2 Related parties

No loans or credits were granted by Schindler Holding Ltd. or any other Group company to related parties of present or former members of governing bodies, and no such loans were outstanding as of December 31, 2015.

8 Proposals to the General Meeting of Shareholders 2016

The aggregate amount of fixed compensation for the Board of Directors and the Group Executive Committee for the current financial year 2016 and the aggregate amount of variable compensation for the reporting year 2015 will be proposed to the General Meeting of Shareholders in March 2016 for approval.

8.1 Fixed compensation for 2016

The aggregate amount of fixed compensation for the Board of Directors to be approved is CHF 8.9 million (amount proposed in 2015: CHF 8.1 million). The difference represents primarily the inclusion of the fixed compensation of Silvio Napoli for the full year 2016 in accordance with the basic principles described in section 2.2.

The aggregate amount of fixed compensation for the Group Executive Committee to be approved is CHF 9.4 million (amount proposed in 2015: CHF 7.7 million). The difference to last year's proposal represents primarily the increased number of members of the Group Executive Committee from April 1, 2016.

8.2 Variable compensation for 2015

The aggregate amount of variable compensation for the Board of Directors to be approved is CHF 8316000.

The aggregate amount of variable compensation for the Group Executive Committee to be approved is CHF 10966000. This includes the value of the Performance Share Units that would be converted into registered shares if Group revenue growth and EBIT targets are achieved (i.e. 100% achievement factor), which is based upon the most recent interim assessment. The conversion rate may be between 0% and 300%.

The cash bonus for the Group Executive Committee represents an average achievement factor of 132% based on the targets set for 2015.

9 Levels of participation

The participations and option rights of members of the Board of Directors of Schindler Holding Ltd. and the Group Executive Committee, as well as related parties, are as follows (there are no conversion rights outstanding):

9.1 Board of Directors

2015

As of 31.12.	Participation		Number
	Registered shares	certificates	Options
Alfred N. Schindler, Chairman ^{1,2}	4	39 287	4 043 ⁵
Luc Bonnard, Vice Chairman ³	4	–	–
Dr. Rudolf W. Fischer ^{1,2}	20 841	–	–
Jürgen Tinggren ^{1,2}	51 178	5 203	18 115 ⁶
Prof. Dr. Karl Hofstetter ²	65 532	21 159	28 204 ⁷
Prof. Dr. Pius Baschera ³	3 000	–	–
Patrice Bula ³	1 500	–	–
Prof. Dr. Monika Bütler ³	1 500	–	–
Anthony Nightingale ³	3 000	–	–
Rolf Schweiger ³	3 375	–	–
Carole Vischer ³	4	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–

¹ Member of the Supervisory and Nomination Committee

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. Together with related parties, they held a total of 47 643 814 shares as at December 31, 2015, corresponding to 70.0% of the voting rights of the share capital entered in the Commercial Register.

⁵ Fully vested options on participation certificates granted under the Capital Participation Plan 2000 (option plan allocation 2012)

⁶ Fully vested options on participation certificates granted under the Long Term Incentive Plan 2010

⁷ Fully vested options on participation certificates granted:

– under the Long Term Incentive Plan 2010: 14 492

– under the Long Term Incentive Plan 2011: 13 712

2014

			Number
	Registered shares	Participation certificates	Options
As of 31.12.			
Alfred N. Schindler, Chairman ^{1,2}	4	34 764	4 523 ⁵
Luc Bonnard, Vice Chairman ³	4	1 155	–
Dr. Rudolf W. Fischer ^{1,2}	26 726	–	5 999 ⁶
Jürgen Tinggren ^{1,2}	30 920	5 203	63 326 ⁷
Prof. Dr. Karl Hofstetter ²	56 251	21 159	28 204 ⁸
Prof. Dr. Pius Baschera ³	3 000	–	–
Prof. Dr. Monika Bütler ³	1 500	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–
Anthony Nightingale ³	3 000	–	–
Rolf Schweiger ³	3 375	–	–
Carole Vischer ³	4	–	–
Prof. Dr. Klaus W. Wellershoff ³	3 000	–	–

¹ Member of the Supervisory and Nomination Committee

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, and Carole Vischer hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. Together with related parties, they held a total of 47 639 751 shares as at December 31, 2014, corresponding to 69.9% of the voting rights of the share capital entered in the Commercial Register.

⁵ Fully vested options on participation certificates granted under the Capital Participation Plan 2000 (option plan allocation 2011)

⁶ Fully vested options on participation certificates granted under the Long Term Incentive Plan 2011

⁷ Fully vested options granted:

- under the Long Term Incentive Plan 2009: 27 000 (registered shares)
- under the Long Term Incentive Plan 2010: 18 115 (participation certificates)
- under the Long Term Incentive Plan 2011: 18 211 (participation certificates)

⁸ Fully vested options on participation certificates granted:

- under the Long Term Incentive Plan 2010: 14 492
- under the Long Term Incentive Plan 2011: 13 712

9.2 Group Executive Committee

2015

	Number		Number of vested options on						
	Registered shares	Participation certificates	Registered shares allocated 2007 ¹	Registered shares allocated 2008 ¹	Registered shares allocated 2008 ²	Registered shares allocated 2009 ³	Participation certificates allocated 2010 ⁴	Participation certificates allocated 2011 ⁵	Participation certificates allocated 2012 ¹
As of 31.12.									
Silvio Napoli, CEO	13 211	9 981	992	3 018	8 528	10 729	6 340	5 999	–
Miguel A. Rodríguez	23 575	–	562	4 279	10 234	19 509	6 340	5 999	–
Erich Ammann	18 931	–	–	–	–	–	–	8 570	–
Karl-Heinz Bauer	–	–	–	–	–	–	–	–	–
David Clymo	2 900	1 251	–	–	–	–	–	–	–
Paolo Compagna	1 505	284	–	–	–	–	–	508	483
Carlos Guembe	1 579	1 989	–	–	2 415	7 246	2 355	2 228	–
Albert Haffert	6 685	3 000	–	–	–	2 000	4 982	6 856	–
Thomas Oetterli	9 553	7 307	–	–	–	2 000	4 529	5 142	–
Oswald Schmid	1 101	4 358	–	–	–	–	2 944	3 000	–

¹ Options from Capital Participation Plan 2000

² Options from Long Term Incentive Plan 2008

³ Options from Long Term Incentive Plan 2009

⁴ Options from Long Term Incentive Plan 2010

⁵ Options from Long Term Incentive Plan 2011

2014

	Number		Number of vested options on						
	Registered shares	Participation certificates	Registered shares allocated 2006 ¹	Registered shares allocated 2007 ¹	Registered shares allocated 2008 ¹	Registered shares allocated 2008 ²	Registered shares allocated 2009 ³	Participation certificates allocated 2010 ⁴	Participation certificates allocated 2011
As of 31.12.									
Silvio Napoli, CEO	8 420	9 981	325	992	3 018	8 528	10 729	6 340	5 999 ⁵
Miguel A. Rodríguez	23 629	–	2 565	562	4 279	10 234	19 509	6 340	5 999 ⁵
Erich Ammann	12 696	5 225	–	–	–	–	–	–	8 570 ⁵
David Clymo	–	2 390	–	–	–	–	–	–	1 858 ¹
Carlos Guembe	3 693	1 989	–	–	–	2 415	7 246	2 355	2 228 ⁵
Albert Haffert	3 285	6 928	–	–	3 773	–	8 361	4 982	6 856 ⁵
Thomas Oetterli	4 998	7 307	–	–	–	–	8 361	4 529	5 142 ⁵
Oswald Schmid	1 101	4 358	–	–	–	–	8 361	2 944	3 000 ⁵
Jakob Züger	14 111	–	–	–	–	–	–	–	6 856 ⁵

¹ Options from Capital Participation Plan 2000

² Options from Long Term Incentive Plan 2008

³ Options from Long Term Incentive Plan 2009

⁴ Options from Long Term Incentive Plan 2010

⁵ Options from Long Term Incentive Plan 2011

Information on the conditions that apply to options is provided in note 35.2 to the Consolidated Financial Statements.

Report of the statutory auditors

To the General Meeting of Schindler Holding Ltd., Hergiswil

Report of the statutory auditor on the compensation report

We have audited the accompanying compensation report (sections 4 to 9) of Schindler Holding Ltd. for the year ended December 31, 2015.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended December 31, 2015 of Schindler Holding Ltd. complies with Swiss law and articles 14 – 16 of the Ordinance.

Basel, February 11, 2016

Ernst & Young Ltd.

Christian Schibler
Licensed audit expert
(Auditor in charge)

Ralf Noffke
Licensed audit expert

Corporate Governance

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The Corporate Governance Report contains the information required by the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, effective December 31, 2015, and is structured in accordance with the Directive. The required disclosures of the compensation and participations of the company's most senior management are provided in the Compensation Report. In addition, an explanation is provided in accordance with the 'comply or explain' principle if the company's corporate governance deviates from the recommendations set out in the Swiss Code of Best Practice for Corporate Governance (referred to hereinafter as the Swiss Code).

1 Group structure and shareholders

1.1 Group structure

Schindler Holding Ltd. is a holding company under Swiss law that is headquartered in Hergiswil (Canton of Nidwalden, Switzerland). Its registered shares (ISIN: CH0024638212, Swiss security number: 2.463.821, SCHN) and participation certificates (ISIN: CH0024638196, Swiss security number: 2.463.819, SCHP) are listed on the SIX Swiss Exchange. As at December 31, 2015, the market capitalization of Schindler Holding Ltd. amounted to CHF 18.9 billion. Schindler Holding Ltd. has a direct or indirect interest in the consolidated companies listed in note 38 of the Group Financial Statements.

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. Its organizational structure as at December 31, 2015, can be summarized as follows:

Board of Directors

Supervisory and Nomination Committee

Group Executive Committee

Chief Executive Officer (CEO)

Deputy CEO; Asia-Pacific and Middle East

Chief Financial Officer (CFO)

Chief Technology Officer (CTO)

Corporate Human Resources

Field Quality & Excellence

New Installations and Supply Chain

Europe North

Europe South

Americas

China

Information on changes to the organizational structure of the Group Executive Committee and to its members, after December 31, 2015, is provided in note 1.4 'Events after the balance sheet date'.

The duties of the full-time Supervisory and Nomination Committee are described in note 3.5.2.1 and in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulations (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

1.2 Significant shareholders

As at the end of 2015, the Schindler and Bonnard families – within the scope of shareholder agreements – and parties related to these families held 47 643 814 registered shares of Schindler Holding Ltd., corresponding to 70.0% of voting rights of the share capital entered in the Commercial Register. There are no further shareholders who have registered a holding of more than 3% of voting rights of Schindler Holding Ltd. according to Article 20 of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA). No notifications according to Article 20 of SESTA were published during the reporting year. Previous notifications can be viewed at: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.

1.3 Cross-shareholdings

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

1.4 Events after the balance sheet date

The Board of Directors of Schindler Holding Ltd. announced on January 15, 2016 that as of April 1, 2016 Thomas Oetterli, currently responsible for all the Group's operations in China, will take the new position as CEO.

On February 12, 2016, the Board of Directors of Schindler Holding Ltd. informed that Daryoush Ziai, Head China Field Operations, will succeed Thomas Oetterli's responsibilities for all the Group's operations in China and will be a member of the Group Executive Committee as of April 1, 2016. In addition, as of April 1, 2016, there will be the following changes in the Group Executive Committee:

Andre Inserra, CEO of Atlas Schindler, Brazil, was appointed to the Group Executive Committee and is now responsible for the Americas region. Michael Nilles, Chief Digital Officer and Christian Schulz, Head Service Business, were also appointed as new members of the Group Executive Committee.

The structure and composition of the Group Executive Committee is as follows, effective April 1, 2016:

As of 1.4.2016	Nationality	Function
Thomas Oetterli (1969)	Switzerland	CEO
Miguel A. Rodríguez (1953)	Spain	Deputy CEO, Asia-Pacific and Middle East
Erich Ammann (1957)	Switzerland	CFO
Karl-Heinz Bauer (1958)	Germany	CTO
David Clymo (1961)	United Kingdom	Corporate Human Resources
Paolo Compagna (1968)	Italy	Europe North
Carlos Guembe (1952)	Spain	Europe South
Albert Haffert (1953)	Germany	Field Quality & Excellence
Andre Inserra (1964)	Brazil	Americas
Michael Nilles (1973)	Germany	Chief Digital Officer
Oswald Schmid (1959)	Austria	New Installations and Supply Chain
Christian Schulz (1964)	Germany	Service Business
Daryoush Ziai (1963)	USA	China

2 Capital structure

2.1 Capital

As at December 31, 2015, the ordinary share capital of Schindler Holding Ltd. totaled CHF 6 806 180.20 and its participation capital totaled CHF 4 423 631.10.

2.2 Authorized and conditional capital

As at December 31, 2015, 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 in note 11 of the Financial Statements of Schindler Holding Ltd.

2.4 Shares and participation certificates

As at December 31, 2015, the share capital totaled CHF 6 806 180.20. It is divided into 68 061 802 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 of retained earnings and to a share of the proceeds of liquidation, corresponding to its nominal value.

As at December 31, 2015, the participation capital totaled CHF 4 423 631.10. It is divided into 44 236 311 fully paid-in bearer participation certificates, each with a nominal value of CHF 0.10. Each participation certificate carries the right to a share of retained earnings, and to a share of 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 in 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 voting rights.

The voting rights of related shareholders are counted together.

In accordance with Swiss federal law requiring the 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 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 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.

The General Meeting of Shareholders can determine exceptions to the percentage limits by relative majority, whereby a legally binding decision requires at least half of the shares entered 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 did not have to reach a decision on any applications for exceptions in the financial year 2015.

Further details on the restrictions on registration and exceptions thereto are set out in Article 13 of the Articles of Association of Schindler Holding Ltd., which are available at: [www.schindler.com – Investor Relations – Annual General Meeting \(www.schindler.com/com/internet/en/investor-relations/articles-of-association.html\)](http://www.schindler.com – Investor Relations – Annual General Meeting (www.schindler.com/com/internet/en/investor-relations/articles-of-association.html)).

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

Allocation year		Options allocated (number)	Exercise price in CHF	Blocked period ends	Exercise period ends	Number as of 31.12.2015		
						Forfeited	Exercised	Outstanding
2006	A	138 376 ¹	48.80	30.04.09	30.04.15	-2 440	-135 936	-
2007	A	160 711 ¹	56.20	30.04.10	30.04.16	-3 333	-147 470	9 908
2008	A	357 092 ¹	80.90	30.04.11	30.04.17	-14 917	-288 147	54 028
2008	B	155 311 ¹	78.90	30.04.11	30.04.17	-	-136 549	18 762
2009	A	464 175 ¹	56.40	30.04.12	30.04.18	-2 030	-383 075	79 070
2009	B	314 783 ¹	56.40	30.04.12	30.04.18	-2 407	-261 973	50 403
2010	A	207 896 ²	53.60	30.04.13	30.04.19	-483	-145 178	62 235
2010	B	107 739 ²	85.10	30.04.13	30.04.19	-6 159	-35 868	65 712
2011	A	222 621 ²	85.10	30.04.14	30.04.20	-901	-137 411	84 309
2011	B	104 854 ²	124.80	30.04.14	30.04.20	-	-29 352	75 502
2012	A	162 002 ²	108.20	30.04.15	30.04.21	-750	-66 825	94 427
2013	A	138 012 ¹	137.84	30.04.16	30.04.22	-9 442	-2 611	125 959

A = Options from the Capital Participation Plan 2000/2003

B = Options from the 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 and Committees of the Board

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

The Board of Directors, which – according to the Articles of Association – consists of between 5 and 12 members, currently has 12 members. Four members are executive members of the Board of Directors, which means that, in principle, they exercise their function on a full-time basis. None of the members also serve on the Group Executive Committee. Three of the executive members of the Board of Directors form the Supervisory and Nomination Committee. The eight remaining members are non-executive members of the Board of Directors.

The Board of Directors comprises both male and female members. In accordance with the recommendations and criteria in the Swiss Code, the majority of the Board of Directors – i.e. 8 of its 12 members – is independent.

It is only in terms of the composition of the Committees of the Board that the company deviates from the recommendations of the Swiss Code. This is mainly due to the fact that major shareholders have their own representation on the Board of Directors and thus safeguard their long-term shareholder interests directly.

Members

As of 31.12.2015	Domicile	Nationality	Function	In office since ¹
Alfred N. Schindler (1949)	Hergiswil, Switzerland	Switzerland	Chairman, executive member ²	1977
Luc Bonnard (1946)	Hergiswil, Switzerland	Switzerland	Vice Chairman, non-executive member	1984
Dr. Rudolf W. Fischer (1952)	Walchwil, Switzerland	Switzerland	Executive member ²	2012
Jürgen Tinggren (1958)	Küssnacht a. R., Switzerland	Sweden	Executive member ²	2014
Prof. Dr. Karl Hofstetter (1956)	Zug, Switzerland	Switzerland	Executive member	2006
Prof. Dr. Pius Baschera (1950)	Zurich, Switzerland	Switzerland, Italy	Non-executive member	2005
Patrice Bula (1956)	Yens, Switzerland	Switzerland	Non-executive member	2015
Prof. Dr. Monika Bütler (1961)	Zurich, Switzerland	Switzerland	Non-executive member	2013
Anthony Nightingale (1947)	Hong Kong SAR, China	United Kingdom	Non-executive member	2013
Rolf Schweiger (1945)	Baar, Switzerland	Switzerland	Non-executive member	2009
Carole Vischer (1971)	Hergiswil, Switzerland	Switzerland	Non-executive member	2013
Prof. Dr. Klaus W. Wellershoff (1964)	Zurich, Switzerland	Germany	Non-executive member	2009

¹ Annual General Meeting of Shareholders in the year shown

² Member of the Supervisory and Nomination Committee

3.2 Other activities and vested interests

Alfred N. Schindler, Chairman of the Board of Directors, born 1949, Swiss citizen

Chairman of the Board of Directors since 1995

Member of the Board of Directors since 1977

Chairman of the Supervisory and Nomination Committee since 1985

Professional experience

1985–2011 CEO of the Schindler Group

1982–1985 Head of Corporate Planning, Schindler Group

1980–1981 CFO of Notz AG, Biel, Switzerland

1978–1979 Marketing, Schindler Group

1977–1978 The Wharton School, University of Pennsylvania, USA

1974–1976 Auditor at Neutra Treuhand AG, Berne, Switzerland

Qualifications

– Degree in law from the University of Basel, Switzerland

– MBA from The Wharton School, University of Pennsylvania, USA

Luc Bonnard, Vice Chairman of the Board of Directors, born 1946, Swiss citizen

Vice Chairman of the Board of Directors since 1996

Member of the Board of Directors since 1984

Chairman of the Audit Committee since 2013

Professional experience

1991–2012 Member of the Supervisory and Nomination Committee, Schindler Holding Ltd., Hergiswil, Switzerland

1986–1990 Head of the Schindler Group's Elevators & Escalators business

1983–1986 Member of the Schindler Group Executive Committee, responsible for Northern Europe

1972–1983 Various positions in the Schindler Group

Qualifications

Master's degree in electrical engineering from the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland

Dr. Rudolf W. Fischer, born 1952, Swiss citizen

Member of the Board of Directors and member of the Supervisory and Nomination Committee since 2012

Member of the Compensation Committee since 2012

Professional experience

1996–2011 Member of the Schindler Group Executive Committee Elevators & Escalators with responsibility for Corporate Human Resources, Management Training, and Corporate Safety & Health

1994–1995 Partner at Dr. Björn Johansson Associates, Zurich, Switzerland

1993–1994 CEO of Hanro AG, Liestal, Switzerland

1991–1993 CEO of Jockey/Vollmöller AG, Uster, Switzerland

1982–1991 Various functions in the areas of human resources and trade marketing at Jacobs Suchard, Switzerland and Belgium

1980–1982 Management trainee at Zürcher Kantonalbank and First National Bank of Boston

Other activities

Member of the Board of Directors of Vetropack Holding AG, Bülach, Switzerland

Qualifications

Doctorate in economics from the University of Zurich, Switzerland

Jürgen Tinggren, born 1958, Swedish citizen

Member of the Board of Directors and member of the Supervisory and Nomination Committee since 2014

Professional experience

- 2011–2013 CEO of the Schindler Group
- 2007–2011 President of the Schindler Group Executive Committee Elevators & Escalators
- 1997–2007 Member of the Schindler Group Executive Committee Elevators & Escalators
 - 2005–2007: Deputy President of the Group Executive Committee with responsibility for Technology and Strategic Procurement
 - 1999–2005: Responsible for Asia-Pacific
 - 1997–1998: Responsible for Europe 1
- 1985–1997 Sika Group, where his final position was as a member of the Management Committee with responsibility for North America

Other activities

- Member of the Board of Directors of Sika AG, Baar, Switzerland
- Member of the Board of Directors of Tyco International Ltd., Dublin, Ireland
- Member of the Board of Trustees of The Conference Board, New York, USA

Qualifications

Joint MBA from the Stockholm School of Economics, Sweden, and New York University Business School, USA

Prof. Dr. Karl Hofstetter, born 1956, Swiss citizen

Member of the Board of Directors since 2006

Professional experience

- Since 1993 Group General Counsel of the Schindler Group
- 2002–2006 Member of the Schindler Group Executive Committee Elevators & Escalators
- 1990–1993 Legal Counsel of the Schindler Group

Other activities

- Chairman of the Board of Trustees of the Kuoni and Hugentobler Foundation, Zurich, Switzerland
- Member of the Board of Directors of ALSO Holding AG, Emmen, Switzerland
- Member of the Board of Directors of Venture Incubator AG, Zug, Switzerland
- Member of the Foundation Board of Stichting INPAR, Amsterdam, The Netherlands
- Member of the Board of SwissHoldings, Berne, Switzerland
- Member of the Commission of Experts on Disclosure of the SIX Swiss Exchange, Zurich, Switzerland
- Member of the University Council of the University of Lucerne, Switzerland
- Chairman of the Advisory Board of the Program on Comparative Corporate Law, Governance, and Finance at Harvard Law School, Boston, USA
- Professor of Private and Commercial Law at the University of Zurich, Switzerland

Qualifications

- Degree in law (including a doctorate) and in economics from the University of Zurich, Switzerland, Stanford, UCLA, and Harvard University, USA
- Licensed attorney in Zurich and New York

Prof. Dr. Pius Baschera, born 1950, Swiss and Italian citizen

Member of the Board of Directors since 2005

Member of the Compensation Committee since 2008, Chairman of the Compensation Committee since 2015

Professional experience

- Since 2007 Chairman of the Board of Directors of Hilti AG, Schaan, Liechtenstein
- 1994–2006 CEO of Hilti AG, Schaan, Liechtenstein
- 1990–1994 Chief Financial Officer and member of the Executive Board of Hilti AG, Schaan, Liechtenstein
- 1989–1990 Head of Europe 1 market region of Hilti AG, Schaan, Liechtenstein
- 1986–1989 Head of Hilti Deutschland GmbH, Kaufering, Germany
- 1985 Head of Hilti (Schweiz) AG, Adliswil, Switzerland
- 1982–1985 Head of Corporate Development of Hilti Inc., Tulsa, USA
- 1979–1982 Head of Production Controlling of Hilti AG, Schaan, Liechtenstein

Other activities

- Member of the Board of Directors of Roche Holding AG, Basel, Switzerland
- Member of the Advisory Board of Vorwerk & Co., Wuppertal, Germany
- Member of the Advisory Board of Ardex GmbH, Witten, Germany
- Chairman of the Board of Directors of Venture Incubator AG, Zug, Switzerland
- Professor of Business Administration at the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland

Qualifications

- Degree in mechanical engineering and management science from the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland
- Doctor of science from the Swiss Federal Institute of Technology (ETH) Zurich, Switzerland

Patrice Bula, born 1956, Swiss citizen

Member of the Board of Directors since 2015

Professional experience

- Since 2011 Executive Vice President of Nestlé S.A., with responsibility for the Strategic Business Units, Marketing, Sales and Nespresso, Vevey, Switzerland
- 2007–2011 Market Head, Nestlé Greater China Region
- 2003–2007 Market Head, Nestlé Germany
- 2000–2003 Head of the Strategic Business Unit Chocolate, Confectionery & Biscuits, Nestlé Headquarters, Vevey, Switzerland
- 1997–2000 Region Head, Nestlé Southern African Region
- 1995–1997 CEO of Čokoládovny, Czech Republic and Slovakia
- 1989–1995 Marketing Director and later Market Head, Nestlé Taiwan
- 1988–1989 Market Specialist, Zone AOA, Nestlé Headquarters, Vevey, Switzerland
- 1983–1988 Product Specialist and later Manager Food Business Unit, Nestlé Japan

Other activities

- Member of the Board of Directors of Cereal Partners Worldwide S.A., Lausanne, Switzerland
- Member of the Board of Directors of Beverage Partners Worldwide S.A., Switzerland
- Member of the Board of Directors of Yinlu Food Group Companies, China
- Member of the Board of Directors of Hsu Fu Chi Group Companies, China

Qualifications

- Master’s in economic sciences from the University of Lausanne, Faculty of Business and Economics (HEC), Switzerland
- Program for Executive Development at IMD business school, Lausanne, Switzerland

Prof. Dr. Monika Büttler, born 1961, Swiss citizen

Member of the Board of Directors since 2013

Professional experience

- Since 2008 Managing Director of the Swiss Institute for Empirical Economic Research, University of St. Gallen, Switzerland
- Since 2004 Professor of Economics at the University of St. Gallen, Switzerland
- 2009–2013 Dean of the School of Economics and Political Science, University of St. Gallen, Switzerland
- 2008 & 2011 Visiting Professor at the University of New South Wales, Sydney, Australia
- 2004–2006 Advisor to the World Bank, Washington, USA
- 1999–2004 Assistant Professor and Professor at the University of Lausanne, Switzerland
- 1997–2001 Assistant Professor at the CentER & Department of Economics, Tilburg University, The Netherlands

Other activities

- Member of the Bank Council of the Swiss National Bank, Zurich, Switzerland
- Chairperson of the Swiss Institute for International Economics and Applied Economic Research, St. Gallen, Switzerland
- Member of the Board of Directors of Suva, Lucerne, Switzerland
- Member of the Board of Directors of HUBER+SUHNER AG, Herisau, Switzerland
- President of the Swiss Society of Economics and Statistics, Zurich, Switzerland

Qualifications

- Degree in mathematics, majoring in physics, from the University of Zurich, Switzerland
- Doctorate in economics from the University of St. Gallen, Switzerland

Anthony Nightingale, born 1947, British citizen

Member of the Board of Directors since 2013

Professional experience

Since 1994 Member of the Board of Directors of Jardine Matheson Holdings, Bermuda
 2006–2012 CEO of Jardine Matheson Holdings, Bermuda
 1969–1994 Various functions at the Jardine Matheson Group

Other activities

- Member of the Board of Directors of Vitasoy International Holdings Ltd., Hong Kong; Jardine Strategic Holdings, Dairy Farm International Holdings, Hong Kong Land Holdings, and Mandarin Oriental International, all Bermuda; Jardine Cycle & Carriage, Singapore; China Xintiandi, Cayman Islands; and Prudential plc, UK
- Commissioner of PT Astra International, Indonesia
- Hong Kong Representative to the APEC Business Advisory Council
- Chairman of the Hong Kong-APEC Trade Policy Group, Hong Kong
- Member of the Commission on Strategic Development, Hong Kong
- Member of the Securities and Futures Commission of the Committee on Real Estate Investment Trusts, Hong Kong
- Honorary Professor at the Hong Kong Baptist University School of Business
- Member of the Advisory Council of the Hong Kong University of Science and Technology School
- Chairman of The Sailors Home and Missions to Seamen, Hong Kong
- Director of the UK-ASEAN Business Council

Qualifications

Bachelor's degree (honors) in classics, Peterhouse College, University of Cambridge, UK

Rolf Schweiger, born 1945, Swiss citizen

Member of the Board of Directors since 2009

Member of the Compensation Committee since 2015

Professional experience

- Since 1976 Partner in the law firm Schweiger Advokatur / Notariat, Zug, Switzerland
- 1999–2011 Member of the Swiss Council of States, member of the Finance Committee and Chairman of its Subcommittee 2 (EDA/EVD), member of the Committee for Economic Affairs and Taxation, member of the Legal Committee, and Chairman of the Committee for the Environment, Spatial Planning and Energy, as well as various other committee mandates in the Swiss Council of States
- 1969–2011 Various political mandates, including as a member of the Parliament of the Canton of Zug (22 years)
- 2004 Leader of the Free Democratic Party (FDP), Switzerland

Other activities

- Chairman of the Board of Directors of Roche Diagnostics International AG, Risch, Switzerland
- Member of the Board of Crypto Group, Steinhausen, Switzerland
- Chairman of the 'Ombudsman for Private Insurance and Suva' Foundation, Zurich, Switzerland
- Member of the Management Committee of the Schweizer Patenschaft für Berggemeinden (organization supporting mountain communities), Zurich, Switzerland

Qualifications

- Degree in law from the University of Zurich, Switzerland
- Licensed attorney and notary in Zug

Carole Vischer, born 1971, Swiss citizen

Member of the Board of Directors since 2013

Member of the Audit Committee since 2016

Professional experience

- 2002–2011 Director of the Stiftung Dr. Robert und Lina Thyll-Dürr (charitable foundation), Hergiswil, Switzerland

Other activities

- President of the Stiftung Dr. Robert und Lina Thyll-Dürr, Hergiswil, Switzerland
- Member of the Board of Directors of Schindler Aufzüge AG, Ebikon, Switzerland

Qualifications

Degree in law, University of Basel, Switzerland

Prof. Dr. Klaus W. Wellershoff, born 1964, German citizen

Member of the Board of Directors since 2009

Member of the Audit Committee since 2013

Professional experience

- Since 2015 Chairman of the Board of Directors of Wellershoff & Partners Ltd., Zurich, Switzerland
- 2009–2015 CEO of Wellershoff & Partners Ltd., Zurich, Switzerland
- 2003–2008 Global Head of Wealth Management Research at UBS and Chairman of the Investment Committee of the UBS Global Wealth Management & Business Banking Division
- 1997–2009 Chief Economist of the then Swiss Bank Corporation and later UBS, Switzerland

Other activities

- President of the Management Committee of the Institute of Economics, University of St. Gallen, Switzerland
- Vice Chairman of the Board of Trustees of the World Demographic & Ageing Forum, St. Gallen, Switzerland
- Honorary Professor of Applied Economics at the University of St. Gallen, Switzerland

Qualifications

- Banking apprenticeship at Sal. Oppenheim jr. & Cie., Cologne, Germany
- Studied economics and business administration at the University of St. Gallen, Switzerland
- Visiting fellow at the Department of Economics, Harvard University, USA

3.3 Number of permitted activities

In accordance with Article 35 of the Articles of Association, the members of the Board of Directors may be active in the highest management or administrative bodies of up to 20 legal entities outside the Group. Legal entities that are controlled by the company or that control the company are not counted. Mandates in several legal entities that are under joint control count as one mandate. The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Board of Directors. The General Meeting of Shareholders may approve exceptions to these rules.

3.4 Elections and term of office

The members of the Board of Directors of Schindler Holding Ltd. are elected individually by the General Meeting of Shareholders for a term of one year ending at the close of the next Ordinary General Meeting of Shareholders. Reelection is permitted.

The Chairman of the Board of Directors and the members of the Compensation Committee are also elected by the General Meeting of Shareholders.

In accordance with the Organizational Regulations of Schindler Holding Ltd., the term of office of members of the Board of Directors ends at the General Meeting of Shareholders in the year in which they reach the age of 73. In exceptional cases, the Board of Directors may extend this age limit.

3.5 Internal organizational structure

3.5.1 Allocation of duties within the Board of Directors

The Chairman of the Board of Directors convenes the meetings of the Board of Directors, sets the agenda, prepares the meetings and leads them. He decides whether other persons should participate in meetings of the Board of Directors on a case-by-case basis. Every member of the Board of Directors can request that a meeting of the Board of Directors be convened, provided they state the item that is to be discussed and give a brief justification of the matter.

The Chairman of the Board of Directors – in consultation with the CEO – represents the interests of the Group vis-à-vis third parties in all important matters. The Vice Chairman deputizes for the Chairman of the Board of Directors in his absence or in specific cases in which the Chairman does not participate in the decision-making process.

3.5.2 Committees

The Board of Directors delegates certain duties to committees formed from its own members. It has appointed three standing committees: the Supervisory and Nomination Committee, the Compensation Committee, and the Audit Committee. The Board of Directors appoints a chairman for each of the committees.

3.5.2.1 Supervisory and Nomination Committee

The Board of Directors appoints from among its members a full-time Supervisory and Nomination Committee, consisting of the Chairman and at least one other member of the Board of Directors.

Members

As of 31.12.2015		
Alfred N. Schindler	Chairman, executive member of the Board of Directors	Chairman
Dr. Rudolf W. Fischer	Executive member of the Board of Directors	Member
Jürgen Tinggren	Executive member of the Board of Directors	Member

The Supervisory and Nomination Committee ensures the ultimate direction and supervision of the Group's business by the Board of Directors (overall management and overall supervision, pursuant to Article 716a of the Swiss Code of Obligations). In addition, the Supervisory and Nomination Committee performs the following duties in particular:

- Defining the Group's corporate values (particularly safety, quality, and the Code of Conduct), its short- and long-term objectives, and its strategy, in close consultation with the CEO and proposing them for approval by the Board of Directors
- Adopting provisional resolutions or intervening on behalf of the Board of Directors in urgent cases if a regular Board resolution cannot be adopted in a timely manner

- Determining the selection criteria for the appointment of members of the Board of Directors and its committees, as well as members of the Group Executive Committee, and reviewing the corresponding succession plans
- Evaluating and proposing the appointment or recall of members of the Board of Directors and its committees as well as members of the Group Executive Committee, including the CEO

Information on further duties of the full-time Supervisory and Nomination Committee is provided in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulations (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

3.5.2.2 Compensation Committee

In accordance with the Articles of Association, the company has a Compensation Committee that consists of up to three members of the Board of Directors, who are elected individually by the General Meeting of Shareholders.

Members

As of 31.12.2015		
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Chairman
Dr. Rudolf W. Fischer	Executive member of the Board of Directors	Member
Rolf Schweiger	Independent member of the Board of Directors	Member

In accordance with Article 27 of the Articles of Association, the Compensation Committee reviews the compensation system annually and makes proposals to the Board of Directors regarding:

- The terms of employment contracts, benefits, and the annual variable compensation of executive members of the Board of Directors and the CEO
- The target compensation and benefits of the other members of the Group Executive Committee

The roles and responsibilities of the Compensation Committee are defined in detail by the Board of Directors in the Organizational Regulations of Schindler Holding Ltd., which are available on the company's website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulation (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

Information on the duties of the Compensation Committee is also provided in the Compensation Report.

3.5.2.3 Audit Committee

The Board of Directors appoints an Audit Committee, consisting of at least two Board members. The Organizational Regulations of Schindler Holding Ltd. stipulate that at least two members are non-executive and preferably independent members of the Board of Directors. The Chairman of the Audit Committee and at least one other

member must be financially literate and have accounting expertise. The Chairman of the Audit Committee reports to the Board of Directors.

Members

As of 1.1.2016		
Luc Bonnard	Vice Chairman, independent member of the Board of Directors	Chairman
Carole Vischer	Independent member of the Board of Directors	Member
Prof. Dr. Klaus W. Wellershoff	Independent member of the Board of Directors	Member

The Audit Committee is responsible for the following duties in particular:

- Reviewing and approving the quarterly financial statements
- Approving the annual and half-year financial statements for submission to the Board of Directors
- Reviewing the performance and independence of the auditing body and approving its fees
- Reviewing and determining audit programs for Group Assurance, the Compliance departments, and IT Security
- Reviewing all audit reports and status reports produced by Group Assurance, the Compliance departments, and IT Security concerning the implementation of measures
- Issuing new guidelines, directions, clarifications, or other instructions in connection with the Code of Conduct

Information on further duties of the Audit Committee is provided in the Organizational Regulations of Schindler Holding Ltd. as well as in the Audit Committee Charter, which are available on the company's website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulations (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

The Audit Committee maintains contact with the external auditors. It is assisted by the Head of Group Assurance as well as by an Audit Expert Group, which possesses the requisite financial and technical expertise.

3.5.3 Working methods of the Board of Directors and its committees

The Board of Directors holds at least six meetings per year, as well as ad hoc meetings as necessary. In the reporting year, the Board of Directors held three full-day meetings, one one-and-a-half-day meeting, two half-day meetings, and one telephone conference, as well as one two-day meeting with the members of the Group Executive Committee.

The Supervisory and Nomination Committee meets on a regular basis at the invitation of its Chairman. In the reporting year, 28 meetings and eight strategy meetings were held. The Audit Committee holds at least four meetings and the Compensation Committee holds at least two meetings per year. In the reporting year, the Audit Committee held one full-day meeting and two half-day meetings, as well as two telephone conferences. The Compensation Committee held four meetings. The Audit

Expert Group that assists the Audit Committee (see note 3.5.2.3) includes three external consultants. No other external consultants attended the meetings.

The agendas of the meetings are set by the respective chairmen. Discussions and resolutions are recorded in the minutes of the meetings. The CEO regularly attends the meetings of the Board of Directors. Other members of the Group Executive Committee and other persons may be invited to attend the meetings of the Board of Directors or its committees by the respective chairmen.

3.6 Definition of areas of responsibility

According to Swiss law, the Board of Directors is responsible for the ultimate direction and supervision of the Group. The non-transferable and inalienable responsibilities set out in the Swiss Code of Obligations, Article 716a, paragraph 1, are incumbent on the Board of Directors. In addition, the Board of Directors can resolve all matters that are not defined by Swiss 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 Group’s corporate values (particularly safety, quality, and the Code of Conduct), as well as its objectives and strategy
- The conditions required to enable the company to conduct its business activities
- The Group’s plans, budget, and forecasts
- The election of the chairmen of the Committees of the Board and of the members of the Supervisory and Nomination Committee and the Audit Committee, as well as the election of the CEO, the members of the Group Executive Committee, and the Group General Counsel
- The preparation of the Compensation Report

The Group Executive Committee performs the following duties in particular:

- Preparing strategic objectives for submission to the Board of Directors in close collaboration with the Supervisory and Nomination Committee
- Achieving the strategic and operational objectives approved by the Board of Directors
- Defining the Group’s budget, plans, and forecasts for submission to the Supervisory and Nomination Committee and the Board of Directors
- Ensuring the implementation of the Group’s corporate values (particularly safety, quality, and the Code of Conduct)
- Issuing guidelines that are binding on the Group

Information on further duties of the Board of Directors and the Group Executive Committee is provided in the Organizational Regulations of Schindler Holding Ltd., which are available on the company’s website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulations (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

3.7 Information and control instruments vis-à-vis the Group Executive Committee

The Board of Directors oversees the Group Executive 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 Supervisory and Nomination Committee is informed in detail each month about financial and operational developments. In the presence of the responsible persons, the reports are discussed in detail at the meetings of the Board of Directors and/or the Supervisory and Nomination Committee.

Once annually, the Board of Directors and the Group Executive Committee hold a joint two-day meeting.

Schindler defines and evaluates the most important risks facing 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; and safety, health, and environmental risks. Legal aspects are also evaluated for all risk categories. 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 combined within 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 to address the most important risks is presented to the Group Executive Committee
- The Group Executive Committee evaluates the risk matrix and the proposed catalog of measures and proposes any additions
- The most important risks, along with possible measures to prevent and minimize potential harm arising from them, are presented to the Board of Directors for approval

Group Assurance, the auditing body, and the Compliance departments support the Board of Directors in exercising its supervisory and control functions.

4 Group Executive Committee

4.1 Members of the Group Executive Committee

As of 31.12.2015	Nationality	Function
Silvio Napoli (1965)	Italy	CEO, Americas a.i.
Miguel A. Rodríguez (1953)	Spain	Deputy CEO, Asia-Pacific and Middle East
Erich Ammann (1957)	Switzerland	CFO
Karl-Heinz Bauer (1958)	Germany	CTO
David Clymo (1961)	United Kingdom	Corporate Human Resources
Paolo Compagna (1968)	Italy	Europe North
Carlos Guembe (1952)	Spain	Europe South
Albert Haffert (1953)	Germany	Field Quality & Excellence
Thomas Oetterli (1969)	Switzerland	China
Oswald Schmid (1959)	Austria	New Installations and Supply Chain



Silvio Napoli, born 1965, Italian citizen

CEO since 2014

Responsible for Americas a.i.

Professional experience

- 2008–2013 Member of the Schindler Group Executive Committee, responsible for Asia-Pacific
- 2005–2008 Head of the Jardine Schindler Group
- 2003–2005 General Manager of Schindler Lifts (Hong Kong) Ltd., Hong Kong
- 2001–2003 Director of Corporate Development (M&A) of ALSO Holding AG, Switzerland
- 1994–2001 Various functions in the Schindler Group, including as Vice President South Asia, President and CEO of Schindler India, and Head of Corporate Planning
- 1991–1993 Various functions at The Dow Chemical Co., Germany

Qualifications

- MBA from Harvard Graduate School of Business Administration, USA
- Master's degree in materials science from the Swiss Federal Institute of Technology (EPFL), Lausanne, Switzerland

Miguel A. Rodríguez, born 1953, Spanish citizen

Member of the Group Executive Committee since 1998, Deputy CEO

Responsible for Asia-Pacific and Middle East

Professional experience

- Since 1998 Member of the Schindler Group Executive Committee
 - 2013: Responsible for India and Middle East, and for the Top Range Division
 - 2010–2013: Responsible for Global Business, India and Gulf
 - 2001–2009: Responsible for all of Europe
 - 1998–2000: Responsible for Europe South West
- 1991–1998 CEO of Schindler Spain and Portugal
- 1981–1991 General Manager of various Group companies of the Armstrong Group, Spain

Qualifications

Degree in industrial engineering from the Escuela Técnica Superior de Ingenieros Industriales (E.T.S.I.I.), University of Bilbao, Spain

Erich Ammann, born 1957, Swiss citizen

Member of the Group Executive Committee since 2001

CFO

Professional experience

- 1997–2001 Head Group Controlling, Schindler Group
- 1992–1997 CFO of Schindler USA
- 1988–1992 Area Controller, Schindler Group, responsible for North America
- 1985–1988 Treasurer of Intershop Holding AG, Zurich, Switzerland
- 1982–1985 Auditor at Schweizerische Treuhandgesellschaft (STG) AG, Geneva, Switzerland

Qualifications

- Executive MBA from The Wharton School, University of Pennsylvania, USA
- Degree in economics and business administration from the University of St. Gallen, Switzerland

Karl-Heinz Bauer, born 1958, German citizen

Member of the Group Executive Committee since June 2015

CTO

Professional experience

- 2007–2014 Chief Technology Officer with global responsibility at Honeywell Transportation Systems, USA and Switzerland
- 1994–2007 Various positions at BorgWarner Inc., including Global Vice President Engineering, USA and Germany
- 1986–1994 Various engineering and management positions at Dr. Ing. h. c. F. PORSCHE AG, Germany
- 1984–1986 Development Engineer at Robert Bosch GmbH, Germany

Qualifications

Master's degree in mechanical engineering from the University of Karlsruhe, Germany

David Clymo, born 1961, British citizen

Member of the Group Executive Committee since 2012

Responsible for Corporate Human Resources (Human Resources, Talent Management and Development, Corporate Safety & Health and Sustainability)

Professional experience

- 2010–2011 Head of Human Resources for Global Business and Corporate Functions, Schindler Group
- 2007–2009 Head of Human Resources Europe, Schindler Group
- 2004–2006 Managing Director of Schindler Singapore with additional responsibility for various Schindler companies in Southeast Asia
- 1997–2003 Various management positions at the Jardine Matheson Group, Asia
- 1992–1996 CFO of Jardine Schindler Hong Kong
- 1985–1991 Chartered Accountant at PricewaterhouseCoopers, London and Hong Kong

Qualifications

Degree in engineering from University College London, UK

Paolo Compagna, born 1968, Italian citizen

Member of the Group Executive Committee since 2015

Responsible for Europe North

Professional experience

- 2013–2014 CEO of Schindler Deutschland GmbH, Germany
- 2010–2013 Field Operations Manager at Schindler Deutschland GmbH, Germany
- 2002–2010 Area Business Manager and Member of the Management Board of Cofely, Cologne, Germany
- 1992–2002 Various management positions at Krantz TKT, Bergisch Gladbach, Germany

Qualifications

- Degree in industrial engineering and business administration from the Beuth University of Applied Sciences Berlin, Germany
- Degree in electrical engineering from the Technical University of Cologne, Germany

Carlos Guembe, born 1952, Spanish citizen

Member of the Group Executive Committee since 2014

Responsible for Europe South

Professional experience

2006–2014 CEO of Schindler Iberia

2001–2005 Managing Director of Schindler Portugal

1990–2001 Various functions at Schindler Spain

1989–1990 Managing Director of ITISA, Madrid, Spain

1987–1988 Managing Director of Eurolatin SA, Santiago, Chile

1985–1987 Vice President at Indar Chile SA, Santiago, Chile

1978–1984 Export Manager at Electrotermic, Madrid, Spain

Qualifications

– MBA from IE Business School, Madrid, Spain

– Master in Foreign Trade from EOI, Madrid, Spain

– Industrial Electrical Engineer ICAI (Escuela Técnica Superior de Ingeniería), Madrid, Spain

Albert Haffert, born 1953, German citizen

Member of the Group Executive Committee since 2010

Responsible for Field Quality & Excellence

Professional experience

2008–2010 CEO of Schindler Deutschland GmbH with additional responsibility for the Nordic and Baltic countries

2002–2008 CEO of Schindler Deutschland GmbH, Germany

1984–2002 Various functions at Schindler Germany, including as Head of the C. Haushahn Group, a dual-brand Schindler company in Germany; Field Operations Manager of the Schindler organization and Manager of the component plant in Berlin, Germany

Qualifications

Degree in business engineering from the Technical University of Berlin, Germany

Thomas Oetterli, born 1969, Swiss citizen

Member of the Group Executive Committee since 2010

Responsible for China

Professional experience

Since 2010 Member of the Schindler Group Executive Committee

2010–2013: Responsible for Europe North

2006–2009 CEO of Schindler Aufzüge AG, Switzerland

2003–2006 CFO of Schindler Deutschland GmbH, Germany

2000–2002 COO and CFO of the C. Haushahn Group, Germany

1994–1999 Project Leader for the introduction of IFRS in the Schindler Group and Head of Corporate Consolidation and Reporting, Schindler Management AG, Switzerland

Other activities

Member of the Board of Directors of SFS Group, Heerbrugg, Switzerland

Qualifications

Degree in business administration from the University of Zurich, Switzerland

Oswald Schmid, born 1959, Austrian citizen

Member of the Group Executive Committee since 2013

Responsible for New Installations Business and Supply Chain

Professional experience

Since 2013 Member of the Schindler Group Executive Committee

2013–2014: Responsible for Europe North

2010–2013 CEO of Schindler Deutschland GmbH, Germany

2007–2010 CEO of Schindler Aufzüge und Fahrtreppen GmbH, Austria, with additional responsibility for Eastern Europe, Italy, and Greece

2002–2007 Head of Global Purchasing & Strategic Sourcing at the Schindler Group

1995–2002 Various management positions in the area of Supply Chain and General Management at Continental AG, Germany

1994–1995 Head of Group Materials Management at Veitsch-Radex, Vienna, Austria

1990–1994 Head of Purchasing and Procurement at ContiTech, Hanover, Germany

Qualifications

Degree in mechanical engineering from the University of Applied Sciences, Vienna, Austria

4.2 Number of permitted activities

In accordance with Article 35 of the Articles of Association, the members of the Group Executive Committee may be active in the highest management or administrative bodies of up to 20 legal entities outside the Group. Legal entities that are controlled by the company or that control the company are not counted. Mandates in several legal entities that are under joint control count as one mandate. The Board of Directors takes appropriate measures to ensure that such activities are not in conflict with their duties as members of the Group Executive Committee. The General Meeting of Shareholders may approve exceptions to these rules.

4.3 Management contracts

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

5 Compensation, participations, and loans

This information is provided in the Compensation Report.

6 Shareholders' participation rights

6.1 Restrictions on voting rights and representation

Provided it 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 in the General Meeting of Shareholders are defined by law and the Articles of Association. All shareholders can personally participate in and vote at the General Meeting of Shareholders, or be represented by a person with a written power of attorney. They may also be represented by the independent proxy. Shareholders are not permitted to participate in the General Meeting of Shareholders via electronic channels.

Shareholders may also grant a power of attorney or issue instructions to the independent proxy electronically. The requirements that apply to powers of attorney and instructions are determined by the Board of Directors (Article 18 of the Articles of Association). The independent proxy has a duty to exercise the voting rights assigned to him by shareholders in accordance with their instructions.

The independent proxy is elected annually by the General Meeting of Shareholders. The term of office begins on the day of election and ends at the close of the next Ordinary General Meeting of Shareholders. Reelection is permitted.

In accordance with Article 21 of the Articles of Association, resolutions are taken and elections are carried out by open vote or electronically, unless the Chairman issues orders or the General Meeting of Shareholders decides that votes should be cast by means of a written procedure. Since 2014, resolutions have been taken and elections have been carried out primarily by electronic means.

The Chairman shall declare as invalid a resolution that has been passed or an election that has been carried out by open vote or electronically if, based on his assessment, the result is ambiguous or if one or several shareholders immediately express reasonable doubts regarding the obviousness of the result.

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 specified below, the presence of shareholders representing at least half of the share capital entered in the Commercial Register is required:

- Election or recall of members of the Board of Directors
- Conversion of registered shares into bearer shares and vice versa, and, subject to the individual right of choice of shareholders, conversion of shares into participation certificates
- Issuance of profit-sharing certificates, or conversion of participation certificates into profit-sharing certificates
- Exceptions to the restrictions on the registration of acquirers as full shareholders when the percentage limit is exceeded
- Resolutions that can only be passed by a qualified majority according to legal or statutory requirements

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 approval 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 Articles 699 and 700 of the Swiss Code of Obligations. Notice of the General Meeting of Shareholders is given in the form of an announcement published once only in the Swiss Official Gazette of Commerce. This publication date is of relevance when ensuring compliance with the statutory notice period. In addition, non-registered letters may be sent to the addresses of registered shareholders entered in the share register to notify them of the General Meeting of Shareholders, or shareholders may be notified electronically upon request. Although not required by statute, it is also customary to publish the agenda of the General Meeting of Shareholders in selected Swiss daily newspapers. The statutory notice period 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 that an item be included 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 by the Board of Directors.

6.5 Entries in the share register

Only those shareholders with voting rights whose names were entered in the company's register of shareholders on the respective record date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the record date for registration as close as possible to the date of the General Meeting of Shareholders, i.e. generally 5 to 10 days before the respective General Meeting of Shareholders. There are no exceptions to this rule regarding the record date. The record date is provided in the notice of the General Meeting of Shareholders and published on the company's website.

7 Change of control and defensive measures

7.1 Duty to submit an offer

According to Article 39 of the Articles of Association, the obligation to submit a public takeover offer pursuant to Articles 32 and 52 of SESTA has been foregone (opting out).

7.2 Clauses on changes of control

There are no contractual agreements (e.g. golden parachutes, termination rights) in favor of members of the Board of Directors or the Group Executive Committee, or other members of management, in the event of a change of control.

The Capital Participation Plans allow for the early conversion of Performance Share Units into shares or the lifting of restriction periods in the event 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 has been the auditing body of Schindler Holding Ltd., as well as of the Group, since 1999.

The auditor-in-charge has held this function since 2010. As required by law, the auditor-in-charge is changed every seven years.

8.2 Audit fees and additional fees

Ernst & Young is the auditing body of Schindler Holding Ltd. and audits the Group's consolidated financial statements as well as the majority of Group companies in Switzerland and abroad. The audit fees and fees for additional services are as follows:

In CHF 1 000	2015	2014
Audit fee	3 245	3 286
Additional fees		
Additional audit-related services	87	48
Tax advice	702	510
Transaction advice	345	1
Total additional fees	1 134	559

8.3 Information instruments relating to external audits

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 audit instructions
- Benchmark analysis of the audit fees
- Independence as defined by the relevant rules of the Swiss Audit Oversight Act

The Audit Committee discusses and reviews the scope of the audits, and the resulting feedback. Based on this information, it determines changes and improvements as necessary.

Material non-audit-related services (e.g. tax advisory services) that are provided by the auditors must be approved in advance by the Audit Committee.

Further information is available in the Organizational Regulations of Schindler Holding Ltd. as well as in the Audit Committee Charter, which are available on the company's website at: www.schindler.com – About Schindler – Corporate Governance – Organizational Regulations (www.schindler.com/com/internet/en/about-schindler/corporate-governance/organizational-regulations.html).

In the reporting year, the auditing body had regular contact with members of the Supervisory and Nomination Committee and the CFO. In the reporting year, one meeting took place with the Audit Committee.

Group Assurance reported to the Audit Committee four times and to the Board of Directors once.

9 Information policy

The Schindler Group pursues an information policy which is based on timeliness, truthfulness, and completeness. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. Ad hoc announcements can be accessed at the same time as they are communicated to the SIX Swiss Exchange and for two years thereafter at: www.schindler.com – Media (www.schindler.com/com/internet/en/media.html).

It is also possible to directly receive potentially price-relevant information promptly and free of charge from Schindler by e-mail. This service is offered at: www.schindler.com – Media – Subscription Service (www.schindler.com/com/internet/en/media/subscription-service.html).

Schindler provides information about its annual results in an Annual Report in printed and electronic form. The Annual Report (including the Compensation Report) can be ordered free of charge from the company or can be accessed at www.schindler.com/com/internet/en/investor-relations/reports.html. Schindler also presents its annual financial statements each year at its annual results media conference and at the General Meeting of Shareholders.

Its Interim Report as at June 30, as well as selected key figures as at March 31 and September 30, are available in electronic form at: www.schindler.com/com/internet/en/investor-relations/reports.html.

Key dates:

	Closing	Publication
Closing of the financial year	December 31	
Annual results media and analysts conference		Mid-February
Publication of the Annual Report		Mid-February
Selected key figures	March 31 and September 30	April and October
Interim Report	June 30	August
General Meeting of Shareholders		2nd half of March

The exact dates for the current year and following year are available at: www.schindler.com – Investor Relations – Financial Calendar (www.schindler.com/com/internet/en/investor-relations/calendar.html)

General information about the Group, as well as its annual reports, press releases, and the current share price, are available at www.schindler.com.

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 2015 consists of the Group Review and the Financial Statements.

The original German version is binding. English and Chinese translations of the Group Review are available. The Financial Statements are published in German and English.

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Christoph Stalder,
Zürich, Schweiz

Production

Management Digital Data AG
Lenzburg, Switzerland

Printing

Multicolor Print AG
Baar, Switzerland

Photography

Michael Reinhard
Zurich, Switzerland

Group Executive Committee

(page 121):

E. T. Studhalter,
Sulz, Switzerland





Macquarie Bank headquarters, Sydney, Australia

This prestigious historic building dates from 1928 and recently underwent extensive renovations. Schindler modernized a number of elevators, supplied new installations, and made use of its state-of-the-art PORT Technology. In 2015, the project was named 'Project of the Year' by Elevator World.